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NUCLEAR REGULATORY COMMISSION

10 CFR Parts 2, 7, and 10

[NRC–2025–1139]

RIN 3150–AL46

NRC Modernization: Rulemaking Procedure, Federal Advisory Committee Act Alignment, Access, and Security; Correction and Confirmation of Effective Date

AGENCY: Nuclear Regulatory Commission.

ACTION: Direct final rule; correction and confirmation of effective date.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is correcting a notice that was published in the **Federal Register** on August 11, 2026. The NRC published a direct final rule amending its regulations by streamlining procedural provisions related to information withholding and post-promulgation comment periods; aligning the NRC's regulations with Committee Management Secretariat Federal Advisory Committee Act standards; and updating national security eligibility criteria. The corrections on the companion proposed rule document are necessary to replace an incorrect citation and incorrect citation date. The NRC is also confirming the effective date of October 26, 2026, for this direct final rule.

DATES: The effective date of October 26, 2026, for the direct final rule published August 11, 2026 (91 FR 51555), is confirmed.

ADDRESSES: Please refer to Docket ID NRC–2025–1139 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Electronically at *https://www.regulations.gov.* Search for Docket ID NRC–2025–1139. Address questions about NRC dockets to Helen Chang; telephone: 301–415–3228; email: *Helen.Chang@nrc.gov*. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in the **SUPPLEMENTARY INFORMATION** section.
- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Denise Edwards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–7204, email: *denise.edwards@nrc.gov.*

SUPPLEMENTARY INFORMATION: On August 11, 2026 (91 FR 51555), the NRC published in the **Federal Register** (FR) a direct final rule amending its regulations in parts 2, 7, and 10 of title 10 of the *Code of Federal Regulations* to streamline procedural provisions related to information withholding and post-promulgation comment periods; align the NRC's regulations with Committee Management Secretariat (CMS) Federal Advisory Committee Act (FACA) standards; and update national security eligibility criteria. In the direct final rule, the NRC stated that if no significant adverse comments were received, the direct final rule would become effective on October 26, 2026.

The NRC received and docketed 16 comment submissions on the companion proposed rule (91 FR 51600; August 11, 2026). Electronic copies of the comments can be obtained from the Federal Rulemaking website at *www.regulations.gov* under Docket ID NRC–2025–1139 and are also available in ADAMS under Accession No. ML26268A096.

The NRC evaluated the submissions against the criteria described in the direct final rule and determined that the comments were not significant and adverse or were outside the scope of the direct final rule. Therefore, this direct final rule will become effective as scheduled.

The NRC is also correcting the companion proposed rule associated with this direct final rule to correct a citation and citation date. In section IV, ''Background,'' of the companion proposed rule, the citation date of December 16, 2026, for the General Services Administration's final rule at 90 FR 58408, is incorrect. In addition, in section V, ''Plain Writing,'' of the companion proposed rule, the citation of 63 FR 31883 to the ''Plain Language in Government Writing'' document that was published on June 10, 1998, is incorrect.

Correction

In the **Federal Register** of August 11, 2026, in FR Doc. 2026–16373, on page 51601:

a. In the second column, in section IV, ''Background,'' correct the second sentence of the last full paragraph to read as follows:

''On December 16, 2025, GSA issued a final rule (90 FR 58408) modernizing FACA regulations by updating definitions, improving reporting requirements, and incorporating contemporary practices for advisory committee operations and technology.''; and

b. In the third column, in section V, ''Plain Writing,'' correct the second sentence to read as follows:

''The NRC has written this document to be consistent with the Plain Writing Act as well as the Presidential Memorandum, ''Plain Language in Government Writing,'' published June 10, 1998 (63 FR 31885).''

Dated: September 25, 2026.

For the Nuclear Regulatory Commission.

Soly Soto Lugo,

Acting Chief, Rulemaking Projects Branch 2, Division of Guidance, Rulemaking, Economic Analysis, and Technical Editing, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 2026–19963 Filed 9–29–26; 8:45 am]

BILLING CODE 7590–01–P

FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Docket No. R–1901]

RIN 7100–AH31

Regulation A: Extensions of Credit by Federal Reserve Banks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (''Board'') has adopted final amendments to its Regulation A to reflect the Board's approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board's primary credit rate action.

DATES:

Effective date: This rule (amendments to part 201 (Regulation A)) is effective September 30, 2026.

Applicability date: The rate changes for primary and secondary credit were applicable on September 17, 2026.

FOR FURTHER INFORMATION CONTACT: M. Benjamin Snodgrass, Special Counsel (202–263–4877), Legal Division, or Nicole Trachman, Senior Financial Institution & Policy Analyst (202–209–3436), Division of Monetary Affairs; for users of telephone systems via text telephone (TTY) or any TTY-based Telecommunications Relay Services, please call 711 from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to review and determination of the Board.

On September 16, 2026, the Board voted to approve a 0.25 percentage point increase in the primary credit rate, thereby increasing the primary credit rate from 3.75 percent to 4.00 percent. In addition, the Board had previously approved the renewal of the secondary credit rate formula, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate increased by 0.25 percentage points as a result of the Board's primary credit rate action, thereby increasing the secondary credit rate from 4.25 percent to 4.50 percent. The amendments to Regulation A reflect these rate changes.

The 0.25 percentage point increase in the primary credit rate was associated with a 0.25 percentage point increase in the target range for the federal funds rate (from a target range of 3½ percent to 3¾ percent to a target range of 3¾ percent to 4 percent) announced by the Federal Open Market Committee on September 16, 2026, as described in the Board's amendment of its Regulation D published elsewhere in today's **Federal Register**.

Administrative Procedure Act

In general, the Administrative Procedure Act (''APA'') [1] imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally delegated authority): (1) publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule's content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be ''unnecessary, impracticable, or contrary to the public interest.'' [2] Section 553(d) of the APA also provides that publication at least 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.[3] The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply ''to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.'' [4]

Regulation A establishes the interest rates that the twelve Reserve Banks charge for extensions of primary credit and secondary credit. The Board has determined that the notice, public comment, and delayed effective date requirements of the APA do not apply to these final amendments to Regulation A. The amendments involve a matter relating to loans and are therefore exempt under the terms of the APA. Furthermore, because delay would undermine the Board's action in responding to economic data and conditions, the Board has determined that ''good cause'' exists within the meaning of the APA to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act (''RFA'') does not apply to a rulemaking where a general notice of proposed rulemaking is not required.[5] As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (''PRA'') of 1995,[6] the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

List of Subjects in 12 CFR Part 201

Banks, banking, Federal Reserve System, Reporting and recordkeeping.

Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR chapter II as follows:

PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

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

[1] 5 U.S.C. 551 *et seq.*

[2] 5 U.S.C. 553(b)(3)(A).

[3] 5 U.S.C. 553(d).

[4] 5 U.S.C. 553(a)(2).

[5] 5 U.S.C. 603, 604.

[6] 44 U.S.C. 3506; *see* 5 CFR part 1320, appendix A.1.

Authority: 12 U.S.C. 248(i)–(j), 343 *et seq.,* 347a, 347b, 347c, 348 *et seq.,* 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

§ 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.[3]

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 4.00 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 4.50 percent.

* * * * *

[3] The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

By order of the Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–20036 Filed 9–29–26; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Docket No. R–1902]

RIN 7100–AH32

Regulation D: Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (''Board'') has adopted final amendments to its Regulation D to revise the rate of interest paid on balances (''IORB'') maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORB is 3.90 percent, a 0.25 percentage point increase from its prior level. The amendment is intended to enhance the role of IORB in maintaining the federal funds rate in the target range established by the Federal Open Market Committee (''FOMC'' or ''Committee'').

DATES:

Effective date: This rule (amendments to part 204 (Regulation D)) is effective September 30, 2026.

Applicability date: The IORB rate change was applicable on September 17, 2026.

FOR FURTHER INFORMATION CONTACT: M. Benjamin Snodgrass, Special Counsel (202–263–4877), Legal Division, or Nicole Trachman, Senior Financial Institution & Policy Analyst (202–209–3436), Division of Monetary Affairs; for users of telephone systems via text telephone (TTY) or any TTY-based Telecommunications Relay Services, please call 711 from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

For monetary policy purposes, section 19 of the Federal Reserve Act (''Act'') imposes reserve requirements on certain types of deposits and other liabilities of depository institutions.[1] Regulation D, which implements section 19 of the Act, requires that a depository institution meet reserve requirements by holding cash in its vault, or if vault cash is insufficient, by maintaining a balance in an account at a Federal Reserve Bank (''Reserve Bank'').[2] Section 19 also provides that balances maintained by or on behalf of certain institutions in an account at a Reserve Bank may receive earnings to be paid by the Reserve Bank at least once each quarter, at a rate or rates not to exceed the general level of short-term interest rates.[3] Institutions that are eligible to receive earnings on their balances held at Reserve Banks (''eligible institutions'') include depository institutions and certain other institutions.[4] Section 19 also provides that the Board may prescribe regulations concerning the payment of earnings on balances at a Reserve Bank.[5] Prior to these amendments, Regulation D established IORB at 3.65 percent.[6]

II. Amendment to IORB

The Board is amending § 204.10(b)(1) of Regulation D to establish IORB at 3.90 percent. The amendment represents a 0.25 percentage point increase in IORB. This decision was announced on September 16, 2026, with an effective date of September 17, 2026, in the Federal Reserve Implementation Note that accompanied the FOMC's statement on September 16, 2026. The FOMC statement stated that the Committee decided to raise the target range for the federal funds rate to 3¾ to 4 percent.

The Federal Reserve Implementation Note stated:

> The Board of Governors of the Federal Reserve System voted unanimously to raise the interest rate paid on reserve balances to 3.90 percent, effective September 17, 2026.

As a result, the Board is amending § 204.10(b)(1) of Regulation D to establish IORB at 3.90 percent.

III. Administrative Procedure Act

In general, the Administrative Procedure Act (''APA'')[7] imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally-delegated authority): (1) publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule's content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be ''unnecessary, impracticable, or contrary to the public interest.''[8] Section 553(d) of the APA also provides that publication at least 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.[9]

The Board has determined that good cause exists for finding that the notice, public comment, and delayed effective date provisions of the APA are unnecessary, impracticable, or contrary to the public interest with respect to these final amendments to Regulation D. The rate change for IORB that is reflected in the final amendment to Regulation D was made with a view towards accommodating commerce and business and with regard to their bearing upon the general credit situation of the country. Notice and public comment would prevent the Board's action from being effective as promptly as necessary in the public interest and would not otherwise serve any useful purpose. Notice, public comment, and a delayed effective date would create uncertainty about the finality and effectiveness of the Board's action and undermine the effectiveness of that action. Accordingly, the Board has determined that good cause exists to dispense with the notice, public comment, and delayed effective date

[1] 12 U.S.C. 461(b). In March 2020, the Board set all reserve requirement ratios to zero percent. See Interim Final Rule, 85 FR 16525 (Mar. 24, 2020); Final Rule, 86 FR 8853 (Feb. 10, 2021).

[2] 12 CFR 204.5(a)(1).

[3] 12 U.S.C. 461(b)(1)(A) and (b)(12)(A).

[4] See 12 U.S.C. 461(b)(1)(A) & (b)(12)(C); *see* also 12 CFR 204.2(y).

[5] See 12 U.S.C. 461(b)(12)(B).

[6] See 12 CFR 204.10(b)(1).

[7] 5 U.S.C. 551 *et seq.*

[8] 5 U.S.C. 553(b)(3)(A).

[9] 5 U.S.C. 553(d).

procedures of the APA with respect to this final amendment to Regulation D.

IV. Regulatory Flexibility Analysis

The Regulatory Flexibility Act (''RFA'') does not apply to a rulemaking where a general notice of proposed rulemaking is not required.[10] As noted previously, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

V. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (''PRA'') of 1995,[11] the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

List of Subjects in 12 CFR Part 204

Banks, Banking, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, the Board amends 12 CFR part 204 as follows:

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

■ 1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 461, 601, 611, and 3105.

■ 2. Section 204.10 is amended by revising paragraph (b)(1) to read as follows:

§ 204.10 Payment of interest on balances.

* * * * *

(b) * * *

(1) For balances maintained in an eligible institution's master account, interest is the amount equal to the interest on reserve balances rate (''IORB rate'') on a day multiplied by the total balances maintained on that day. The IORB rate is 3.90 percent.

* * * * *

By order of the Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–20037 Filed 9–29–26; 8:45 am]

BILLING CODE 6210–01–P

[10] 5 U.S.C. 603, 604.

[11] 44 U.S.C. 3506; see 5 CFR part 1320 Appendix A.1.

DEPARTMENT OF THE TREASURY

12 CFR Chapter XV

[TREAS–DO–2026–0562]

RIN 1505–AC97

Forms and Procedures for Review of State Certifications by the Stablecoin Certification Review Committee

AGENCY: Department of the Treasury.

ACTION: Interim final rule; request for comments.

SUMMARY: The Department of the Treasury is issuing this interim final rule on behalf of the Stablecoin Certification Review Committee (Committee). The Committee is adopting interim procedural regulations and forms to implement its responsibilities under section 4(c) of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act or the Act). The regulations set out a process to facilitate the Committee's approval or denial of certifications submitted by State payment stablecoin regulators under section 4(c)(4) of the GENIUS Act, and prescribe the form of such certifications. This interim final rule will ensure that interim forms and procedural regulations are in place to facilitate submission of certifications by the effective date of the GENIUS Act, and the Committee intends to revise these forms and procedural regulations, as appropriate, following consideration of comments.

DATES:

Effective date: This interim final rule is effective September 30, 2026; however, certifications will not be accepted until after Paperwork Reduction Act approval of the information collection. Treasury will post a notification on its website as to when certifications will be accepted.

Comment date: Comments on this interim final rule must be received on or before November 30, 2026.

ADDRESSES: Written comments may be submitted through one of two methods:

- *Electronic Submission:* Comments may be submitted electronically through the Federal Government eRulemaking portal at *https://www.regulations.gov.*
- *Mail:* Send to U.S. Department of the Treasury, Attention: Office of General Counsel, 1500 Pennsylvania Avenue NW, Washington, DC 20220.

Given potential delays in the receipt of comments by mail, we strongly encourage comments to be submitted via *https://www.regulations.gov.* All comments should be captioned with ''GENIUS Act SCRC Procedures.'' Please include your name, organizational affiliation, address, email address, and telephone number in your comment. In general, all comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not submit any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT:

Treasury: Daniel Borman, Brendan Costello, and Carol Rodrigues, Attorney-Advisors, Office of the General Counsel, Treasury, at *OGC_GeniusAct@Treasury.gov* or 202–622–0480.

FDIC: C. Christopher Ledoux, Assistant General Counsel, Emerging Technology Group, Office of the General Counsel, (202) 898–3535, *cledoux@fdic.gov,* Legal Division.

Board: Kelley O'Mara, Assistant General Counsel, (202) 430–0911, Daniel Hickman, Senior Counsel, (202) 469–1005, Benjamin Nuyens, Senior Counsel, (202) 909–7574, Daniel Parks, Attorney, (771) 210–7183, Legal Division; Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

I. Background and Authority

The Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act or Act), which was enacted on July 18, 2025, provides a comprehensive regulatory framework for issuers of ''payment stablecoins.'' [1] As defined in section 2(22) of the GENIUS Act (12 U.S.C. 5901(22)), ''payment stablecoin'' means a digital asset [2] ''(i) that is, or is designed to be, used as a means of payment or settlement; and (ii) the issuer of which—(I) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and (II) represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value[.]'' The term does not include a digital asset that is (i) a national currency; (ii) a deposit (as defined in 12 U.S.C. 1813), including a deposit recorded using distributed ledger technology; or (iii) a security, as

[1] Public Law 119–27. 12 U.S.C. 5901 *et seq.*

[2] The term ''digital asset'' means any digital representation of value that is recorded on a cryptographically secured distributed ledger. 12 U.S.C. 5901(6).

defined in 15 U.S.C. 77b, 78c, or 80a–2.

Under section 3(a) of the GENIUS Act (12 U.S.C. 5902(a)), only permitted payment stablecoin issuers may issue a payment stablecoin in the United States, subject to certain exceptions and safe harbors.[3] The Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Office of the Comptroller of the Currency (OCC) (collectively, the primary Federal payment stablecoin regulators) are generally tasked with establishing processes and frameworks for the licensing, regulation, examination, and supervision of permitted payment stablecoin issuers.[4]

Under section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)), State-qualified payment stablecoin issuers with a consolidated total outstanding issuance of payment stablecoins of not more than $10 billion may opt for State regulation provided that (i) the State payment stablecoin regulator has submitted a certification, including an attestation that the State regulatory regime meets the criteria for substantial similarity established by Treasury,[5] and (ii) the Stablecoin Certification Review Committee (the Committee) has approved the State-level regulatory regime upon determining that it meets or exceeds the standards and requirements described in section 4(a) of the GENIUS Act (12 U.S.C. 5903(a)). Pursuant to section 2(27) of the GENIUS Act (12 U.S.C. 5901(27)), the Secretary of the Treasury chairs the Committee, which also includes the Chair of the Board (or the Vice Chair for Supervision, if delegated by the Board Chair) and the Chairman of the FDIC.

The GENIUS Act directs Treasury and each of the primary Federal payment stablecoin regulators to promulgate regulations to carry out their respective responsibilities under the Act.[6] With respect to the Committee's review of State-level regulatory regimes under section 4(c) of the Act (12 U.S.C. 5903(c)), the Act requires States to submit certifications to the Committee, including an attestation ''in a form prescribed by the [Committee],'' [7] and directs the Committee to follow certain procedures.[8] The Committee is issuing this rule to prescribe the form of certifications and to implement the procedures necessary for the Committee to carry out its statutory review responsibilities under section 4(c) of the Act (12 U.S.C. 5903(c)).[9]

On September 19, 2025, Treasury published in the **Federal Register** an advance notice of proposed rulemaking (ANPRM) to solicit public comment on questions relating to the implementation of the GENIUS Act.[10] In drafting these procedures, the Committee considered comments received on the ANPRM that were material and relevant to the subjects contained herein.

II. Description of the Rule

A. Overview of the Rule

Section 1522.1 sets forth the scope and applicability of part 1522, which is intended to contain all rules issued by the Committee. Section 1522.2 provides definitions of certain terms used throughout the part. Section 1522.3 includes a severability provision. Section 1522.4 reserves authority for the Committee to waive the requirements in part 1522 in exceptional circumstances and only to the extent consistent with the Act.

Section 1522.10 sets out the procedures by which the Committee will review State ''substantial similarity'' certifications and recertifications under section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)). Paragraph (a) addresses the manner of submission. Paragraph (b) sets out the form of initial certifications, and the preamble solicits comment on the effect of the one-year deadline in section 4(c)(4)(A) of the Act (12 U.S.C. 5903(c)(4)(A)), including the extent to which the Committee may consider later-filed certifications. Paragraph (c) addresses the form and timing of annual recertifications and provides that approval of a State's certification shall be suspended if an annual recertification is not timely filed. Paragraph (d) addresses when a certification or recertification will be considered submitted, and paragraph (e) sets forth the standards for the Committee's determinations. Finally, paragraph (f) sets forth procedures relating to denial, opportunity to cure, resubmission, and appeal. Recognizing that States may need additional time for the State level regulatory regime to appropriately reflect any changes to Federal statutes, interpretations, regulations, or orders, it provides that the cure period is two years from the date of enactment of an Act of Congress or two years from the date of publication of the regulatory materials.

Appendices A and B contain forms for the attestations to be included in the initial and annual certifications.

B. Scope and Applicability

Subpart A of part 1522 sets out general provisions related to the Committee's rules under part 1522. Section 1522.1 sets forth the scope and applicability of part 1522. Specifically, it provides that part 1522 is being issued to implement certain responsibilities of the Committee under the GENIUS Act. It further provides that the regulations issued under part 1522 are those of the Committee, published by the agency of its Chair, the Department of the Treasury, at the Committee's direction. Section 1522.1(b) states that subpart B of part 1522 sets forth the procedures related to the Committee's review of State ''substantial similarity'' certifications and recertifications under section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)). The Committee may issue additional rules under part 1522 that relate to responsibilities other than those set out in section 4(c) of the Act, as appropriate.

Question 1: Is it clear how subpart B of part 1522 relates to the broad-based principles proposed by Treasury in part 1521? Should § 1522.1, or subpart B of part 1522, more closely reference, incorporate, or rely on part 1521? Alternatively, should § 1522.1, or

[3] *See* 12 U.S.C. 5916, 91 FR 53368 (Aug. 19, 2026) (Treasury).

[4] *See* 12 U.S.C. 5901(25), 5903–5904.

[5] On April 3, 2026, pursuant to section 4(c)(2) of the GENIUS Act (12 U.S.C. 5903(c)(2)), Treasury published proposed broad-based principles for determining whether a State-level regulatory regime is substantially similar to the Federal regulatory framework. 91 FR 16844 (Apr. 3, 2026) (Treasury). Changes to Treasury's principles between proposal and final adoption inherently will affect the certifications that States submit under part 1522. The Committee has endeavored to keep these interim procedural regulations and forms at a sufficiently high level to generally apply regardless of the substance of Treasury's principles. However, the Committee may adjust part 1522 to ensure appropriate alignment with the substantial similarity principles, based on the Committee's determination of, among other things, how any changes to the principles may affect the certification or procedures under part 1522. The Committee therefore encourages the public to carefully review the proposed broad-based principles alongside these interim procedures and forms.

[6] *See, e.g.,* 12 U.S.C. 5913.

[7] *Id.* at section 4(c)(4)(B) (12 U.S.C. 5903(c)(4)(B)).

[8] *See, e.g., id.* at section 4(c)(5) (12 U.S.C. 5903(c)(5)).

[9] *See generally Vermont Yankee Nuclear Power Corp.* v. *NRDC,* 435 U.S. 519, 544 (1978) (recognizing the ''very basic tenet of administrative law that agencies should be free to fashion their own rules of procedure''). *See also Perez* v. *Mortgage Banker's Ass'n,* 575 U.S. 92, 102 (2015) (reaffirming this ''very basic tenet'' set out in *Vermont Yankee*); *FCC* v. *Pottsville Broadcasting Co.,* 309 U.S. 134, 138 (1940) (observing, in the context of a particular statutory licensing structure, that ''[n]ecessarily . . . the subordinate questions of procedure . . . when the Commission's licensing authority is invoked . . . were explicitly and by implication left to the Commission's own devising'').

[10] 90 FR 45159 (September 19, 2025) (Treasury); 90 FR 47251 (October 1, 2025) (extending the comment period).

subpart B of part 1522, more clearly distinguish the procedures in part 1522 from the principles set forth in part 1521? If so, how?

C. Definitions

Section 1522.2(a) provides that to the extent not otherwise defined in this part, the terms used in this part have the same meaning given to them as in section 2 of the GENIUS Act (12 U.S.C. 5901).

Section 1522.2(b) provides the following definitions of terms used throughout part 1522.

Act or *GENIUS Act.* The Committee defines ''Act'' or ''GENIUS Act'' to mean the Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*).

Material change. Section 4(c)(5)(B) of the Act (12 U.S.C. 5903(c)(5)(B)) provides that the Committee shall only deny a recertification if (i) the State-level regulatory regime has materially [11] changed from the prior certification or there has been a significant change in circumstances, and (ii) the material change or significant change in circumstances is such that the State-level regulatory regime will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision. To provide regulatory clarity and to implement these provisions of the Act, the Committee believes it is beneficial to define the terms ''material change'' and ''significant change in circumstances.'' Without defining these terms, States would lack a clear understanding of the information the Committee needs to evaluate a recertification.

The term ''material change'' should be understood to refer to changes to the State-level regulatory regime itself, consistent with section 4(c)(5)(B)(ii) of the Act (12 U.S.C. 5903(c)(5)(B)(ii)). Specifically, the Committee defines ''material change'' to mean any legislative, regulatory, supervisory, judicial, or other similar change in the relevant State that, either individually or together with other such changes, has, causes, or could reasonably be expected to have or cause a material effect on the State-level regulatory regime. The definition further provides that such changes may include, but are not limited to, changes affecting: (i) the scope of a State payment stablecoin regulator's regulatory or supervisory authority, including examination or reporting authorities; (ii) enforcement powers; (iii) prudential standards, including those relating to reserves, redemption, liquidity, capital, governance, or risk management; or (iv) the scope of entities or activities subject to State payment stablecoin regulation or supervision.[12]

As an example, if the State-level regulatory regime were to revise its regulations so that provisions that were previously required at the time of the initial certification became best practices instead, such a revision would likely constitute a ''material change.'' Similarly, a change to the State's capital or reserve asset diversification requirements to make them less or more stringent would constitute a ''material change.''

Significant change in circumstances. Since the language in the Act describes a ''material change'' in connection with the State-level regulatory regime, the Committee defines ''significant change in circumstances'' as something distinct from a change to the State-level regulatory regime. Specifically, the Committee defines ''significant change in circumstances'' to mean a change in circumstances, including but not limited to, a change in Federal statutes, regulations, interpretations, or orders; market conditions; issuer behavior; or risk-related developments, that, either individually or together with other such changes, significantly affects the operation, effectiveness, or supervisory outcomes of a State-level regulatory regime or causes the State-level regulatory regime and the Federal regulatory framework to significantly diverge.[13] Such a change would be a significant change in circumstances even if the State-level regulatory regime remains unchanged.

Similarly, in accordance with Treasury's proposed part 1521, if there were substantive changes to Federal law (such as Acts of Congress or regulations published in the **Federal Register**) that affect permitted payment stablecoin issuers, such changes would likely constitute a significant change in circumstances. For the avoidance of doubt, a significant change in circumstances does not include a change that constitutes a material change to the State-level regulatory regime. Congress used the terms differently, and the definitions give effect to both terms by providing distinct definitions.

Stablecoin Certification Review Committee or Committee. The Committee defines the term ''Stablecoin Certification Review Committee'' or ''Committee'' to have the meaning of the term ''Stablecoin Certification Review Committee'' set forth in section 2(27) of the GENIUS Act (12 U.S.C. 5901(27)).

State. The Committee defines ''State'' to have the meaning of that term set forth in section 2(28) of the GENIUS Act (12 U.S.C. 5901(28)).

State payment stablecoin regulator. The Committee defines the term ''State payment stablecoin regulator'' to have the meaning of that term set forth in section 2(30) of the GENIUS Act (12 U.S.C. 5901(30)).

State-level regulatory regime. The Committee defines the term ''State-level regulatory regime,'' with respect to a particular State, consistent with the meaning of that term in Treasury's proposed 12 CFR 1521.1(c). Under Treasury's proposed definition, a State-level regulatory regime, with respect to a particular State, would mean: (i) all statutes enacted by the State regarding payment stablecoins; (ii) any regulations regarding payment stablecoins or that apply to a State qualified payment stablecoin issuer issued by a State payment stablecoin regulator of the State or another regulator of the State; and (iii) any interpretations or guidance thereunder, only to the extent they are enforceable against State qualified payment stablecoin issuers.[14]

State qualified payment stablecoin issuer. The Committee defines the term ''State qualified payment stablecoin issuer'' to have the meaning of that term set forth in section 2(31) of the GENIUS Act (12 U.S.C. 5901(31)).

Question 2: Is the distinction between a ''material change'' and a ''significant change in circumstances'' sufficiently clear? If not, how should the Committee clarify the distinction?

Question 3: Should the Committee make any changes to the definition of ''material change?'' For example, should the Committee eliminate legislative, regulatory, supervisory, or judicial changes from the definition? Conversely, should any types of changes be added to the definition of ''material change?'' Is it appropriate to consider the effect of changes both individually and together with other such changes? Is the standard discussing such changes that ''could reasonably be expected to have or cause a material effect on the State-level regulatory regime''

[11] The Act uses the terms ''material change'' and ''materially changed'' interchangeably. *See* sections 4(c)(5)(B)(i) and (ii) (12 U.S.C. 5903(c)(5)(B)(i) and (ii)). For clarity and ease of reference, this rule defines the term ''material change'' and uses the defined term throughout.

[12] These examples are illustrative of changes that may constitute material changes, but a change in one of these categories is not *per se* a material change.

[13] These examples are illustrative of changes that may constitute a significant change in circumstances, but a change in one of these categories is not *per se* a significant change in circumstances.

[14] 91 FR 16844, 16847.

sufficiently clear or should the Committee provide additional detail? Are the categories of changes (regulatory or supervisory authority, enforcement powers, prudential standards, and scope of entities or activities) appropriate? Are there additional categories that the Committee should expressly list as material changes?

Question 4: Should the Committee make any changes to the definition of ''significant change in circumstances?'' Is it clear which changes to Federal statutes, regulations, interpretations, or orders would constitute a ''significant change in circumstances?'' Similarly, is it clear what market conditions would constitute a ''significant change in circumstances?'' Does the Committee need to provide additional specificity on a change that ''significantly affects the operation, effectiveness, or supervisory outcomes'' of a State-level regulatory regime or causes the State-level regulatory regime and the Federal regulatory framework to ''significantly diverge?'' Should certain changes automatically constitute a ''significant change in circumstances?'' Are there any additional categories of changes that the Committee should include?

Question 5: Are the other definitions set forth in part 1522 sufficiently clear and appropriate? Are there any additional statutory terms that should be defined in part 1522? Are there any additional definitions that the Committee should incorporate from Treasury's proposed 12 CFR part 1521?

D. Severability

Section 1522.3 provides that the provisions of this part are separate and severable from one another. If any provision, clause, or phrase of this part, or the application thereof to any person, entity or circumstance, is stayed or determined to be invalid, unlawful, or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity, lawfulness, or enforceability of the remaining provisions or applications of this regulation, which shall remain in full force and effect to the maximum extent permitted by law.

E. Reservation of Authority

Section 1522.4 provides that the Committee may, only to the extent consistent with the GENIUS Act, waive any of the procedures of part 1522 in exceptional circumstances. For example, if there had been an event outside of a State payment stablecoin regulator's control (*e.g.,* a natural disaster) that led it to file an untimely recertification, the Committee could determine to waive the timing requirements provided in § 1522.10(c)(1).

Question 6: Should the Committee define ''exceptional circumstances'' for purposes of § 1522.4?

F. Certifications Requiring Review by the Committee

Section 1522.10 implements the statutory requirement under section 4(c) of the Act (12 U.S.C. 5903(c)) that States seeking to regulate State qualified payment stablecoin issuers must submit to the Committee an initial certification that the State-level regulatory regime is substantially similar to the Federal regulatory framework and annual recertifications thereafter.

Section 1522.10(a) provides that a State payment stablecoin regulator that seeks approval of an initial certification or an annual recertification under section 4(c) of the Act (12 U.S.C. 5903(c)) must submit to the Committee a certification, including an attestation in the form prescribed by the Committee. The State payment stablecoin regulator must submit the certification, including the attestation and all required supporting information, electronically to the email address specified from time to time on Treasury's website.

G. Initial Certification

Deadline to Submit Initial Certification

Section 4(c)(4)(A) of the Act (12 U.S.C. 5903(c)(4)(A)) requires that a State payment stablecoin regulator shall submit an initial certification to the Committee ''not later than one year after the effective date of this Act.'' Various parties, including those who commented on Treasury's ANPRM, have expressed concern that such a deadline may be insufficient to allow States adequate time to develop and implement a State-level regulatory regime that meets the requirements for Committee approval under section 4(c) of the Act (12 U.S.C. 5903(c)). For example, in a letter to the Secretary of the Treasury, seven United States Senators, including multiple cosponsors of the GENIUS Act, argued that procedures under section 4(c) ''should not operate as a one-time window that effectively bars future certifications,'' [15] stating that:

> Congress's intent in Section 4(c) was to ensure timely establishment of a viable State pathway so that firms electing State chartering would not be disadvantaged—not to restrict or limit the ability of States to regulate payment stablecoin issuers. Interpreting the certification timeline as a hard cutoff would likely foreclose future State participation, undermining Congress's intent and reducing regulatory optionality in a rapidly evolving market. . . . State legislative processes vary significantly, and in some cases operate on biennial cycles. A flexible, ongoing certification framework is necessary to ensure that States can participate meaningfully over time and that innovation and competition are not constrained by timing misalignment.[16]

The Committee seeks to implement section 4(c) of the Act in a way that achieves the intent of Congress to encourage effective participation by States in the Act's dual Federal-State regulatory framework, while giving effect to the statutory text in section 4(c)(4)(A) (12 U.S.C. 5903(c)(4)(A)). To that end, the Committee believes that, at a minimum, a State payment stablecoin regulator would satisfy section 4(c)(4)(A) (12 U.S.C. 5903(c)(4)(A)) of the Act by submitting *any* form of certification by January 18, 2028,[17] even if the certification is conditional on additional planned State legislative or regulatory work or would otherwise be considered incomplete under these procedures.[18]

The Committee believes that this approach best harmonizes the clear congressional intent to create a meaningful role for States in the regulation of payment stablecoin issuers with Congress's choice to include a specific date in section 4(c)(4)(A) of the Act (12 U.S.C. 5903(c)(4)(A)). In effect, this approach gives effect to the statutory date by requiring States to demonstrate that they are moving expeditiously, within one year, toward ensuring that their State-level regulatory regimes meet or exceed the standards and requirements described in section 4(a) of the Act, while also recognizing, as the Act does, that more time may be required for a State to achieve this goal. Indeed, the Act expressly contemplates that additional legislative or regulatory work may be required following the initial certification, providing that ''the State payment stablecoin regulator and State-level regulatory regime [may be required] to make any changes necessary to meet or exceed the standards and requirements described in subsection (a)'' (12 U.S.C. 5903(c)(5)(A)(ii)).

[15] Letter from Sens. Cynthia Lummis et al. to Hon. Scott Bessent, Secretary of the Treasury (June 16, 2026), available at *https://www.lummis.senate.gov/wp-content/uploads/GENIUS-State-Implementation-Letter_-.pdf.*

[16] *Id.*

[17] The effective date of the GENIUS Act is expected to be January 18, 2027 (*i.e.,* the date that is 18 months after the date of enactment of the GENIUS Act). *See* section 20.

[18] Appendix A includes an optional check box for a State payment stablecoin regulator to indicate that the certification is conditional.

Finally, section 4(c)(4)(B) of the Act (12 U.S.C. 5903(c)(4)(B)), expressly authorizes the Committee to prescribe the form of the initial attestation. Therefore, the Committee believes it has discretion to determine that the initial attestation may take a conditional and flexible form for purposes of the one-year statutory timeline, while requiring the attestation to be unconditional and in the form prescribed by these procedures for purposes of substantive Committee review and approval. Under this bifurcated approach, the certification would be considered submitted for purposes of section 4(c)(4)(A) of the Act and could be amended by the State payment stablecoin regulator at any time, but would not be considered to be formally submitted for purposes of Committee review until it has been amended to meet the requirements set out in § 1522.10(d)(1)(i), as described further below.

The Committee requests comment on the effect of this approach, the one-year statutory timeframe generally, and any alternative approaches.

Question 7: Which States would seek to submit certifications and how many would be able to submit complete and unconditional certifications by January 18, 2028? Is the one-year requirement an appropriate amount of time for States to submit initial certifications? What would be the practical effects and limitations if the Committee did not consider any certifications submitted later than one year after the effective date of the Act?

Question 8: Is the approach above, where incomplete or conditional certifications satisfy the statutory timeframe under section 4(c)(4)(A) of the Act (12 U.S.C. 5903(c)(4)(A)), even if not sufficient for substantive Committee review and approval, appropriate? Should the Committee prescribe a particular form for incomplete or conditional certifications? For example, should the certifications be required to be substantially complete or should they contain at a minimum specific projected actions and timelines to complete the certification? Should a form that merely demonstrates the State's intent to submit an initial certification be sufficient? Should the form be signed or unsigned, and what attestations should it include? Should a representative of each State payment stablecoin regulator be required to submit separate conditional certifications, or should joint letters submitted by a mutual agent or organization representing various States be permitted? If so, which organizations or agents should be permitted? Should the Committee require that any incomplete or conditional certifications must be amended within some period of time (e.g., six months, one year, two years) or should the Committee permit a State payment stablecoin regulator to amend and complete a conditional or incomplete certification at any time? To effectuate that timeline, should the Committee formally issue a denial within the meaning of section 4(c)(5)(A)(ii) of the Act (12 U.S.C. 5903(c)(5)(A)(ii)) and provide a fixed period for resubmission?

Question 9: Should the Committee instead adopt any alternative approaches? For example, should the Committee consider a certification that was first filed after January 18, 2028, under certain conditions? If so, under which conditions? Should the same procedures, and timeframes apply to such late-filed certifications, including with respect to timeline, resubmission, and appeals? Are there other situations that would allow the Committee to deem a later-filed certification as submitted prior to the one-year deadline? Should there be a process whereby States could request an extension of the one-year deadline? If so, what factors should the Committee consider to evaluate such an extension request?

Certification and Attestation Form

Section 4(c)(4)(B) of the Act (12 U.S.C. 5903(c)(4)(B)) provides that the initial certification ''shall contain, in a form prescribed by the [Committee], an attestation that the State-level regulatory regime meets the criteria for substantial similarity.'' By providing that the certification shall ''contain'' an attestation, rather than simply providing for submission of an attestation, the text of the Act contemplates that the certification is broader than the attestation alone. The structure of the Act further demonstrates that additional information must be submitted in the certification to facilitate the Committee's review. The Committee is required to reach its own determination of whether the State-level regulatory regime meets or exceeds the standards and requirements described in section 4(a) of the Act, which would necessarily require information beyond the required attestation.

Section 1522.10(b) sets out the required contents of the initial certification, including: (i) an attestation in the form of Appendix A to Part 1522 signed by an authorized representative of the State payment stablecoin regulator attesting that the State-level regulatory regime in its State meets each of the criteria for substantial similarity set forth in part 1521; (ii) a detailed narrative describing how the State-level regulatory regime meets each of the criteria for substantial similarity set forth in part 1521; (iii) any supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance; and (iv) such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)). The attestation form in Appendix A includes a mapping of materials provided in the certification designed to assist both State payment stablecoin regulators in organizing the information in their certification and to ensure no information is omitted, as well as the Committee in reviewing the information provided.

The Committee is incorporating the definition of State-level regulatory regime from Treasury's proposed part 1521, under which guidance is included only to the extent it is enforceable against State qualified payment stablecoin issuers.[19] For each guidance document that is submitted, the State payment stablecoin regulator must include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers.

Question 10: Is the form in Appendix A sufficiently clear? Should any additional requirements or clarifications be added to the form? Should any other changes be made?

Question 11: Should the Committee provide additional detail on what it expects to be included in the detailed narrative required under § 1522.10(b)(2)?

Question 12: Should the Committee provide additional guidance or requirements on the scope of authorized representatives permitted to sign the attestation? For example, should the attestation be required to be signed by the top official at the State payment stablecoin regulator or should delegation of signatory authority to lower officials be permitted?

Question 13: Is the Committee's approach to requiring such information the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval the correct approach? If not, how should the Committee request additional information that may be necessary for it to make its statutory determination

[19] 91 FR 16844, 16864.

under section 4(c) of the Act (12 U.S.C. 5903(c))? Should the Committee retain discretion to deem an application not to have been submitted if it does not contain all information necessary for the Committee to make a decision?

Question 14: To what extent should the narrative, attestations, or other portions of the certification cover sections of the Act beyond section 4(a)? For example, should State payment stablecoin regulators be required to submit a list of persons engaged in the business of providing custodial or safekeeping services and subject to the supervision of the State payment stablecoin regulator or other information about payment stablecoin custody?

Question 15: To what extent does the Committee retain authority to reject a certification if the facts demonstrate that it is objectively incomplete or inaccurate? For example, if the State certifies to substantial similarity with the Federal custody regime under part 1521, but the State factually lacks any custody regime whatsoever, should the Committee reject the certification or deem a certification to not have been submitted within the meaning of the Act?

Question 16: Is there any other supporting information that State payment stablecoin regulators should be expressly required to submit under § 1522.10(b)?

H. Recertification

Section 4(c)(4)(C) of the Act (12 U.S.C. 5903(c)(4)(C)) requires that not later than a date to be determined annually by the Secretary of the Treasury each year, a State payment stablecoin regulator shall submit to the Committee an additional certification (*i.e.,* a recertification) that confirms the accuracy of the initial certification submitted. Section 1522.10(c)(1) provides the timeframes for when such recertifications must be submitted. Specifically, the rule provides that recertifications shall be submitted to the Committee during the calendar quarter in which the anniversary of the Committee's approval of the State payment stablecoin regulator's initial certification occurs. For example, if the initial certification was approved in February, the annual recertification would be required to be submitted between January 1 and March 31 of each subsequent year. The Committee believes that this approach avoids States needing to re-certify less than a year after their initial certification and also enables timely processing of recertifications by potentially spreading them out over the year rather than receiving all submissions on one fixed date.

Question 17: Is the timeframe for submitting recertifications appropriate? Should the Committee instead adopt a uniform annual deadline for all States? Should the Committee adopt semiannual submission windows instead of quarterly submission windows? Should the Committee assign a submission window to each State to avoid the issue of receiving all of the States' recertifications at one time? Are there any other alternative timing scenarios that the Committee should consider?

Section 1522.10(c)(2) sets forth the contents of a recertification. Specifically, a recertification is required to contain an attestation in the form of Appendix B to Part 1522 signed by an authorized representative of the State payment stablecoin regulator that confirms the accuracy of the initial certification. Additionally, a recertification must contain a detailed narrative describing (A) each change to the State-level regulatory regime since the prior certification that could potentially be considered to be a material change, excluding changes that are purely nonsubstantive changes in form or procedure,[20] (B) whether such change is a material change in the opinion of the State payment stablecoin regulator, and (C) whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision. The rule provides that the States must submit all changes in the State-level regulatory regime that could potentially be considered material because it is possible that a State payment stablecoin regulator's assessment of what constitutes a material change may differ from that of the Committee.

A recertification must also contain a detailed narrative describing (A) each change in circumstances that could potentially be considered to be a significant change in circumstances, (B) whether such change is a significant change in circumstances, in the opinion of the State payment stablecoin regulator, and (C) whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision.

The rule provides that, for both material changes and significant changes in circumstances, the State payment stablecoin regulator must opine on whether such changes will not promote the safe and sound operation of State qualified payment stablecoin issuers because this will assist the Committee in making a determination of whether the changes are such that the State-level regulatory regime will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision.[21] However, the Act commits to the Committee's independent judgment whether the changes will not promote the safe and sound operation of State qualified payment stablecoin issuers. Moreover, in evaluating a material change or significant change in circumstances, the Committee may consider, in addition to information provided by the State payment stablecoin regulator, any information made available to it from public or nonpublic sources.

A recertification is also required to contain any relevant supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance. State payment stablecoin regulators are not expected to resubmit documentation provided in the initial certification for which there has been no change since the initial certification and which is not relevant to assessing any potential material change or significant change in circumstances. For each guidance document included, the State payment stablecoin regulator is required to include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers. Finally, a recertification is also required to contain such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

Question 18: Is the attestation form provided in Appendix B to Part 1522 sufficiently clear? Is there anything the Committee should change about the attestation form? Are the individual attestations appropriate?

Question 19: How should the attestation form provided in Appendix B best operationalize the requirement in section 4(c)(4)(C) of the Act (12 U.S.C. 5903(c)(4)(C)) that the State payment stablecoin regulator shall submit an

[20] *See* 91 FR 16844, 16851 (''except as provided in the Act, a State-level regulatory regime may deviate from the Federal regulatory framework with respect to nonsubstantive matters of form or procedure while remaining substantially similar to the Federal regulatory framework.'').

[21] 12 U.S.C. 5903(c)(5)(B)(ii).

annual recertification that ''confirms the accuracy of the initial certification''? For example, should the State payment stablecoin regulator be required to attest that the State-level regulatory regime continues to ''meet[ ] the criteria for substantial similarity established [under Treasury's broad-based principles]'' (12 U.S.C. 5903(c)(4)(A))? Should the State payment stablecoin regulator be required to attest that the State-level regulatory regime continues to meet or exceed the standards and requirements described in section 4(a) of the Act?

Question 20: Under § 1522.10(c)(2)(ii), should State payment stablecoin regulators be required to describe whether material changes will not promote the safe and sound operation of State qualified payment stablecoin issuers?

Question 21: Should the State payment stablecoin regulator be required to describe only changes that it considers to be material changes?

Question 22: Under § 1522.10(c)(2)(iii), should State payment stablecoin regulators be required to describe whether significant changes in circumstances will not promote the safe and sound operation of State qualified payment stablecoin issuers?

Question 23: Are there any other categories of documentation that should be explicitly required under § 1522.10(c)(2)(iv)?

The Act contemplates that certification and recertification are prerequisites to State qualified payment stablecoin issuers operating under a State-level regulatory regime but does not expressly address the consequences if a recertification is not submitted in a timely manner. A lack of any consequences for failing to submit a recertification would render the requirement to submit an annual recertification a nullity. Such an interpretation would frustrate the statutory requirement that the Committee conduct annual reviews with the ability to deny recertifications if there has been a material change in the State-level regulatory regime such that it raises safety and soundness concerns.[22] Section 1522.10(c)(3) provides that if a State payment stablecoin regulator does not submit a recertification by the deadlines specified in § 1522.10(c)(1), the certification approval shall be deemed to be suspended. The Committee recognizes that a failure of a State payment stablecoin regulator to submit a recertification in a timely manner may have significant consequences for State qualified payment stablecoin issuers operating in the affected State as well as for market participants that rely on those issuers, including that the State payment stablecoin regulator may not be permitted to issue new licenses and that existing State qualified payment stablecoin issuers may be required to transition to another State or Federal license. Therefore, the Committee invites comment on the appropriate scope and effects of such a suspension.

Question 24: What should the consequences be of a State payment stablecoin regulator failing to timely submit an annual recertification? Should the Committee's approval of the State's certification be suspended? Are there any additional alternatives regarding how the Committee should interpret and apply the suspension of a certification in § 1522.10(c)(3)? For example, should the Committee adopt a grace period before the suspension takes place (e.g., 30 or 60 days), and if so, how long should the grace period be? Should the Committee be required to send a notice of deficiency before a suspension goes into effect? Should the Committee not suspend certifications but use another mechanism to ensure submission of recertifications? If so, what other mechanisms should the Committee consider? How long should the Committee provide the States to cure the failure to submit a timely recertification?

Question 25: If the Committee's approval of a State's certification is suspended pending submission of a timely recertification, should the State be prohibited from licensing new State qualified payment stablecoin issuers until the suspension is lifted? Should there be any effect on the operations of currently licensed State qualified payment stablecoin issuers? For example, should there be a suspension of the ability of State qualified payment stablecoin issuers to issue new payment stablecoins during the period of suspension? To the extent the Committee prohibits existing State qualified payment stablecoin issuers from issuing new payment stablecoins following a suspension, are there any exceptions the Committee should make (e.g., allowing issuance if necessary to facilitate a transfer of payment stablecoins across different blockchains)? Should continued issuance depend on whether the State is actively working to cure the deficiency? Should there be limitations on the offer and sale of affected payment stablecoins? Should the Committee give State qualified payment stablecoin issuers in an affected State a grace period to seek licensure in a State with an approved certification or at the Federal level, and if so, how long should they be given to do so? Should the Committee or Treasury grant case-by-case waivers on any of the above limitations and if so, when?

I. Submission of Initial Certifications and Recertifications

Section 1522.10(d)(1) describes when initial certifications and recertifications will be considered to be submitted. An initial certification has not been submitted until all materials required under § 1522.10(b) have been submitted. Similarly, a recertification has not been submitted until all materials required under § 1522.10(c)(2) have been submitted.

In both cases, the referenced list of materials includes such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval or denial in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).[23]

The Committee considered whether a certification should be considered to have been submitted at the time a State payment stablecoin regulator submits any package of materials to the Committee, regardless of whether those materials are complete and contain sufficient information for the Committee to render a decision. Doing so would potentially start the 30-day clock for a Committee decision under section 4(c)(5)(A) of the Act (12 U.S.C. 5903(c)(5)(A)) earlier, which could provide greater certainty to a State payment stablecoin regulator on the timeline for a decision on its certification. However, it would also likely increase the number of formal denials that would be issued by the Committee, given the 30-day requirement for approval or denial, such as denials of incomplete certifications that could easily be corrected. The State payment stablecoin regulator would then be required to resubmit the certification within a certain period without having the benefit of detailed reasoning from the Committee regarding its substance and any substantive changes that would need to be made

[22] 12 U.S.C. 5903(c)(5)(B).

[23] The Committee endeavors to process certifications promptly and endeavors that this process not result in unnecessary delay. The Committee expects to work cooperatively with State payment stablecoin regulators to identify any information that is unclear in any material respect or any deficiencies so that the Committee can complete its review of an initial certification or recertification. The Committee expects to only request such information when reasonably necessary to evaluate whether the State-level regulatory regime satisfies the criteria for approval under section 4(c) of the Act.

before approval, increasing the odds of a second denial.

Instead, the Committee believes that it would be more efficient and in the best interest of State payment stablecoin regulators that the Committee refrain from making an official approval or denial of a certification until such time as the State payment stablecoin regulator can prepare a complete package of materials that would allow the Committee sufficient information to make its determination. This process will generally be consistent with longstanding practices by Federal regulatory agencies. To the extent that States seek clarification as to whether their certification or recertification submissions are complete, States are welcome to seek feedback from the Committee after submission. However, the Committee requests comment on potential alternatives to this approach.

Accordingly, § 1522.10(d)(2) provides that neither an initial certification nor a recertification has been submitted within the meaning of § 1522.10(d)(1) if the State payment stablecoin regulator has omitted any information necessary for the Committee to evaluate whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)). A certification is not considered submitted if the information provided was unclear in any material respect or there are deficiencies that must be resolved, including through the submission of additional information.

Section 1522.10(d)(3) provides that the Committee may request, at any time, additional information that it deems necessary, in its sole discretion, to complete its review under section 4(c) of the Act. Section 1522.10(d)(4) provides that the Committee will notify a State payment stablecoin regulator once the Committee determines that such regulator has submitted an initial certification or recertification.

Question 26: Should the Committee, instead of determining whether a certification or recertification is ''submitted'' under § 1522.10(d), deny any initial certification or recertification within 30 days of submission if it is incomplete or deficient, and provide the State an opportunity to cure and resubmit? Are there concerns with the Committee not evaluating an initial certification or recertification, and the relevant time period beginning to run, until it has been deemed to be submitted? Should the Committee institute a deadline for when it must consider an initial certification or recertification to be submitted (e.g., a deadline based on the time elapsed since the receipt of the initial materials)?

Question 27: Is § 1522.10(d)(2) sufficiently clear? Should the Committee notify a State payment stablecoin regulator within a certain period if its submission is incomplete or otherwise not considered to be a valid submission of a certification under part 1522?

Question 28: Should these procedures provide a standard timeframe that will be given to a State payment stablecoin regulator to respond to any Committee requests for additional information?

Question 29: When reviewing materials for completeness, to what extent, if at all, should the Committee consider materials submitted that may be relevant to Treasury's principles under part 1521 other than the principles for section 4(a)? Are there any circumstances in which the Committee should determine that a certification was not submitted within the meaning of part 1522 based on factors outside of section 4(a)? For example, if the State payment stablecoin regulator certifies that its application framework is substantially similar in accordance with Treasury's principles, but it is apparent that the State has no application framework, should the Committee reject the certification as invalid?

Question 30: Should the Committee add a timing component to § 1522.10(d)(4) that requires the Committee to notify the State payment stablecoin regulator within a certain amount of time? If so, what is the appropriate timeline for notification?

J. Committee Determinations

Section 1522.10(e)(1) provides that not later than 30 days after the date on which a State payment stablecoin regulator submits an initial certification or recertification in accordance with this section, the Committee will approve or deny such certification.

Section 1522.10(e)(2) provides that the Committee shall approve an initial certification submitted under paragraph (b) if the Committee unanimously determines that the State-level regulatory regime meets or exceeds the standards and requirements described in section 4(a) of the Act (12 U.S.C. 5903(a)).

Section 1522.10(e)(3) provides that the Committee shall only deny an annual recertification if the Committee determines that (i) there has been a material change in the State-level regulatory regime or there has been a significant change in circumstances since the prior certification; and (ii) the material change or significant change in circumstances identified is such that the State-level regulatory regime will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision.

Section 4(c)(7) of the Act (12 U.S.C. 5903(c)(7)) provides that the Committee shall take all necessary steps to endeavor that, with respect to a State that, within 180 days of the date of enactment of the Act (on or before January 14, 2026), has in effect a prudential regulatory regime (including regulations and guidance) for the supervision of digital assets or payment stablecoins, the certification process with respect to that regime occurs on an expedited timeline after the effective date of the Act. Consistent with this statutory provision, § 1522.10(e)(4) provides that the Committee will endeavor to process initial certifications on an expedited timeline after the effective date of the GENIUS Act with respect to a State that, within 180 days of the date of enactment of the GENIUS Act, had in effect a prudential regulatory regime (including regulations and guidance) for the supervision of digital assets or payment stablecoins. If a State believes it is entitled to expedited processing under this provision, the State payment stablecoin regulator should select the relevant check box on the attestation in the form of Appendix A to Part 1522 and should include a statement in the narrative required under § 1522.10(b) and attach any supporting documentation, as appropriate.

Question 31: Should this part provide additional clarification on the standard for meeting or exceeding the standards and requirements described in section 4(a) of the Act, such as by cross-referencing to part 1521?

Question 32: In considering whether a State-level regulatory regime meets or exceeds the standards and requirements described in section 4(a), to what extent should the Committee consider other aspects of the State-level regulatory regime that may indirectly bear on the substantive prudential requirements set out in section 4(a) of the Act? For example, should the Committee consider a State's supervisory framework applicable to a prudential requirement under section 4(a) in considering whether the State-level regulatory regime actually meets or exceeds the standards and requirements described in section 4(a) of the Act? If a State has no operational supervisory framework to monitor compliance with reserve requirements under section 4(a), can the State-level regulatory regime nonetheless meet or exceed the standards and requirements described under section 4(a), or should the Committee conclude that the State-level

regulatory regime does not have any meaningful reserve requirements within the meaning of section 4(a) because the reserve requirements exist only on paper and not in practice?

Question 33: To what extent, if at all, should the Committee's review of recertifications consider the ''accuracy of the initial certification'' submitted by the State payment stablecoin regulator or the State payment stablecoin regulator's certification that ''confirms the accuracy of the initial certification'' under section 4(c)(4)(C) of the Act (12 U.S.C. 5903(c)(4)(C))?

Question 34: What necessary steps should the Committee take to endeavor that the certification process with respect to the regimes set forth in section 4(c)(7) of the Act (12 U.S.C. 5903(c)(7)) occur on an expedited timeline? Should the Committee provide for an interim approval for some period of time after such States' certifications are submitted or other similar approach? Should evaluation of such States' certifications be prioritized over other States' certifications? Should this expedited timeline apply to just initial certifications, or also recertifications? What should the Committee consider when determining whether the State has a prudential regulatory regime for the supervision of digital assets or payment stablecoins in effect? Should the Committee consider the regime only in the form that was effective as of January 14, 2026, or also consider changes to the State-level regulatory regime that occur after the 180-day period (i.e., changes to the regime made after January 14, 2026), including changes made in response to the GENIUS Act and Federal regulations thereunder?

Question 35: Should the Committee evaluate initial certifications and recertifications against the standards and requirements described in section 4(a) of the Act in effect at the time the Committee considers the certification to be submitted under § 1522.10(d) or the standards and requirements in effect at the time of the Committee's review? For example, if Congress amends the GENIUS Act following a State's submission of a certification or recertification, should the Committee take such an amendment into consideration? Are there other timing considerations the Committee should address?

K. Opportunity To Cure and Appeal

Section 1522.10(f) outlines the Committee's procedures related to denial, resubmission, and appeal of initial certifications and recertifications. Consistent with section 4(c)(5)(A)(ii) of the Act (12 U.S.C. 5903(c)(5)(A)(ii)), § 1522.10(f)(1) provides that if the Committee denies an initial certification or annual recertification, it will provide the State payment stablecoin regulator with a written explanation of the denial, describing the reasoned basis for the denial with sufficient detail to enable the State to make any changes necessary for the State-level regulatory regime to meet or exceed the standards and requirements described in section 4(a) of the GENIUS Act (12 U.S.C. 5903(a)). Additionally, consistent with section 4(c)(5)(C) of the Act (12 U.S.C. 5903(c)(5)(C)), § 1522.10(f)(2) provides that for denials under § 1522.10(f)(1), the Committee shall provide the State payment stablecoin regulator with not less than 180 days from the date on which the State payment stablecoin regulator is notified of such denial to—(i) make such changes as may be necessary to ensure the State-level regulatory regime meets or exceeds the standards described in section 4(a) of the Act (12 U.S.C. 5903(a)) and (ii) resubmit the initial certification or recertification.

In contrast to a failure to timely recertify, as described above, the initial denial of a recertification would not have the effect of suspending the State's certification or any collateral impacts on the ability of the State payment stablecoin regulator to license State qualified payment stablecoin issuers or of those issuers to issue new payment stablecoins. The Committee reads the Act's provision of an ''opportunity to cure'' as providing States with a chance to remediate any errors before the consequences of a denial take effect. This is consistent with the structure of the Act, which provides for judicial appeals only after the State payment stablecoin regulator has been provided an opportunity to cure.

However, the Act does not expressly address the situation where a State payment stablecoin regulator fails to resubmit the initial certification or recertification in a timely manner. Logically, in that circumstance, the State payment stablecoin regulator has either not cured the deficiencies in its initial certification or recertification, or at least has failed to provide the Committee with the information necessary to evaluate whether it has done so. Therefore, the Committee would expect to formalize its denial under § 1522.10(f)(4) if the cure period has elapsed without resubmission by the State payment stablecoin regulator.

The Committee understands that there may be some significant changes in circumstances that would necessitate a relatively longer cure period for State payment stablecoin regulators. Specifically, for Acts of Congress that pertain to permitted payment stablecoin issuers or changes to the relevant regulations, interpretations, or orders as provided for in Treasury's proposed 12 CFR part 1521, States may require additional time to incorporate these changes into their State-level regulatory regime. Accordingly, § 1522.10(f)(3) provides that if a denial under § 1522.10(f)(1) is based on a change resulting from an Act of Congress or a change in a relevant Federal regulation, interpretation, or order in accordance with part 1521, the 180-day period in § 1522.10(f)(2) shall instead be the later of: (i) the 180-day period or (ii) two years from the date of enactment of an Act of Congress or two years from the date of publication of the interpretation, regulation, or order. Because an initial denial of a recertification would not result in a suspension of the State's certification, this longer cure period would, in effect, provide States with a transition period to appropriately reflect any changes in Federal statutes or regulations, taking into account, for example, the biennial legislative sessions of certain States.

In accordance with section 4(c)(5)(C)(ii) of the Act (12 U.S.C. 5903(c)(5)(C)(ii)), § 1522.10(f)(4) provides that if, after a State payment stablecoin regulator resubmits an initial certification or annual recertification under § 1522.10(f)(2)(ii), and the Committee denies the initial certification or recertification, the Committee shall, not later than 30 days after such determination, provide the State payment stablecoin regulator with a written explanation for the determination. Consistent with section 4(c)(5)(D) of the Act (12 U.S.C. 5903(c)(5)(D)), § 1522.10(f)(5) provides that a State payment stablecoin regulator in receipt of a denial under § 1522.10(f)(4) may appeal the denial to the United States Court of Appeals for the District of Columbia Circuit.

Finally, § 1522.10(f)(6) provides that a State payment stablecoin regulator in receipt of a denial under § 1522.10(f) may resubmit a new certification under part 1522.

The Committee recognizes that the denial of an annual recertification may have significant consequences for State qualified payment stablecoin issuers operating in the affected State as well as for market participants that rely on those issuers, including that the State payment stablecoin regulator may not be permitted to issue new licenses and that existing State qualified payment stablecoin issuers may be required to transition to another State or Federal

license. Therefore, the Committee invites comment on the approach.

Question 36: Is the extension of time described in § 1522.10(f)(3) appropriate? Should the Committee instead not allow for such an extension? Is the two-year extension following an Act of Congress appropriate? Instead, should it be one year or another time period? Is the two-year extension following the publication of a Federal interpretation, regulation, or order appropriate? Instead, should it be one year or another time period? Should the extension only apply to interpretations, regulations, or orders that are published in the **Federal Register**? *Is it sufficiently clear what two years from the date of publication means? Should the two-year period provided under § 1522.10(f)(3) begin on the date the Committee notifies the State payment stablecoin regulator of the denial of the certification or recertification, rather than on the date of enactment of the relevant Act of Congress or publication of the relevant Federal regulation, interpretation, or order? Rather than setting a fixed time period of two years as in § 1522.10(f)(3), should the Committee evaluate the specific change that led to the denial and make a facts and circumstances determination regarding how long the State should have to modify its State-level regulatory regime to make the relevant change?*

Question 37: Should the State's certification be considered suspended until it submits a new certification that is approved? Should the State payment stablecoin regulator be prohibited from licensing any new State qualified payment stablecoin issuers? What is the appropriate timeline, including any grace period, for these consequences, and should the effect of the denial be stayed pending any appeal? Should the Committee formally notify the State payment stablecoin regulator or the public once such a suspension is in effect?

III. Regulatory Matters

A. Administrative Procedure Act (APA)

The Committee views this rule as a rule of organization, procedure, or practice within the meaning of 5 U.S.C. 553(b)(A), and, to the extent that this rule interprets the Act or provides a statement of Committee policy, an interpretative rule or general statement of policy, respectively, within the meaning of 5 U.S.C. 553(b)(A). Accordingly, notice and comment are not required under the APA.[24] Nonetheless, the Committee values public input in refining the form and procedures for submission and review of State payment stablecoin regulator certifications and recertifications. As noted earlier, the Committee has carefully considered views from various stakeholders expressed through comments submitted to other notices, including the ANPRM issued by Treasury in September 2025. The Committee further requests public comment on these interim procedures. The Committee intends to revise these procedures, as appropriate, following full consideration of comments received.

B. Regulatory Flexibility Act

In connection with certain proposed rules, the Regulatory Flexibility Act (RFA) generally requires an Initial Regulatory Flexibility Analysis (IRFA) describing the impact of the rule on small entities, unless there is an appropriate certification that the proposed rule will not have a significant economic impact on a substantial number of small entities published along with a statement providing the factual basis for such certification in the **Federal Register**.[25]

This interim final rule governs submission of certifications and recertifications by State payment stablecoin regulators. The Committee views the rule as exempt from notice and comment under 5 U.S.C. 553(b)(A), and therefore an IRFA is not required.[26] However, the Committee invites comment on any effects on small entities.

C. Unfunded Mandates Reform Act

The Committee has analyzed the rule under the factors in the Unfunded Mandates Reform Act of 1995 (UMRA).[27] Under this analysis, the Committee considered whether the rule includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year (adjusted annually for inflation). Pursuant to section 202 of the UMRA,[28] if a rule meets this UMRA threshold, the Committee would need to prepare a written statement that includes, among other things, a cost-benefit analysis. This requirement does not apply to regulations to the extent they incorporate requirements specifically set forth in law.[29]

The Committee has determined that the rule would not result in a covered unfunded mandate within the meaning of UMRA, including because States are not mandated to take any actions under the rule. Instead, the rule provides for procedures that States may use if they choose to regulate payment stablecoins under a substantially similar State-level regulatory regime. To the extent that this rule imposes costs, such costs are generally attributable to the Act itself, which sets out the certification process. The incremental costs resulting from the specific procedures set out in this part 1522 are expected to be below the UMRA threshold.

D. Paperwork Reduction Act (PRA)

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) states that no agency may conduct or sponsor, nor is the respondent required to respond to, an information collection unless it displays a currently valid OMB control number. This rule contains information collections within the meaning of the Paperwork Reduction Act. Treasury, on behalf of the Committee, is seeking a new control number for these information collection requirements and will submit them to OMB for review and approval. Treasury will issue a notice on its website once certifications will begin to be accepted.

Information Collection

Title: Forms for Review of State Certifications by the Stablecoin Certification Review Committee.

OMB Control No.: 1505–NEW.

Type of Review: Regular.

Affected Public: State governments.

Description: Twelve CFR part 1522 sets forth the Committee's procedural regulations and forms to implement its responsibilities under section 4(c) of the GENIUS Act. The regulations set out a process to facilitate the Committee's approval or denial of certifications submitted by State payment stablecoin regulators under section 4(c)(4) of the GENIUS Act, and prescribe the form of such certifications.

[24] In the alternative, the Committee for good cause finds that notice and public procedure and a delay prior to the effectiveness of this procedural rule are impracticable, unnecessary, or contrary to the public interest. *See* 5 U.S.C. 553(b)(B) and (d)(3). In particular, the GENIUS Act takes effect on January 18, 2027, at which time it will generally be unlawful for persons to issue payment stablecoins in the United States unless they are licensed or approved as permitted payment stablecoin issuers. Many current payment stablecoin issuers are licensed and regulated at the State level. Therefore, failing to have procedures in place to process State certifications by the effective date of the GENIUS Act could impede the ability of issuers to continue normal issuance operations or create significant market uncertainty, potentially causing dislocation in the multi-billion-dollar stablecoin market in the United States.

[25] 5 U.S.C. 601 *et seq.*

[26] 5 U.S.C. 603(a).

[27] 2 U.S.C. 1531 *et seq.*

[28] 2 U.S.C. 1532.

[29] 2 U.S.C. 1532.

The information collection requirements in the rule are as follows:

Reporting Requirements

Section 1522.10(b) sets forth the form of an initial certification that a State payment stablecoin regulator shall submit to the Committee. Section 1522.10(b)(1) provides that the initial certification must include an attestation in the form of Appendix A to Part 1522 signed by an authorized representative of the State payment stablecoin regulator attesting that the State-level regulatory regime of its State meets the criteria for substantial similarity set forth in 12 CFR part 1521. Section 1522.10(b)(2) provides that the initial certification must also include a detailed narrative describing how the State-level regulatory regime meets each of the criteria for substantial similarity set forth in part 1521. Additionally, pursuant to § 1522.10(b)(3), the initial certification is required to include any supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance. For each guidance document that is submitted, the narrative should include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers. Moreover, § 1522.10(b)(4) requires that the initial certification must include information the Committee may deem necessary for it to render a decision as to whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

State payment stablecoin regulators must also submit an annual recertification to the Committee during the calendar quarter in which the anniversary of the Committee's approval of the State payment stablecoin regulator's initial certification occurs.[30] Pursuant to § 1522.10(c)(2)(i), a recertification is required to contain an attestation in the form of Appendix B to Part 1522 signed by an authorized representative of the State payment stablecoin regulator that confirms the accuracy of the initial certification. Additionally, pursuant to § 1522.10(c)(2)(ii), each recertification is required to contain: (A) a detailed narrative describing each change to the State-level regulatory regime since the prior certification that could potentially be considered to be a material change, excluding changes that are purely nonsubstantive in form or procedure; (B) whether, in the opinion of the State payment stablecoin regulator, such a change is a material change, and (C) whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision. Moreover, § 1522.10(c)(2)(iii) requires that the recertification contain a detailed narrative describing (A) each change in circumstances that could potentially be considered to be a significant change in circumstances, (B) whether, in the opinion of the State payment stablecoin regulator, such change is a significant change in circumstances, and (C) whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision. Section 1522.10(c)(2)(iv) requires that the recertification also include any supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance. For each guidance document submitted pursuant to §§ 1522.10(c)(2)(ii) or (iii), the corresponding narrative is required to include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers. Additionally, § 1522.10(c)(2)(v) provides that the recertification must include such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

Section 1522.10(d)(3) provides that the Committee may request, at any time, additional information as it deems necessary, in its sole discretion, to complete its review under section 4(c) of the Act (12 U.S.C. 5903(c)). The Committee expects that the estimated average hours per response for § 1522.10(b) and (c) include the estimated burden associated with responding to requests for additional information under § 1522.10(d)(3).

Section 1522.10(f)(2) provides that if the Committee denies an initial certification or annual recertification, the Committee shall provide the State payment stablecoin regulator with not less than 180 days from the date on which the State payment stablecoin regulator is notified of such denial to make such changes as may be necessary to ensure the State-level regulatory regime meets or exceeds the standards described in section 4(a) of the GENIUS Act (12 U.S.C. 5903(a)) as well as to resubmit the initial certification or recertification. The Committee expects that any associated burden with resubmitting an initial certification or recertification is captured in the burden estimates below for §§ 1522.10(b) and (c).

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Reporting Burden:				
Section 1522.10(b)	[31] 56	One-time	480	26,880
Section 1522.10(c)	56	Once Annually	40	2,240
Total Reporting Burden				29,120

These collections of information will be submitted to OMB for review in accordance with the PRA. Commenters are strongly encouraged to submit public comments electronically. Written comments and recommendations for the proposed information collection should be sent to *www.reginfo.gov/public/do/PRAMain* by October 30, 2026, with copies to Treasury as provided in the **ADDRESSES** section of this notice. Find this particular information collection by selecting ''Currently under Review—Open for Public Comments,'' then by

[30] 12 U.S.C. 5903(c)(4)(C).

[31] The definition of ''State'' in the GENIUS Act includes each of the several states of the United States, the District of Columbia, and each territory of the United States. *See* section 2(28) of the Act (12 U.S.C. 5901(28)). The Committee conservatively assumes, for purposes of this Paperwork Reduction Act analysis, that all eligible States will submit certifications.

using the search function. Comments are invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the Committee, including whether the information has practical utility;

(b) The accuracy of the Committee's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology.

E. Regulatory Planning and Review

OIRA has determined that this rule is a significant regulatory action under Executive Order 12866 and, therefore, is subject to review under Executive Order 12866. The Committee's analysis conducted in connection with Executive Order 12866 is set forth below. This rule is not considered an Executive Order 14192 regulatory action because it imposes no more than de minimis costs.

Given the relative novelty of the payment stablecoin ecosystem, it is challenging to precisely quantify the costs and benefits of this rule. In addition, the Committee's rule seeks to apply the best interpretations of the statutory text, which limits the range of potential implementing approaches. The Committee believes that the costs of the rule are generally limited to the PRA burden set forth above and are outweighed by the benefits, including clarity and efficiency benefits to States and regulated entities around the process for SCRC review, but invites comments that would help quantitatively or qualitatively analyze costs and benefits of the rule, as well as any alternatives and their associated costs and benefits.

1. Affected Parties

Parties directly affected by this rule are States seeking to regulate State qualified payment stablecoin issuers under State-level regulatory regimes. For the limited purpose of this analysis of costs and benefits, the Committee assumes that all States will seek to implement State-level regulatory regimes, though some States may choose not to do so.

This rule does not directly affect entities other than States. Entities indirectly affected by the application of the Committee's review of State certifications include State qualified payment stablecoin issuers, parties that seek to become State qualified payment stablecoin issuers, and individuals or entities that acquire payment stablecoins issued by State qualified payment stablecoin issuers. It is difficult to know at this time how many State qualified payment stablecoin issuers may be affected. Further, the effects of these procedures will depend on the details of each State-level regulatory regime, which may vary widely, given the discretion provided to States under the Act and this rule.

2. Baseline

The Committee has assessed the benefits and costs of the regulations relative to a no-action baseline reflecting anticipated behavior in the absence of the regulations. Once the Act becomes effective, persons will not be able to issue payment stablecoins in the United States without becoming permitted payment stablecoin issuers. The offer and sale of unlicensed stablecoins to persons located in the United States by digital asset service providers will also be unlawful starting July 18, 2028. To provide a State-level license and regulation option for payment stablecoin issuers with a consolidated total outstanding issuance of not more than $10 billion, a State must certify that its State-level regulatory regime is substantially similar to the Federal regulatory framework and must be approved by the Stablecoin Certification Review Committee on the basis that the State's regime ''meets or exceeds the standards and requirements described in [section 4(a) of the Act].''

If a State is unable to certify to substantial similarity, or unable to achieve Stablecoin Certification Review Committee approval, the Committee expects that all State qualified payment stablecoin issuers in the State will be required either to (i) cease issuing payment stablecoins, or (ii) obtain a Federal license and comply with regulation and supervision by the primary Federal payment stablecoin regulators.

In the absence of these procedures, the Committee expects that States and market participants would face significant uncertainty over how the Committee would process State certifications. Issuers that have, or would otherwise desire, a State license may instead expend considerable resources to obtain a Federal license. The Committee expects that the attendant uncertainty would likely significantly stifle payment stablecoin markets and innovation in the States.

3. Costs

The direct costs of complying with the procedures are captured above in the Paperwork Reduction Act section. While that section conservatively assumes that all States will provide initial and annual recertifications, some States may choose not to implement State-level regulatory regimes, and this rule will not impose any direct costs on those States.[32] The Committee believes that only the costs of preparing the certifications under these procedures should be considered as direct costs of the rule. While States that choose to implement State-level regulatory regimes will face implementation costs including staff time to analyze the Act and regulatory and/or legislative time to write statutes, regulations, or enforceable guidance to conform to the Act and part 1521, the Committee believes such costs are properly attributable to the Act itself and Treasury's proposed broad-based principles under part 1521, rather than these procedures.

4. Benefits

A key benefit of this rule is the transparency it provides regarding the Committee's procedures for reviewing State certifications and its expectations for what would be submitted by State payment stablecoin regulators. The Committee expects that this will reduce potential frictions and concerns that could otherwise impede market activity by payment stablecoin issuers and third parties offering services to payment stablecoin providers. Therefore, the Committee expects that the procedures will create a more favorable environment for digital asset innovation in many States, with potential economic benefits from increased innovation and payment stablecoin commercial activity. Consumers and institutions engaging with payment stablecoins may view State qualified payment stablecoin issuers operating under a State-level regulatory regime more favorably than the status quo. In turn, those States may attract payment stablecoin issuers, which may contribute to more investment, jobs, and innovation. While these benefits are difficult to quantify, the Committee preliminarily believes that they are likely to exceed the costs described above.

5. Discretion and Alternatives

Because section 4(c) of the Act outlines the core requirements and procedures relating to State

[32] Any costs associated with the inability of States to regulate permitted payment stablecoin issuers if they choose not to implement a substantially similar State-level regulatory regime are generally attributable to the Act and the State's choice not to implement a State-level regulatory regime, rather than to these procedures.

certifications, the Committee's discretion to adopt alternative approaches is relatively limited. In certain limited areas, the Committee has exercised its discretion, such as in setting the form of attestations in appendices A and B to part 1522. The Committee has not identified any reasonable alternatives that it believes would materially alter the benefits and costs of this rule, but requests comment on any potential alternatives that could materially alter benefits or costs.

Question 38: What are the potential costs and benefits, if any, of the implementation of section 4(c) (12 U.S.C. 5903(c)) as in part 1522, beyond costs and benefits imposed by the Act itself and Treasury's broad-based principles in part 1521? To what extent does the Committee have discretion within the boundaries of the Act to further reduce costs or increase benefits?

Question 39: What are the benefits and costs, including for implementation, compliance efficiency, and payment stablecoin market participation, from the regulations providing relatively clear procedures for the submission and review of State certifications?

F. Executive Order 13132

Executive Order 13132 (entitled ''Federalism'') prohibits publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts State law, unless the consultation and funding requirements of section 6 of the Executive Order are met. This rule does not have federalism implications within the meaning of the Executive Order, including because the rule implements statutory requirements and States are not mandated to take any actions under the rule. Instead, the rule provides for procedures that States may use if they choose to regulate payment stablecoins under a substantially similar State-level regulatory regime. Notwithstanding the above, Treasury, on behalf of the Committee, has engaged in efforts to consult with affected State government officials and associations in the process of developing this rule, including through the ANPRM comment process. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury, on behalf of the Committee, certifies that it has complied with the requirements of Executive Order 13132.

List of Subjects in 12 CFR Part 1522

Banks, banking, Consumer protection, Digital assets, Non-bank entity, Payment stablecoins, Permitted payment stablecoin issuer, State and local governments, State qualified payment stablecoin issuer.

Authority and Issuance

■ For the reasons stated in the preamble, the Department of the Treasury, on behalf of the Stablecoin Certification Review Committee, amends 12 CFR chapter XV by adding subchapter C, consisting of parts 1520 through 1522, to read as follows:

Subchapter C—Regulation of Payment Stablecoins

PART 1520—[RESERVED]

PART 1521—[RESERVED]

PART 1522—STABLECOIN CERTIFICATION REVIEW COMMITTEE

Subpart A—General Provisions

Sec.

1522.1 Scope and applicability.
1522.2 Definitions.
1522.3 Severability.
1522.4 Reservation of authority.
1522.5–1522.9 [Reserved]

Subpart B—State Certifications

1522.10 Certification forms and procedures.
1522.11–1522.19 [Reserved]
Appendix A to Part 1522—Attestation for an Initial Certification Under Section 4(c) of the GENIUS Act
Appendix B to Part 1522—Attestation for an Annual Recertification Under Section 4(c) of the GENIUS Act

Authority: 12 U.S.C. 5901 *et seq.*

Subpart A—General Provisions

§ 1522.1 Scope and applicability.

(a) *Authority and purpose.* This part is issued to implement certain responsibilities of the Stablecoin Certification Review Committee under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) (12 U.S.C. 5901 *et seq.*). The regulations in this part are of the Committee, published by the agency of its Chair, the Department of the Treasury, at the direction of the Committee.

(b) *Subpart B.* Subpart B of this part sets forth procedures related to the submission to the Committee and the Committee's review of State payment stablecoin regulators' ''substantial similarity'' certifications and recertifications under section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)). Appendices A and B to this part contain forms for the initial and annual certifications required under section 4(c) of the Act (12 U.S.C. 5903(c)).

§ 1522.2 Definitions.

(a) To the extent not otherwise defined in this part, the terms used in this part have the same meaning given to them as in section 2 of the GENIUS Act (12 U.S.C. 5901).

(b) For purposes of this part, the following definitions apply:

(1) *Act* or *GENIUS Act* means the Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*).

(2) *Material change* means any legislative, regulatory, supervisory, judicial, or other similar change in the relevant State that, either individually or together with other such changes, has, causes, or could reasonably be expected to have or cause a material effect on the State-level regulatory regime. Material changes may include, but are not limited to, changes affecting the scope of a State payment stablecoin regulator's regulatory or supervisory authority, including examination or reporting authorities; enforcement powers; prudential standards, including those relating to reserves, redemption, liquidity, capital, governance, or risk management; and the scope of entities or activities subject to State payment stablecoin regulation or supervision.

(3) *Significant change in circumstances* means a change in circumstances, including, but not limited to, a change in Federal statutes, regulations, interpretations, or orders; market conditions; issuer behavior; or risk-related developments, that, either individually or together with other such changes, significantly affects the operation, effectiveness, or supervisory outcomes of a State-level regulatory regime or causes the State-level regulatory regime and the Federal regulatory framework to significantly diverge; provided, that a material change itself is not a significant change in circumstances.

(4) *Stablecoin Certification Review Committee* or *Committee* means the Stablecoin Certification Review Committee as defined in section 2(27) of the GENIUS Act (12 U.S.C. 5901(27)).

(5) *State* has the meaning set forth in section 2(28) of the GENIUS Act (12 U.S.C. 5901(28)).

(6) *State payment stablecoin regulator* has the meaning set forth in section 2(30) of the GENIUS Act (12 U.S.C. 5901(30)).

(7) *State-level regulatory regime,* with respect to a particular State, means:

(i) All statutes enacted by the State regarding payment stablecoins;

(ii) Any regulations regarding payment stablecoins or that apply to a State qualified payment stablecoin issuer issued by a State payment

stablecoin regulator of the State or another regulator of the State; and

(iii) Any interpretations or guidance thereunder, only to the extent they are enforceable against State qualified payment stablecoin issuers.

(8) *State qualified payment stablecoin issuer* has the meaning set forth in section 2(31) of the GENIUS Act (12 U.S.C. 5901(31)).

§ 1522.3 Severability.

The provisions of this part are separate and severable from one another. If any provision, clause or phrase of this part, or the application thereof to any person, entity or circumstance, is stayed or determined to be invalid, unlawful, or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity, lawfulness, or enforceability of the remaining provisions or applications of this part, which shall remain in full force and effect to the maximum extent permitted by law.

§ 1522.4 Reservation of authority.

The Committee may, to the extent consistent with the GENIUS Act, waive any of the procedures in this part in exceptional circumstances.

§§ 1522.5–1522.9 [Reserved]

Subpart B—State Certifications

§ 1522.10 Certification forms and procedures.

(a) *Certifications requiring approval of Stablecoin Certification Review Committee.* An initial certification or an annual recertification under section 4(c)(4) of the GENIUS Act (12 U.S.C. 5903(c)(4)), including all supporting information, must be submitted to the Committee in the form and containing the information set out in this part. Each certification, including all supporting information, must be submitted electronically to the email address specified from time to time on *www.Treasury.gov.*

(b) *Initial certification.* An initial certification must contain—

(1) An attestation in the form of appendix A to this part signed by an authorized representative of the State payment stablecoin regulator attesting that the State-level regulatory regime of its State meets the criteria for substantial similarity set forth in the principles for substantial similarity established by the Department of the Treasury pursuant to section 4(c) of the Act;

(2) A detailed narrative describing how the State-level regulatory regime meets each of the criteria for substantial similarity set forth in the principles for substantial similarity established by the Department of the Treasury pursuant to section 4(c) of the Act;

(3) Any supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance. For each guidance document that is submitted, the corresponding section of the narrative under paragraph (b)(2) of this section must include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers; and

(4) Such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

(c) *Annual recertification.* (1) Each annual recertification shall be submitted to the Committee during the calendar quarter in which the anniversary of the Committee's approval of the State payment stablecoin regulator's initial certification occurs (for example, if the initial certification was approved in February, the annual recertification must be submitted between January 1 and March 31 of each subsequent year).

(2) A recertification must contain—

(i) An attestation in the form of appendix B to this part signed by an authorized representative of the State payment stablecoin regulator that confirms the accuracy of the initial certification;

(ii) A detailed narrative describing each change to the State-level regulatory regime since the prior certification that could potentially be considered to be a material change, excluding changes that are purely nonsubstantive in form or procedure; whether, in the opinion of the State payment stablecoin regulator, such change is a material change; and whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision;

(iii) A detailed narrative describing:

(A) Each change in circumstances that could potentially be considered to be a significant change in circumstances;

(B) Whether, in the opinion of the State payment stablecoin regulator, such change is a significant change in circumstances; and

(C) Whether, in the opinion of the State payment stablecoin regulator, the change will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision;

(iv) Any supporting information and documentation, including, but not limited to, citations to relevant statutes, regulations, and guidance applicable to payment stablecoin issuers, and where necessary, copies of such statutes, regulations, and guidance. For each guidance document that is submitted, the corresponding section of the narrative under paragraph (c)(2)(ii) or (iii) of this section, as applicable, must include a discussion of whether the guidance is binding on State qualified payment stablecoin issuers; and

(v) Such information as the Committee may deem necessary for it to render a decision on whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

(3) Failure of a State payment stablecoin regulator to submit an annual recertification under this section in a timely manner shall be deemed to constitute a suspension of the certification approval.

(d) *Submission of initial certifications and recertifications*—(1) *Submission.* For purposes of this section:

(i) An initial certification has not been submitted until all materials required under paragraph (b) of this section have been submitted.

(ii) A recertification has not been submitted until all materials required under paragraph (c)(2) of this section have been submitted.

(2) *Rule of construction.* Neither an initial certification nor an annual recertification shall be deemed to have been submitted within the meaning of paragraph (d)(1) of this section if the State payment stablecoin regulator has omitted any information necessary for the Committee to evaluate whether the State-level regulatory regime satisfies the criteria for approval in section 4(c) of the GENIUS Act (12 U.S.C. 5903(c)).

(3) *Additional information.* The Committee may request, at any time, additional information as it deems necessary, in its sole discretion, to complete its review under section 4(c) of the Act (12 U.S.C. 5903(c)).

(4) *Notification of submission.* The Committee will notify a State payment stablecoin regulator when the Committee determines that such regulator has submitted an initial certification or recertification.

(e) *Committee determinations*—(1) *Timing of decision.* Not later than 30 days after the date on which a State payment stablecoin regulator submits an initial certification or recertification in accordance with this section, the

Committee will approve or deny such certification.

(2) *Determinations on initial certifications.* The Committee shall approve an initial certification submitted under paragraph (b) of this section if the Committee unanimously determines that the State-level regulatory regime meets or exceeds the standards and requirements described in section 4(a) of the GENIUS Act (12 U.S.C. 5903(a)).

(3) *Determinations on recertifications.* The Committee shall only deny an annual recertification submitted under paragraph (c) of this section if the Committee determines that:

(i) There has been a material change in the State-level regulatory regime or a significant change in circumstances since the prior certification; and

(ii) The material change or significant change in circumstances identified is such that the State-level regulatory regime will not promote the safe and sound operation of State qualified payment stablecoin issuers under its supervision.

(4) *Expedited review.* With respect to any State that, within 180 days of the date of enactment of the GENIUS Act, had in effect a prudential regulatory regime (including regulations and guidance) for the supervision of digital assets or payment stablecoins, the Committee will endeavor to process initial certifications on an expedited timeline after the effective date of the GENIUS Act.

(f) *Opportunity to cure and appeal.* (1) If the Committee denies an initial certification or an annual recertification, it will provide the State payment stablecoin regulator with a written explanation of the denial, describing the reasoned basis for the denial with sufficient detail to enable the State to make any changes necessary for the State-level regulatory regime to meet or exceed the standards and requirements described in section 4(a) of the GENIUS Act.

(2) With respect to a denial described in paragraph (f)(1) of this section, the Committee shall provide the State payment stablecoin regulator with not less than 180 days from the date on which the State payment stablecoin regulator is notified of such denial to—

(i) Make such changes as may be necessary to ensure the State-level regulatory regime meets or exceeds the standards described in section 4(a) of the GENIUS Act; and

(ii) Resubmit the initial certification or recertification.

(3) If a denial described under paragraph (f)(1) of this section is based on a change resulting from an Act of Congress or a change in a relevant Federal regulation, interpretation, or order in accordance with the principles for substantial similarity established by the Department of the Treasury pursuant to section 4(c) of the Act, the period provided under paragraph (f)(2) of this section shall be the later of:

(i) 180 days from the date on which the State payment stablecoin regulator is notified of such denial; or

(ii) 2 years from either the date of enactment of the Act of Congress or from the date of publication of such Federal regulation, interpretation, or order.

(4) If, after a State payment stablecoin regulator resubmits an initial certification or annual recertification under paragraph (f)(2)(ii) of this section, the Committee again denies the initial certification or annual recertification, the Committee shall, not later than 30 days after such denial, provide the State payment stablecoin regulator with a written explanation for the denial.

(5) A State payment stablecoin regulator in receipt of a denial under paragraph (f)(4) of this section may appeal the denial to the United States Court of Appeals for the District of Columbia Circuit.

(6) A State payment stablecoin regulator in receipt of a denial under this paragraph (f) may resubmit a new certification under this part.

§§ 1522.11–1522.19 [Reserved]

Appendix A to Part 1522—Attestation for an Initial Certification Under Section 4(c) of the GENIUS Act

Attestation for an Initial Certification Under Section 4(c) of the GENIUS Act

State: _____

Name of State payment stablecoin regulator: _____

Date of attestation: _____

[States may include a brief introduction here]

Reference table of requirements, narrative, and supporting information:

GENIUS Act section	Topic	Corresponding section of narrative	Corresponding supporting information
4(a)(1)(A), except as noted below	Reserve assets	[Section X]	[Exhibit A].
4(a)(1)(A)(vii)	Additional reserve assets.		
4(a)(1)(B), except as noted below	Redemption.		
4(a)(1)(B)(i)	Discretionary limitations on timely redemptions.		
4(a)(1)(C)	Monthly publication of reserves.		
4(a)(2), except as noted below	Prohibition on rehypothecation of reserves.		
4(a)(2)(C)(ii)	Approval for rehypothecation of reserves.		
4(a)(3)(A), (C)	Independent accountant examination of reports.		
4(a)(3)(B)	Monthly CEO/CFO certification of accuracy of reserve report.		
4(a)(4)	Capital, liquidity, reserve asset diversification, and risk-management standards.		
4(a)(5)	Bank Secrecy Act/sanctions compliance program requirements.		
4(a)(6)(B)	Technological capability to comply with, and obligation to comply with, terms of lawful orders.		
4(a)(7)(A)	Limitation on permitted payment stablecoin activities.		
4(a)(7)(B)	Additional permitted payment stablecoin activities.		
4(a)(8)	Prohibition on tying.		
4(a)(9)	Prohibition on deceptive names.		
4(a)(10)	Audits and reports.		
4(a)(11)	Prohibition on paying interest/yield on stablecoins.		
4(a)(12)	Limits on non-financial public companies (and certain foreign companies) issuing stablecoins.		
4(d)	Transition to Federal oversight.		
5	Application and approval.		
6	Supervision and enforcement.		
10	Custody.		
11	Insolvency.		

Primary contacts: [Names, titles, email addresses, and phone numbers of at least two authorized officials of the State payment stablecoin regulator]

Certification:

The undersigned hereby certifies and attests that:

1. The information contained in and attached to this attestation form is true and correct to the best of the undersigned's knowledge;

2. The State-level regulatory regime for the State named above meets each of the principles for substantial similarity established by the Department of the Treasury pursuant to section 4(c) of the Act (as codified at 12 CFR part 1521), including that it:

a. _____ meets or exceeds the standards and requirements under section 4(a) of the Act in accordance with Treasury's principles;

b. _____ provides for transition to Federal oversight in accordance with Treasury's principles;

c. _____ provides for application and licensing in accordance with Treasury's principles;

d. _____ provides for supervision and enforcement in accordance with Treasury's principles;

e. _____ provides for custody in accordance with Treasury's principles;

f. _____ provides for the event of insolvency in accordance with Treasury's principles; and

g. _____ provides additional State requirements only to the extent permitted by Treasury's principles; and

3. The undersigned has the authority to submit this attestation and make the representations herein on behalf of the State payment stablecoin regulator named above.

_____ The above certifications and attestations are conditional on additional actions that are described in the attached narrative, and the State payment stablecoin regulator intends to amend this attestation once those actions are completed. The undersigned acknowledges on behalf of the State payment stablecoin regulator that the Committee will not process this conditional attestation unless and until an amended attestation has been submitted in accordance with 12 CFR 1522.10.

_____ The undersigned believes that the State listed above qualifies for expedited processing under 12 CFR 1522.10(e) and has included an associated statement in the attached narrative and attached any supporting documentation, as appropriate.

[*Signature, Name, Title*]

Attached:

[*Narrative*]

[*Exhibits*]

Appendix B to Part 1522—Attestation for an Annual Recertification Under Section 4(c) of the GENIUS Act

Attestation for an Annual Recertification Under Section 4(c) of the GENIUS Act

State: _____

Name of State payment stablecoin regulator: _____

Date of attestation: _____

[States may include a brief introduction here]

Reference table of changes:

[List each change to the State-level regulatory regime or any known significant changes in circumstances in its own row and attach relevant documentation and additional narrative descriptions]

GENIUS Act section	Brief description of change	Corresponding section of narrative	Corresponding supporting information
[4(a)(1)(A)]	[State regulation relating to reserve assets was revised]	[Section X]	[Exhibit A].

Primary contacts: [Names, titles, email addresses, and phone numbers of at least two authorized officials of the State payment stablecoin regulator]

Certification: The undersigned hereby certifies and attests that:

1. The information contained in and attached to this attestation form is true and correct to the best of the undersigned's knowledge;

2. [The State payment stablecoin regulator] believes that the State-level regulatory regime for [State]:

a. ____ has not materially changed and there have been no known significant changes in circumstances; or

b. ____ has materially changed or there have been significant changes in circumstances.

3. [State payment stablecoin regulator] confirms the continuing accuracy of the initial certification submitted on ____; and

4. The undersigned has the authority to submit this attestation and make representations on behalf of [State payment stablecoin regulator].

[*Signature, Name, Title*]

Attached:

[*Narrative*]

[*Exhibits*]

Rachel Miller,

Executive Secretary.

[FR Doc. 2026–19966 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AK–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 876

[Docket No. FDA–2026–N–10991]

Medical Devices; Gastroenterology-Urology Devices; Classification of the Flushing and Storage Solution for Vascular Autografts at Room Temperature

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

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

DATES: This order is effective September 30, 2026. The classification was applicable on October 4, 2023.

FOR FURTHER INFORMATION CONTACT: Jordana Gilbert-Honick, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 2524, Silver Spring, MD 20993–0002, 301–796–6873, *Jordana.Gilbert-Honick@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

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

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until

FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

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

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

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

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

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

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

II. De Novo Classification

On January 3, 2023, FDA received Marizyme, Inc.'s request for De Novo classification of the DuraGraft Vascular Conduit Solution. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

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

Therefore, on October 4, 2023, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 876.4100.[1] We have named the generic type of device ''flushing and storage solution for vascular autografts at room temperature,'' and it is identified as a device that is used for flushing or short-term storage of vascular grafts. This generic type of device is intended to maintain cell viability and structural integrity of vascular grafts during short-term storage at room temperature during the surgical procedure.

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

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR FLUSHING AND STORAGE SOLUTIONS FOR VASCULAR AUTOGRAFTS AT ROOM TEMPERATURE

Identified risks to health	Mitigation measures
Adverse tissue reaction	Biocompatibility evaluation.
Damage to vascular grafts leading to major adverse cardiac events or vascular injury..	Clinical performance data; Non-clinical performance testing; Shelf life testing; and Labeling.
Particulate matter contamination leading to vascular occlusion, coronary artery embolization and occlusion, phlebitis, infarction, and death.	Clinical performance data; Non-clinical performance testing; Shelf life testing; and Labeling.
Infection	Sterilization validation.

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

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

named in this final order. The necessary special controls appear in the regulation codified by this final order.

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

III. Analysis of Environmental Impact

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

IV. Paperwork Reduction Act of 1995

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

List of Subjects in 21 CFR Part 876

Medical devices.

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

PART 876—GASTROENTEROLOGY/UROLOGY DEVICES

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

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

■ 2. Add § 876.4100 to subpart E to read as follows:

§ 876.4100 Flushing and storage solution for vascular autografts at room temperature.

(a) *Identification.* A flushing and storage solution for vascular autografts at room temperature is a device that is used for flushing or short-term storage of vascular grafts. This generic type of device is intended to maintain cell viability and structural integrity of vascular grafts during short-term storage at room temperature during the surgical procedure.

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

(1) Clinical data must evaluate adverse events associated with clinical use of the device. Devices indicated for vascular grafts for coronary artery bypass graft surgeries must include an evaluation of the incidence of major adverse cardiac events, vein graft occlusion, and mortality.

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

(i) Maintenance of cell viability and structural integrity of vascular conduits during storage at the labeled temperature and storage duration; and

(ii) Evaluation of visible and non-visible particulates in the final mixed solution.

(3) Shelf life testing must demonstrate the stability of the device's chemical components over the identified shelf life.

(4) The device must be demonstrated to be biocompatible.

(5) Performance data must demonstrate the sterility of the device.

(6) Labeling must include:

(i) The maximum storage duration for vascular autografts in the solution;

(ii) A description of all additives or supplements that are added at the point of care;

(iii) The need for visual inspection of the solution for particulate matter prior to use;

(iv) A statement regarding the duration of stability of the final solution after preparation;

(v) A summary of the non-clinical performance testing that supports use of the device as a flushing and storage solution for vascular autografts; and

(vi) A summary of the clinical data that supports use of the device as a flushing and storage solution for vascular autografts.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–20075 Filed 9–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 10056]

RIN 1545–BS27

Trump Accounts

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations regarding general requirements for Trump accounts, the establishment of an initial Trump account (including automatic enrollment by the Secretary of the Treasury), and qualified general contributions (including qualified stock contributions), which are a special type of contribution made to Trump accounts. These temporary regulations affect trustees of Trump accounts, account beneficiaries of Trump accounts, responsible parties of Trump accounts, and eligible donors who fund qualified general contributions.

DATES:

Effective date: These temporary regulations are effective on September 30, 2026.

Applicability date: For applicability and expiration dates, *see* §§ 1.530A–1T(g) and 1.530A–7T(f).

FOR FURTHER INFORMATION CONTACT: Concerning these temporary regulations, Isaac Stein at the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) at (202) 317–6320 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Authority

This document contains temporary amendments to the Income Tax Regulations (26 CFR part 1) to implement section 530A of the Internal Revenue Code (the Code). Section 530A(a) authorizes the Secretary of the Treasury or the Secretary's delegate

(Secretary) to prescribe exceptions to the general rule that a Trump account shall be treated for purposes of the Code in the same manner as an individual retirement account (IRA) under section 408(a). Section 530A(b)(1)(A)(i) provides that an individual's first Trump account (initial Trump account) is to be created or organized by the Secretary. Section 530A(b)(1)(B) provides that a Trump account must be designated (in such manner as the Secretary shall prescribe) at the time of the establishment of the account as a Trump account. Section 530A(b)(2)(C)(i) authorizes the Secretary to make an election to establish an initial Trump account for an eligible individual. Section 530A(b)(2)(C)(ii) authorizes the Secretary to prescribe rules regarding the time and manner for a person other than the Secretary to make an election to establish an initial Trump account for an eligible individual. Section 530A(f)(1)(A) defines a qualified general contribution as a contribution made by the Secretary pursuant to a general funding contribution. Section 530A(f)(3)(B) provides that a 'qualified geographic area' is any geographic area in which not less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area. Section 530A(i)(1) provides, in relevant part, that the trustee of a Trump account will make reports to the Secretary and to the beneficiary, at such time and in such manner as may be required by the Secretary, with respect to such matters as the Secretary may require. Section 408(a)(2) authorizes the Secretary to approve as a nonbank trustee for an IRA a person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of section 408. Section 7805(a) authorizes the Secretary to prescribe all needful rules and regulations for the enforcement of the Code, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.

Background

I. Overview

Section 70204 of Public Law 119–21, 139 Stat. 72 (July 4, 2025), commonly referred to as the One, Big, Beautiful Bill Act (OBBBA), added new sections 530A, 128, 139J, and 6434 to the Code. Section 530A provides for the establishment of a Trump account for an eligible individual and rules regarding Trump accounts.

In accordance with section 7805(e)(1), concurrent with the publication of this Treasury Decision, the Department of the Treasury (Treasury Department) and the IRS are publishing in the Proposed Rules section of this issue of the **Federal Register** a notice of proposed rulemaking (CC–00226466–26) containing proposed regulations under section 530A at proposed §§ 1.530A–1 and 1.530A–7 (the proposed regulations), the text of which, except for the applicability provisions, is the same as the text of §§ 1.530A–1T and 1.530A–7T of the temporary regulations.

Interested persons are directed to the **ADDRESSES** and Comments and Requests for a Public Hearing sections of the preamble to CC–00226466–26 for information on submitting public comments or requesting a public hearing on the proposed regulations.

II. Trump Accounts—General Requirements and Election To Establish an Initial Trump Account

A Trump account is a type of traditional IRA established under section 530A for the exclusive benefit of an eligible individual or such eligible individual's beneficiaries. An eligible individual is any individual (i) who has not attained age 18 before the close of the calendar year in which an election to establish an initial Trump account is made, (ii) for whom a social security number (within the meaning of section 24(h)(7)) has been issued before the date on which the election is made, and (iii) for whom an election is made either by the Secretary or, if the Secretary has not made an election, by a person other than the Secretary at the time and in the manner prescribed by the Secretary.

After an election is made, an initial Trump account is created or organized by the Secretary for the eligible individual. After an initial Trump account has been established, a subsequent Trump account (rollover Trump account) may be established for the account beneficiary during the period that begins when such initial Trump account is established and ends on December 31 of the calendar year in which the account beneficiary [1] of the initial Trump account attains age 17 (growth period). A rollover Trump account must be funded by a qualified rollover contribution, which is a trustee-to-trustee transfer of the entire account balance from the account beneficiary's existing Trump account.[2]

Section 530A(a) generally treats Trump accounts in the same manner as traditional IRAs under section 408(a), except as otherwise provided in section 530A or under regulations or guidance provided by the Secretary. Special rules contained in section 530A that do not apply to other traditional IRAs include rules regarding contributions, investments, distributions, and reporting. After the growth period, most of the special rules no longer apply and the rules under section 408 governing traditional IRAs generally apply.

III. Qualified General Contributions

One type of contribution permitted during the growth period is a qualified general contribution, which is a contribution made by the Secretary and funded by a general funding contribution from a State (or political subdivision thereof), the United States, the District of Columbia, an Indian Tribal government, or a section 501(c)(3) tax-exempt organization. The contribution is distributed to the Trump accounts of account beneficiaries who are members of a qualified class. Under section 530A(f), a qualified general contribution must be made pursuant to a general funding contribution, must be made to each account beneficiary in the qualified class, and must be made in an equal amount for each account beneficiary in that class. The statute provides broad, objective criteria to describe the qualified classes of account beneficiaries whose Trump accounts can receive the qualified general contribution.

Section 139J provides that qualified general contributions to a Trump account are not includible in the gross income of the account beneficiary when made.

IV. Prior Guidance

On December 2, 2025, the Treasury Department and the IRS issued Notice 2025–68, 2025–52 IRB 856, which informed taxpayers that the Treasury Department and the IRS intend to propose regulations under section 530A and related provisions. The notice addressed initial questions regarding Trump accounts, including elections to establish initial Trump accounts, anticipated annual reporting, qualified rollover contribution reporting, trustee-to-trustee information, and account beneficiary disclosures. The notice also requested comments.

On March 9, 2026, the Treasury Department and the IRS published a

[1] After an initial Trump account has been established for an eligible individual, the individual is referred to as the account beneficiary pursuant to section 530A(b)(4).

[2] A qualified rollover contribution for a Trump account under section 530A(e) may be made only during the growth period and is different from and unrelated to a qualified rollover contribution for a Roth IRA under section 408A(e).

notice of proposed rulemaking (NPRM) (REG–117270–25) in the **Federal Register** (91 FR 11194) containing proposed regulations (§§ 1.530A–1 through 1.530A–6) that would provide guidance on making an election to establish a Trump account and reserve additional sections for further guidance on Trump accounts (prior § 1.530A–1 NPRM). The NPRM published in the Proposed Rules section of this issue of the **Federal Register** withdraws the prior § 1.530A–1 NPRM.

On March 9, 2026, the Treasury Department and the IRS also published a notice of proposed rulemaking (REG–117002–25) in the **Federal Register** (91 FR 11203) containing a proposed regulation (§ 301.6434–1) that would provide guidance on the Trump accounts contribution pilot program under section 6434 under which the Trump accounts of eligible children can receive $1,000 pilot program contributions.

On July 13, 2026, the Treasury Department and the IRS published Rev. Proc. 2026–25, 2026–29 IRB 45, which provides a transfer tax safe harbor for certain individual donors who make one or more contributions to Trump accounts established under section 530A.

On August 11, 2026, the Treasury Department and the IRS published a notice of proposed rulemaking (REG–101355–26) in the **Federal Register** (91 FR 51611) containing proposed regulations (§§ 1.128–1 through 1.128–3, 1.129–1 and 1.129–2) that would provide guidance on employer contributions to Trump accounts under section 128, including applicable nondiscrimination rules, and the nondiscrimination rules for dependent care assistance programs under section 129.

On August 21, 2026, the Treasury Department and the IRS published a notice of proposed rulemaking (CC–00349938–26) in the **Federal Register** (91 FR 54280) containing a proposed regulation (§ 1.530A–3) that would provide guidance on eligible investments, which are the only assets in which Trump account funds may be invested during the growth period.

Explanation of Provisions

These temporary regulations provide rules regarding the establishment of an initial Trump account and qualified general contributions. Section 1.530A–1T provides general requirements for Trump accounts and rules for the establishment of an initial Trump account, including automatic enrollment by the Secretary, and for the administration and claiming of auto accounts. The prior § 1.530A–1 NPRM, which is being withdrawn, did not provide for broad automatic enrollment by the Secretary. After considering public comments and further addressing the legal and operational issues associated with automatic enrollment, the Treasury Department and the IRS have identified an administrable structure that permits broad automatic enrollment while protecting return information. *See* Section I.D.2 of this Explanation of Provisions. Section 1.530A–7T provides rules regarding qualified general contributions, including qualified general contributions that consist of qualified stock or that use an approved class.

I. Section 1.530A–1T—Trump Accounts; General Requirements; Establishment of an Initial Trump Account; Auto Enrollment and Auto Accounts

A. Overview

Section 1.530A–1T provides definitions related to Trump accounts, general requirements for Trump accounts, rules for establishment of an initial Trump account, including auto enrollment by the Secretary, and rules for auto accounts and claiming an auto account.

B. Definitions

Section 1.530A–1T(b) includes definitions of the terms *account beneficiary, eligible individual, qualified ABLE rollover contribution, qualified general contribution, qualified rollover contribution, Trump account,* and *Secretary* that are consistent with sections 530A(b)(4), 530A(b)(2), 530A(d)(4)(B), 530A(f), 530A(e), 530A(b)(1), and 7701(a)(11)(B), respectively.

Section 1.530A–1T(b)(3) defines the term *growth period* as the period that begins when the account beneficiary's initial Trump account described in § 1.530A–1T(b)(5)(i) or (ii) is established and ends on December 31 of the calendar year in which the account beneficiary attains age 17. This definition is provided for ease of reference and reflects the statutory concept of the period before the first day of the calendar year in which the account beneficiary attains age 18.

Section 1.530A–1T(b)(4) defines the term *IRA* as an individual retirement account under section 408(a), including a custodial account treated as a trust under section 408(h) but, consistently with section 530A(b)(1), does not include an individual retirement annuity under section 408(b).

Section 1.530A–1T(b)(5) defines the terms *initial Trump account, auto account,* and *claimed initial Trump account.* An initial Trump account is a Trump account created or organized by the Secretary pursuant to section 530A(b)(1)(A)(i) and maintained by a trustee selected by the Secretary pursuant to section 530A(g). The definition of *initial Trump account* covers three types of initial Trump accounts. The first type of initial Trump account is any Trump account that is established when a person other than the Secretary makes an election (using Form 4547, *Trump Account Election(s),* or successor form, or through an electronic application or web page) and activates the account before auto enrollment by the Secretary. The second type of initial Trump account is an auto account, which is an initial Trump account created or organized pursuant to an election made by the Secretary under § 1.530A–1T(d)(2). The third type of initial Trump account is a claimed initial Trump account, which is an initial Trump account created or organized by the Secretary to receive a qualified rollover contribution from an auto account. These definitions identify the different ways in which a taxpayer can establish a Trump account created or organized by the Secretary, and also distinguish an initial Trump account from a rollover Trump account established under section 530A(b)(1)(A)(ii).

Section 1.530A–1T(b)(6) defines the term *master group trust* as a trust established by the Secretary for the exclusive benefit of account beneficiaries of auto accounts for the purpose of holding investments of auto accounts that meets the applicable requirements of Rev. Rul. 81–100, 1981–1 C.B. 326, as modified, and is exempt from taxation under section 408(e).[3]

Section 1.530A–1T(b)(10) provides that the term *qualified stock contribution,* which is a type of qualified general contribution, is defined in § 1.530A–7T(b)(9).

Section 1.530A–1T(b)(11) defines the term *responsible party* as the person who is authorized under the terms of the written governing instrument for a Trump account to act on behalf of the account beneficiary. A person's status as a responsible party under the written

[3] Although these regulations do not address State or local tax treatment, the Treasury Department and the IRS anticipate that, in a jurisdiction that conforms to section 408(e) and applies corresponding treatment to a group trust described in Rev. Rul. 81–100, a Trump account and the portion of the master group trust equitably attributable to that account generally would receive corresponding treatment for State income tax purposes. However, treatment under any particular State or local law depends on that law and is not determined by these regulations.

governing instrument does not, by itself, establish that the person is entitled under section 6103 to inspect or receive the account beneficiary's returns or return information.

Section 1.530A–1T(b)(12) defines the term *rollover Trump account* as a Trump account that is not an initial Trump account and that is created or organized in the United States and established for the account beneficiary during his or her growth period pursuant to section 530A(b)(1)(A)(ii). A rollover Trump account must first be funded by a qualified rollover contribution from the account beneficiary's existing Trump account before receiving any other contribution. Because a qualified rollover contribution is a direct trustee-to-trustee transfer of the entire Trump account balance, an account beneficiary may have only one funded Trump account at a time.

Section 1.530A–1T(b)(14) defines the term *traditional IRA* as an IRA that is not a Roth IRA under section 408A.

C. General Requirements for a Trump Account

Section 1.530A–1T(c)(1) provides that a Trump account is a type of traditional IRA described in section 530A(b)(1) for the exclusive benefit of an eligible individual and, after the death of the individual, his or her beneficiaries. A Trump account can be either an initial Trump account or a rollover Trump account.

Section 1.530A–1T(c)(2) provides rules for the written governing instrument of a Trump account. Except as otherwise provided, the written governing instrument must satisfy the requirements of section 408(a)(1) through (6), which apply to other IRAs, and the requirements of section 530A(b)(1)(C)(i) through (iii), which apply only to Trump accounts. The written governing instrument must reflect both the rules that apply during the growth period and the rules that apply after the growth period.

Section 1.530A–1T(c)(2)(ii) also requires the written governing instrument to clearly designate the account as a Trump account at the time of its establishment. Accordingly, an existing account, such as an IRA that is not a Trump account, may not be amended to become a Trump account. In addition, the account must be titled to clearly identify the account as a Trump account for the benefit of the account beneficiary.

With respect to the growth period, the written governing instrument generally must restrict the timing and annual amount of contributions in accordance with section 530A(b)(1)(C)(i) and prohibit contributions under a Simplified Employee Pension (SEP) arrangement under section 408(k) or a Savings Incentive Match Plan for Employees (SIMPLE) IRA plan under section 408(p) in accordance with section 530A(h)(1). Additionally, the written governing instrument must prohibit distributions in accordance with section 530A(b)(1)(C)(ii), and require the funds in the account to be invested only in eligible investments in accordance with section 530A(b)(1)(C)(iii), as applied under § 1.530A–7T(d). A Trump account satisfies the cash contribution requirement in section 408(a)(1) if, except in the case of a qualified rollover contribution, the written governing instrument provides that no contribution will be accepted unless it is in cash or is qualified stock received in a qualified stock contribution described in § 1.530A–7T(d).

With respect to the period after the growth period, the written governing instrument must satisfy the requirements of section 408(a)(1) through (6) and the prohibition in section 530A(h)(1) against receiving contributions under a SEP arrangement under section 408(k) or a SIMPLE IRA plan under section 408(p), which continues to apply after the growth period.[4]

Section 1.530A–1T(c)(3) provides, under the authority of section 408(a)(2), that any person approved by the IRS as of December 31, 2025, to be a nonbank trustee of an IRA is automatically approved to be a nonbank trustee of a Trump account.

Section 1.530A–1T(c)(4) provides that a Trump account is subject to special rules that differ from the rules for other traditional IRAs, including rules relating to contributions, investments, distributions, and reporting. After the growth period, the rules under section 408 that apply to other traditional IRAs generally apply to Trump accounts, except as provided in section 530A(h).

For the avoidance of doubt, § 1.530A–1T(c)(5) provides that for purposes of section 530A, an individual attains an age on the individual's birthday, and not the day before the individual's birthday. For example, a child born on January 1, 2009, attains age 18 on January 1, 2027.

Section 1.530A–1T(c)(6) provides that a funded Trump account may not be closed during the growth period unless all assets have first been distributed in a distribution permissible under section 530A(b)(1)(C)(ii). The distribution restrictions of section 530A(b)(1)(C)(ii) do not apply after the growth period and therefore those restrictions do not prevent closing a Trump account after the growth period, whether funded or unfunded. It also provides that an unfunded Trump account that is not an auto account may be closed by the trustee after the growth period if provided by the terms of the written governing instrument.

D. Establishment of Initial Trump Accounts

1. Methods To Establish an Initial Trump Account

Section 1.530A–1T(d)(1) explains the three methods by which an initial Trump account may be established. Under the first method provided in § 1.530A–1T(d)(1)(i), an auto account is established pursuant to an election by the Secretary to establish an auto account in accordance with section 530A(b)(2)(C)(i).

Under the second method provided in § 1.530A–1T(d)(1)(ii), an initial Trump account is established pursuant to an irrevocable election by a person other than the Secretary (such as by using Form 4547 or the electronic application or web page made available by the Secretary) in accordance with section 530A(b)(2)(C)(ii). It is anticipated that elections under the first method will generally eliminate the need for any election by a person other than the Secretary; however, this second method is available for any rare exceptions. Section 1.530A–1T(d)(1)(iii) includes a deemed election to address situations where an election was made to establish an initial Trump account and the account was activated, but the election was not made by a person authorized to make the election under the applicable instructions. Under this provision, the Secretary is deemed to have made the election to establish the initial Trump account. Thus, the account does not cease to be a Trump account solely because the individual who submitted the election was not authorized to do so. Such an account is not an auto account.

[4] Notice 2025–68, Q&A A–10 addresses a contractual (not tax law requirement) provision in a written governing instrument for an automatic transfer of the account to a traditional IRA immediately after the growth period. In such instance, the written governing instrument does not need to reflect rules that would apply after the growth period because the Trump account would not remain open after the growth period. However, if the account remains a Trump account for any period of time after the growth period, including if there is a provision in the written governing instrument for an automatic transfer of the account to a traditional IRA when the account beneficiary turns 18 rather than at the end of the growth period, the written governing instrument must reflect the post-growth period requirements applicable to Trump accounts.

Under the third method provided in § 1.530A–1T(d)(1)(iv), claiming an auto account pursuant to § 1.530A–1T(f) can result in the establishment of a claimed initial Trump account to receive the funds from the auto account. *See* section I.F. of this Explanation of Provisions regarding other methods to claim an auto account. The claimed initial Trump account is an entirely different account from the auto account. For example, an auto account can only receive qualified general contributions and the $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434) while a claimed initial Trump account can receive any contribution that is permitted to be made to a Trump account (such as a contribution from the family of the account beneficiary or from an employer).

2. Auto Enrollment

Under the prior § 1.530A–1 NPRM (91 FR at 11196), elections to establish an initial Trump account generally would be made by persons other than the Secretary pursuant to section 530A(b)(2)(C)(ii). Although the prior § 1.530A–1 NPRM acknowledged that section 530A(b)(2)(C)(i) authorizes the Secretary to make an election to establish an initial Trump account, those proposed regulations contemplated that the Secretary's exercise of that authority would be limited to instances in which the Secretary is deemed to have made an election when an election was submitted by a person who was not authorized to make the election (91 FR at 11197). That proposed approach reflected the need to issue the proposed regulations promptly in order to implement Trump accounts by the July 4, 2026, date on which contributions could first be made. Given the limited time available, the Treasury Department and the IRS were unable to fully resolve the legal and administrative issues associated with implementing broad automatic enrollment, including the need to prevent the unauthorized disclosure of return information.

Many commenters expressed strong support for auto enrollment of initial Trump accounts. Commenters urged the Secretary to make an election for each individual who satisfies the statutory age and social security number requirements, using information available from tax returns, Social Security Administration records, and other authorized sources. Commenters stated that requiring an affirmative election by a person other than the Secretary would reduce participation, particularly among nonfilers, families unfamiliar with tax procedures, and families with limited time or resources to complete a separate enrollment process. Commenters also stated that an eligible individual should not lose the opportunity to receive contributions or investment growth merely because no adult completed an election.

Following the publication of the prior § 1.530A–1 NPRM, and after considering the public comments supporting automatic enrollment, the Treasury Department and the IRS further considered how to address the legal and operational issues identified in that NPRM. In coordination with the Treasury Department's financial agent and other governmental agencies, the Treasury Department and the IRS have identified an administrable structure under which the Secretary can make elections for eligible individuals while preserving separate IRA ownership and protecting return information from disclosure. This change in approach therefore reflects the development of a different administrative structure, rather than a change in the Treasury Department and the IRS's interpretation of the authority conferred by section 530A(b)(2)(C)(i).

Under this structure, a separate initial Trump account is established for each eligible individual pursuant to a separate written governing instrument, and separate account-level records are maintained for each account, which are referred to as auto accounts. Contributions are received and recorded by the individual auto account, and the assets attributable to auto accounts are invested collectively through a master group trust that is intended to satisfy the applicable requirements of Rev. Rul. 81–100, as modified. Each auto account holds an undivided proportionate beneficial interest in the investments held through the master group trust that are attributable to contributions allocated to qualified classes of which the account beneficiary was a member and any $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434) made to that account, and records maintained for the Trump accounts program identify the assets attributable to each auto account. The structure thus combines separate account ownership and account-level recordkeeping with collective investment and administration.

The master group trust addresses the concerns reflected in the prior § 1.530A–1 NPRM about disclosure of return information because investments are held and administered at the master-group-trust level.[5] Thus, the trustee of the master group trust can execute transactions for the trust without receiving or disclosing account-identifying return information for each account beneficiary in connection with each transaction. Return information used to identify eligible individuals and establish auto accounts is retained in a safeguarded environment by the Secretary and his financial agent authorized to receive that information on the Secretary's behalf.

In addition, a person seeking to claim an auto account must independently submit the information required by the Secretary, authenticate the person's identity, establish the person's legal authority to act with respect to the account and to receive the account beneficiary's return information, and execute any consent required for disclosures necessary to process the claim and transfer the account balance. This process permits an authorized person to claim and control the account without disclosing protected account information before the person's legal authority to that information has been established.

Accordingly, after considering the comments and developing this new administrable structure, § 1.530A–1T(d)(2)(i) provides for auto enrollment through the Secretary making the election to establish an initial Trump account. Section 1.530A–1T(d)(2)(ii) provides that any account established after auto enrollment has begun pursuant to an election under § 1.530A–1T(d)(1)(i) through (iii) will be an auto account. To effectuate auto enrollment, on or about October 1, 2026, the Secretary will make an election to establish an auto account for each individual who the Secretary has determined satisfies the age and social security number requirements and for whom no prior election has been made by a person other than the Secretary. An auto account shall be established for each such individual. Thereafter, the Secretary will make subsequent periodic elections to establish auto accounts for individuals who the Secretary determines satisfy those requirements and for whom no prior election has been made by a person other than the Secretary, and will establish auto accounts for eligible individuals for whom a Trump account has not been established. It is anticipated that such

[5] In connection with its establishment of auto accounts and the master group trust, Treasury has determined the eligible investment(s) and other assets to be held by the master group trust; at Treasury's direction, the trustee of the master group trust effects any transactions by the master group trust.

periodic elections will be frequent enough to generally eliminate the need for any election by a person other than the Secretary.

3. Account Activation Is Required To Establish the Initial Trump Account

Section 1.530A–1T(d)(3) clarifies that an election under § 1.530A–1T(d)(1)(ii) (for example, using Form 4547) does not by itself establish an initial Trump account (and contributions cannot be made until the account is established). In order to establish an initial Trump account that is not an auto account, the account must be activated by the person making the election or claim pursuant to instructions from the trustee after the election is made. Account activation (which includes signing the account agreement for the initial Trump account) is generally the last step in the establishment of an initial Trump account.

The Secretary, as the responsible party, is deemed to have activated each auto account with the trustee selected by the Secretary pursuant to section 530A(g), and no separate action by anyone is required for the auto account to be established.

Making a claim with respect to an auto account pursuant to § 1.530A–1T(f) (for example, using the electronic app) does not by itself establish a claimed initial Trump account. The qualified rollover contribution from the auto account or other contributions to the account cannot be made until the account is established. In order to establish a claimed initial Trump account, the account must be activated pursuant to instructions from the trustee after the claim is made. *See* section I.F. of this Explanation of Provisions regarding making a claim with respect to an auto account.

E. Administration of Auto Accounts

Section 1.530A–1T(e) provides rules regarding the administration of auto accounts.

During the growth period, an auto account may accept only qualified general contributions under section 530A(f), including qualified stock contributions, and a $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434). While the Secretary cannot make a pilot program election for the $1,000 pilot program contribution under section 6434, in limited circumstances where a pilot program election has been made by a pilot program-electing individual pursuant to section 6434, but an account was not activated, the auto account will be able to receive the $1,000 pilot program contribution. After the growth period, an auto account generally may not accept contributions. This limitation permits auto accounts to receive Treasury-administered contributions while the Secretary remains the responsible party and while account-identifying information is maintained in a safeguarded environment. It also avoids requiring disclosure of account information to a person seeking to act for the account beneficiary before that person's identity, legal authority to act for the beneficiary, and entitlement under section 6103 to receive the beneficiary's return information have been established.

Section 1.530A–1T(e)(3) provides that an auto account's sole investment is its equitable interest in the master group trust, and the written governing instrument for the auto account must provide that the auto account adopts the provisions of the master group trust.[6] The master group trust may hold only eligible investments described in section 530A(b)(3), cash to the extent permitted under section 530A(b)(1)(C)(iii), and qualified stock contributed pursuant to a qualified stock contribution described in § 1.530A–7T(d), including successor qualified stock. *See* section II.D. of this Explanation of Provisions regarding qualified stock contributions. With respect to the eligible investment requirement in section 530A(b)(1)(C)(iii), each auto account's interest in the master group trust consists of its undivided proportionate beneficial interest in those investments of the master group trust that are attributable to contributions allocated to qualified classes of which the account beneficiary was a member and any $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434) made to that account.

It is anticipated neither the trustee of the master group trust nor the Secretary, acting in the Secretary's capacity as responsible party, has discretion with respect to voting or other corporate actions involving those assets. This approach permits those matters to be administered on a uniform basis for all affected auto accounts without requiring individualized directions with respect to each account. The treatment of stock, cash, or other property received by reason of owning qualified stock is governed by § 1.530A–7T(d). *See* section II.D. of this Explanation of Provisions.

Section 1.530A–1T(e)(3)(ii) requires the trustee of the master group trust to sell qualified stock within a reasonable period after the end of the applicable minimum holding period described in § 1.530A–7T(d)(3) and promptly invest the proceeds in an eligible investment described in section 530A(b)(3). Providing a reasonable period for the sale, rather than requiring a sale on a specified date, permits the trustee to conduct an orderly disposition and reduces the potential market effects of predictable, concentrated sales. Investment of the proceeds is treated as prompt if it occurs within 30 calendar days after the sale.

Section 1.530A–1T(e)(4) provides rules for closing an unfunded auto account after its growth period or once the auto account has been claimed and funds have been transferred out (as in a trustee-to-trustee transfer). *See* § 1.530A–1T(c)(6) for rules regarding closing a Trump account that is not an auto account.

Section 1.530A–1T(e)(5) also provides that, if an account beneficiary dies during the growth period before the account beneficiary's funded auto account has been claimed, the account will cease to be a Trump account on the day that the account beneficiary dies but will remain an IRA, which still may be claimed pursuant to § 1.530A–1T(f). The fact that the account remains an IRA even after the account ceases to be a Trump account is a special rule limited to the situation in which an account beneficiary of a funded auto account dies during the growth period. The estate of the account beneficiary will be the beneficiary of the auto account. However, if the auto account is unfunded when the account beneficiary dies, the account will be closed pursuant to § 1.530A–1T(e)(4).

The Treasury Department and the IRS anticipate that reporting rules for Trump accounts, including reporting rules relevant to auto accounts, will be addressed in future guidance.

F. Claiming an Auto Account

1. In General

Section 1.530A–1T(f) provides rules for claiming an auto account. A guardian or legal custodian having authority under applicable law to manage the account beneficiary's property or financial affairs, or an

[6] Rev. Rul. 81–100 permits IRAs (including Trump accounts) and other eligible retirement arrangements to pool assets in a group trust if specific requirements are satisfied. If those requirements are satisfied, the Federal tax status of the group trust is derived from the tax status of the participating entities to the extent of their equitable interests in the group trust. Thus, the master group trust would be exempt from taxation under section 408(e) with respect to funds that equitably belong to auto accounts.

account beneficiary with legal capacity (for example, having attained the age of majority, or become emancipated, under applicable State law), may claim an auto account through an electronic application or web page made available by the Secretary, in accordance with applicable instructions.

Claiming an auto account is the process by which a person establishes legal authority under applicable law to act with respect to an auto account and, before receiving protected account information, establishes authority under section 6103 to receive the account beneficiary's return information. The information required to establish authority under section 6103 is more extensive than what is required by Form 4547. Because the existence of an auto account and account-identifying information maintained by the Secretary or an authorized agent in connection with administration of the account constitutes return information protected by section 6103, a person claiming an auto account must independently provide the information required by the Secretary, authenticate the person's identity, establish the required legal authority under section 6103, and separately execute any consent required under section 6103(c) for disclosure of specified return information needed to process the claim and transfer the account balance to the receiving trustee.

During the growth period, claiming an auto account results in the entire balance of the auto account being transferred in a qualified rollover contribution to either a claimed initial Trump account of the account beneficiary (which is maintained by a trustee selected by the Secretary pursuant to section 530A(g)) or a rollover Trump account of the account beneficiary (which is maintained by a trustee other than the trustee(s) selected by the Secretary). After the growth period, claiming an auto account results in the entire balance of the auto account being transferred to an IRA of the account beneficiary.

As explained in section I.D.3. of this Explanation of Provisions, making a claim with respect to an auto account pursuant to § 1.530A–1T(f) does not by itself establish a claimed initial Trump account, and a qualified rollover contribution from the auto account or other contributions cannot be made until the account is established. In order to establish a claimed initial Trump account, the account must be activated (pursuant to instructions from the trustee to the person making the claim) after the claim is made.

If a claim is made under § 1.530A–1T(f)(1) but a receiving account is not yet established in accordance with applicable instructions (for example, if the claimed initial Trump account is not established because the account is not activated (that is, the account agreement is not signed pursuant to the trustee's instructions)), the auto account balance will remain in the auto account until a receiving account is established and the transfer can be completed. Until a receiving account is established, another claim may be made under § 1.530A–1T(f)(1). In that case, the transfer will be made pursuant to the claim for which a receiving account is first established and ready to receive the transfer.

Section 1.530A–1T(f)(2) provides that, until there has been a transfer of funds from the auto account into a receiving account, another claim may be filed. If multiple claims are filed with respect to an auto account, the responsible party for the claimed initial Trump account will be the first person who activates the account.

Section 1.530A–1T(f)(3) provides a special rule for unfunded auto accounts that permits the claiming process to establish a claimed initial Trump account or rollover Trump account even if no contribution has yet been made to the auto account.

Section 1.530A–1T(f)(4) provides that, if a guardian or legal custodian having authority under applicable law to manage the account beneficiary's property or financial affairs makes a claim for the auto account, that person generally will be the initial responsible party of the receiving Trump account when that account is established. To the extent provided under the written governing instrument and applicable law, the responsible party will have authority, while the account beneficiary does not have legal capacity, to select among eligible investments if more than one eligible investment is offered, direct a transfer for a qualified rollover contribution, direct a transfer for a qualified ABLE[7] rollover contribution under section 530A(d)(4), and select a successor responsible party for the account.

Section 1.530A–1T(f)(5) provides that, if the account beneficiary dies before the auto account has been claimed, a person authorized under applicable law to act with respect to the account beneficiary's estate or property may claim the funds through an electronic application or web page made available by the Secretary, in accordance with applicable instructions, provided that the person also establishes entitlement under section 6103(e)(3) and (7), or other applicable authority, to receive the decedent's return information.

II. Section 1.530A–7T—Qualified General Contributions and Qualified Stock Contributions

A. Overview

Section 1.530A–7T provides definitions related to qualified general contributions, rules for qualified general contributions (including qualified general contributions that use an approved class or that consist of qualified stock), and rules for determining whether a general funding contribution furthers an exempt purpose.

B. Definitions

Section 1.530A–7T(b)(1) defines the term *approved class* as a class consisting of not less than 5,000 account beneficiaries that includes all account beneficiaries who are still in their growth period when the contribution is made, reside in one or more States or other qualified geographic areas specified by the terms of and on the record date(s) provided in the Treasury acceptance agreement, and were born in one or more calendar years specified in the Treasury acceptance agreement.

Section 1.530A–7T(b)(2) defines the term *eligible donor* consistently with section 530A(f)(2)(A) as an entity described in section 170(c)(1) (other than a possession of the United States or a political subdivision of a possession), an Indian Tribal government, or an organization described in section 501(c)(3) and exempt from tax under section 501(a).

Section 1.530A–7T(b)(3) defines the term *general funding contribution* consistently with section 530A(f)(2), and treats an approved class as a qualified class for purposes of this definition. *See* section II.C. of this Explanation of Provisions regarding treatment of an approved class as a qualified class.

Section 1.530A–7T(b)(4) provides that the term *minimum holding period requirement* is the period of time described in § 1.530A–7T(d)(3) during which the qualified stock may not be sold or otherwise disposed of.

Section 1.530A–7T(b)(5) defines the term *qualified class* consistently with section 530A(f)(3), clarifying that a contribution is made when it is made to the Trump account. A contribution is made to the Trump account when it is received by the Trump account, and not when the contribution is announced by the eligible donor or when the general

[7] Section 529A was enacted by the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, which was enacted as part of the Tax Increase Prevention Act of 2014, Public Law 113–295 (128 Stat. 4010).

funding contribution is received by the Treasury Department.

Section 1.530A–7T(b)(6) defines the term *qualified general contribution* consistently with section 530A(f)(1) and § 1.530A–7T(c). In accordance with § 1.530A–7T(c)(3)(ii) and (iii) and (c)(4)(ii), it provides that a qualified general contribution includes an *approved class contribution,* which is a qualified general contribution that uses an approved class, and that a qualified general contribution includes a qualified stock contribution.

Section 1.530A–7T(b)(7) defines the term *qualified geographic area* as provided in section 530A(f)(3)(B).

Section 1.530A–7T(b)(8) defines the term *qualified stock* as stock that is publicly traded, issued by a domestic corporation, and not subject to any pre-existing transfer restrictions, such as being a restricted security as defined in 17 CFR 230.144(a)(3), in each case as determined when it is contributed to the Treasury Department as part of a general funding contribution.

Section 1.530A–7T(b)(9) defines the term *qualified stock contribution* as a qualified general contribution of qualified stock that satisfies the requirements of § 1.530A–7T(c) and (d).

Section 1.530A–7T(b)(10) defines the term *record date* as one or more dates specified in a Treasury acceptance agreement as of which the Secretary determines the account beneficiaries whose Trump accounts are eligible to receive a qualified general contribution.

Section 1.530A–7T(b)(11) defines the term *Treasury acceptance agreement* as the written agreement or other documentation pursuant to which the Secretary accepts a general funding contribution.

C. Qualified General Contributions

Section 1.530A–7T(c)(1) provides that a contribution is a qualified general contribution only if it satisfies the requirements in § 1.530A–7T(c)(2) through (4). These requirements track the requirements of section 530A(f)(1)(A) through (C) that the contribution be made by the Secretary pursuant to a general funding contribution, be made to the Trump accounts of account beneficiaries in a qualified class, and be made in an equal amount for each account beneficiary in that class.

In accordance with section 530A(f)(1)(A), § 1.530A–7T(c)(2) provides rules for the Secretary's acceptance of a general funding contribution and the Secretary's subsequent making of qualified general contributions to Trump accounts. First, an eligible donor seeking to make a general funding contribution submits a request on the form prescribed by the Secretary or through an electronic application or web page made available by the Secretary. Second, the Secretary reviews the request and may, in the Secretary's sole discretion, approve the request after determining that the request satisfies the requirements of § 1.530A–7T and considering objective criteria, including the cost of implementation, the operational feasibility of the contribution, and the potential impact of other Federal laws (such as securities laws). Third, if the Secretary approves the request, the Secretary and the donor will enter into a Treasury acceptance agreement that contains information required by the Secretary, including the aggregate amount of funding, the qualified class, the record date, and, if applicable, information about the qualified stock.

Because the eligible donor makes a general funding contribution to the Secretary, and the Secretary then makes a qualified general contribution only to certain Trump accounts, there must be a clear process for acceptance, allocation, transfer, and overall administration. Section 1.530A–7T(c)(2) provides clear and administrable rules to implement these aspects of the two-step contribution structure contemplated by section 530A(f). These rules provide eligible donors and the Treasury Department with certainty and ensure consistent treatment of all members of the qualified class. The Treasury Department anticipates releasing more information about the request form.

In accordance with section 530A(f)(1)(B), § 1.530A–7T(c)(3)(i) provides that qualified general contributions can only be made to Trump accounts of account beneficiaries in a qualified class. The section clarifies that the qualified class must be the qualified class that is set forth in the Treasury acceptance agreement, even if the donor request form identified a different group of account beneficiaries.

Section 1.530A–7T(c)(3)(ii) and (c)(4)(ii) provides that, for purposes of section 530A(f)(1)(B) and (C), respectively, an approved class is treated as a qualified class. Section 530A(f) is designed to permit broad-based contributions to Trump accounts rather than contributions selected on an account-by-account basis. The approved-class rule implements that design by permitting only classes that are defined using a combination of objective criteria consisting of the qualified class-based criteria used in section 530A(f)(3): the account beneficiary must be in the growth period, must reside in one or more States or other qualified geographic areas specified in the Treasury acceptance agreement, and must have been born in one or more specified calendar years. The rule also requires the class to consist of not less than 5,000 account beneficiaries in order to be consistent with the same minimum class size requirement reflected in the qualified geographic area requirement of section 530A(f)(3)(B).

The Treasury Department and the IRS have determined that treating an approved class as a qualified class is consistent with section 530A(f) because the rule furthers the statutory objective of broad, equal-per-beneficiary funding while allowing contributions to be administered using objective criteria that can be verified from Treasury Department records. For example, a contribution for all account beneficiaries born in specified years and residing in a specified State or qualified geographic area may serve a broad class of account beneficiaries while permitting the eligible donor and the Secretary to define the class with enough specificity for administrable funding and allocation.

Section 1.530A–7T(c)(3)(iii) provides that a qualified general contribution generally must be made in cash to a Trump account. An exception applies for qualified stock contributed as part of a qualified stock contribution that satisfies § 1.530A–7T(d).

Section 1.530A–7T(c)(4) provides that a qualified general contribution must be made in an equal amount to the Trump account of each account beneficiary in the qualified class. Details regarding the form and amount of the qualified general contributions will be addressed in the Treasury acceptance agreement. The equal-amount requirement applies to all account beneficiaries in the qualified class as of the applicable record date and, if multiple record dates are used, across all applicable record dates. The account beneficiaries included in the qualified class are determined based on information obtained during the election process under § 1.530A–1T(d)(1)(i) and (ii), as updated by information reported to the Secretary under section 530A(i).

D. Qualified Stock Contributions

1. In General

To facilitate certain stock donations from eligible donors, the temporary regulations provide rules for qualified stock contributions. A qualified stock contribution is a contribution of qualified stock. Qualified stock is publicly traded stock that is issued by

a domestic corporation and meets the other requirements set forth in § 1.530A–7T(b)(8).

Section 530A(b)(1)(C)(iii) provides that, during the growth period, the funds in a Trump account may be invested only in eligible investments described in section 530A(b)(3). Holding qualified stock received pursuant to a qualified stock contribution does not violate this restriction because no funds in the account are used to acquire the contributed stock. Rather, the stock is contributed directly into the individual Trump accounts for the beneficiaries in the designated qualified class.

Pursuant to the regulatory authority conferred in section 530A(a) to provide exceptions to the rules of section 408(a), the temporary regulations also provide an exception from the section 408(a)(1) requirement that non-rollover contributions to an IRA must be in cash for a qualified stock contribution. The Treasury Department and the IRS have determined that these limited exceptions for qualified stock contributions will facilitate more donations from eligible donors, and will help create a practical pathway for large-scale private giving to support the Trump account program and the account beneficiaries with Trump accounts.

Qualified stock that is contributed to a Trump account is subject to a minimum holding period requirement in § 1.530A–7T(d)(3). Pursuant to the minimum holding period requirement, the stock may not be sold before the earlier of (i) the date that is 5 years after the qualified stock contribution to the account, and (ii) the end of the growth period for the account beneficiary of that account. If the qualified stock is disposed of in violation of the minimum holding period requirement, the trustee must repurchase the same number of shares of the same class of qualified stock that were sold or otherwise disposed of as soon as practicable. However, the qualified stock may be disposed of during the required minimum holding period to effectuate a qualified ABLE rollover contribution, to effectuate a qualified rollover contribution when fractional shares cannot be transferred in kind (for example, if fractional shares cannot be transferred as part of a qualified rollover contribution, the transferring trustee may sell the fractional shares and transfer cash as part of the qualified rollover contribution instead), to accept a tender offer for the qualified stock at the direction of the responsible party, or if the issuer of the qualified stock is acquired for cash (by merger, purchase, or otherwise). *See* § 1.530A–7T(d)(3)(iv).

Section 1.530A–7T(d)(4) provides qualified stock treatment for certain stock received by the Trump account by reason of owning qualified stock (successor qualified stock).

Section 1.530A–7T(d)(5) and (d)(6) provides specific rules on the consequences of the qualified stock being delisted from a national securities exchange and the receipt of property from corporate distributions on the qualified stock, generally requiring that the trustee must promptly sell or dispose of the qualified stock or the property that was distributed, invest the net proceeds and any distributed cash in eligible investments described in section 530A(b)(3), and disclose how the proceeds were invested to the account beneficiary.

Section 1.530A–7T(d)(7) provides that an auto account's equitable interest in qualified stock in the master group trust is treated as qualified stock.

E. Tax Implications of Contributions

A general funding contribution, by definition, is made to the Secretary for distribution to a broad class that is defined by objective criteria pursuant to the terms of a Treasury acceptance agreement meant to advance the Trump account program. Thus, § 1.530A–7T(e)(1) provides that with regard to a person making a contribution to an eligible donor that is an organization described in section 501(c)(3) and exempt from tax under section 501(a) to fund a general funding contribution satisfying the requirements of § 1.530A–7T, that person's contribution is deductible under section 170, subject to the other requirements of that section. Similarly, § 1.530A–7T(e)(1) provides that, with regard to individuals making a gift to any organization qualifying as an eligible donor for purposes of section 530A, whether or not that eligible donor subsequently makes a general funding contribution, the gift is to an organization described in section 2522.

Section 1.530A–7T(e)(2)(i) provides that an organization described in section 501(c)(3) and exempt from tax under section 501(a) furthers one or more of its purposes described in section 501(c)(3) by providing a general funding contribution. These rules apply whether the organization provides the amount directly or provides the amount through a distribution from a donor advised fund. These rules provide certainty for eligible donors that funding contributions distributed to the qualified class or approved class outlined in the Treasury acceptance agreement will not affect that charity's exempt purpose. The use of a qualified class or an approved class furthers this purpose because the class is broad, is defined using objective statutory criteria, and includes every account beneficiary satisfying those objective criteria.

Section 1.530A–7T(e)(2)(ii) provides that an eligible donor making a general funding contribution is making an expenditure for a purpose specified in section 170(c)(2)(B). Section 1.530A–7T(e)(2)(ii) also provides that a general funding contribution is neither a grant to an individual for purposes of section 4945 nor a distribution to a natural person for purposes of section 4966. Section 4945(d)(4) generally requires a private foundation to exercise expenditure responsibility with respect to certain grants. Similarly, section 4966(c)(1)(B)(ii) generally requires a sponsoring organization to exercise expenditure responsibility with respect to certain distributions from a donor advised fund. To provide certainty to eligible donors, § 1.530A–7T(e)(2)(ii) also provides that, to the extent that an obligation to exercise expenditure responsibility arises under sections 4945 or 4966, an eligible donor that makes a general funding contribution that satisfies the requirements of that section is treated, for purposes of sections 4945 and 4966, as exercising expenditure responsibility in accordance with section 4945(h). This treatment is based on the safeguards applicable to general funding contributions, including the requirements governing the Treasury acceptance agreement; the requirement that the contribution be made exclusively for one or more purposes specified in section 170(c)(2)(B) and further one or more exempt purposes described in section 501(c)(3); and the reporting requirements under sections 530A(i) and 4945(h)(3). These rules apply whether the donor makes the contribution directly or through a donor advised fund.

Applicability Dates

The temporary regulations under §§ 1.530A–1T and 1.530A–7T apply to taxable years beginning on or after January 1, 2026, and expire on September 30, 2029.

Special Analyses

I. Good Cause

Section 553(b)(3)(B) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)(3)(B)) provides that advance notice and the opportunity for public comment are not required with respect to a rulemaking when an ''agency for good cause finds (and incorporates the finding and a brief

statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.'' The Treasury Department and the IRS find that good cause exists for issuing these temporary regulations without prior notice-and-comment because following notice-and-comment procedures before these regulations take effect would be impracticable and contrary to the public interest.

OBBBA added section 530A to the Code. Section 70204 of OBBBA generally applies to taxable years beginning after December 31, 2025. Although contributions to Trump accounts were prohibited before July 4, 2026, contributions may now be made to Trump accounts.

OBBBA created a new statutory account structure for eligible individuals. The rules in § 1.530A–1T are necessary to implement that structure immediately. Section 530A provides that an initial Trump account must be created or organized by the Secretary and designated as a Trump account, and permits the Secretary to make the election to establish an initial Trump account. Section 1.530A–1T provides the procedures needed for the Secretary to exercise that authority, for trustees to identify whether an account is an initial Trump account or a rollover Trump account, for auto accounts to be established and administered, and for a guardian or legal custodian having authority under applicable law to manage the account beneficiary's property or financial affairs, or an account beneficiary, if the account beneficiary has legal capacity, to claim an auto account and direct a permitted transfer. Without immediately effective rules, there would be no uniform framework for determining when an initial Trump account has been established, which account is the account beneficiary's initial Trump account, how auto enrollment by the Secretary would work, how a responsible party is identified, or how an auto account may be claimed and transferred. Those issues must be resolved before trustees and the Secretary can administer Trump accounts as required by section 530A and before contributions can be accepted and properly directed.

Immediate effectiveness is particularly important for the auto account rules in § 1.530A–1T. After publication of the prior § 1.530A–1 NPRM, commenters urged the Treasury Department and the IRS to provide for broader auto enrollment of initial Trump accounts. Following the publication of the prior § 1.530A–1 NPRM, and after considering the public comments supporting automatic enrollment, the Treasury Department and the IRS identified an administrable structure under which the Secretary can make elections for eligible individuals while preserving separate IRA ownership and protecting return information from disclosure.

Under this structure, a separate initial Trump account is established for each eligible individual pursuant to a separate written governing instrument, and separate account-level records are maintained for each account, which are referred to as auto accounts. Contributions are received and recorded by the individual auto account, and the assets attributable to auto accounts are invested collectively through a master group trust that is intended to satisfy the applicable requirements of Rev. Rul. 81–100, as modified. Each auto account holds an undivided proportionate beneficial interest in the investments held through the master group trust that are attributable to contributions allocated to qualified classes of which the account beneficiary was a member and any $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434) made to that account, and records maintained for the Trump accounts program identify the assets attributable to each auto account. The structure thus combines separate account ownership and account-level recordkeeping with collective investment and administration.

The ability to use that structure depends on having a regulatory regime in effect governing Secretary elections, account establishment, trustee administration, the master group trust, responsible-party authority, claiming procedures, and transition rules for accounts and elections that predate auto enrollment. If the effective date of the regulations was delayed until after notice-and-comment procedures were completed, the Secretary would be unable to begin administering auto elections and auto accounts on a uniform basis, and eligible individuals may not have an account in which to receive qualified general contributions or a $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434). That result would be contrary to the public interest because it would delay making the accounts available for eligible individuals at the earliest practicable time, which in turn would shorten the growth period of such accounts.

The rules in § 1.530A–7T are also needed immediately. Section 530A(f) permits eligible donors to make general funding contributions for qualified classes of account beneficiaries, and section 530A contemplates that contributions may be made during the growth period. Section 1.530A–7T provides the procedures and standards needed for the Secretary to accept a general funding contribution, enter into a Treasury acceptance agreement, identify account beneficiaries, and determine the amount payable to each account. Until those rules are effective, eligible donors, trustees, and the Treasury Department would lack the operative framework for determining whether a proposed broad-based contribution qualifies under section 530A(f), which account beneficiaries are included, and the amount to be contributed to each account. Delaying these rules would prevent or significantly delay broad-based contributions, require donors and trustees to defer implementation or proceed under uncertain and potentially inconsistent terms, and could deprive account beneficiaries of contributions and associated investment returns during the first period in which Trump accounts are being established and funded.

The qualified stock contribution rules in § 1.530A–7T present an additional need for immediate guidance. Because section 408(a)(1) generally contemplates cash contributions to IRAs and section 530A(b)(1)(C)(iii) restricts investments during the growth period to eligible investments while section 530A(a) allows the Secretary to provide exceptions in guidance for a Trump account from treatment as an IRA, trustees and donors need rules before a stock contribution is accepted to determine whether stock may be transferred, what stock qualifies, how the minimum holding period applies, how corporate actions and successor stock are handled, and when cash proceeds or other property must be invested in eligible investments. Without immediate rules, an eligible donor seeking to make a qualified stock contribution could not reliably complete the contribution, and trustees could not accept and hold the stock without risking inconsistent treatment under the IRA and Trump account rules. Because these issues must be resolved before stock is accepted and allocated to accounts, post-hoc guidance issued only after completion of notice-and-comment procedures would not ensure that stock contributions can be made or that such contributions were treated equally.

The temporary regulations also reduce the risk of inconsistent account treatment and misdirected contributions during the transition to auto enrollment. The regulations specify how accounts established before auto enrollment are treated, how elections made before auto enrollment that have not resulted in established accounts are handled, and how an auto account may be claimed and transferred. Without immediately effective rules addressing the transition, the Secretary and trustees could receive overlapping elections, claims, funding requests, and transfer instructions for the same account beneficiaries without a uniform rule for how to resolve them. That uncertainty would impair orderly administration and could require corrective transfers or duplicative administrative actions.

The Treasury Department and the IRS have taken steps to provide advance information and opportunities for public input. Notice 2025–68 informed taxpayers that guidance would be issued under section 530A and requested comments. The Treasury Department and the IRS also published the prior § 1.530A–1 NPRM regarding elections to establish initial Trump accounts and considered comments on auto enrollment and account administration. In accordance with section 7805(e) of the Code, a cross-referenced notice of proposed rulemaking is being published concurrently with these temporary regulations, and the Treasury Department and the IRS will consider all timely comments before issuing final regulations.

For these reasons, the Treasury Department and the IRS find that delaying the effectiveness of §§ 1.530A–1T and 1.530A–7T to complete notice-and-comment procedures would be impracticable and contrary to the public interest. Accordingly, the Treasury Department and the IRS find good cause under 5 U.S.C. 553(b)(3)(B) to issue these temporary regulations without prior notice and comment.

The Treasury Department and the IRS also find good cause under 5 U.S.C. 553(d)(3) for these temporary regulations to become effective upon publication in the **Federal Register**. A 30-day delayed effective date would create the same problems described above: auto enrollment and auto accounts could not be administered on a uniform basis; claims and transfers could be delayed; and qualified general contributions or qualified stock contributions could be postponed or made under uncertain terms. Immediate effectiveness is therefore necessary to permit the Secretary, trustees, eligible donors, responsible parties, and account beneficiaries to apply the rules as Trump accounts are established, claimed, funded, and transferred.

II. Regulatory Planning and Review

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

The temporary regulations have been designated by the Office of Management and Budget's (OMB's) Office of Information and Regulatory Affairs (OIRA) as subject to review under Executive Order 12866 pursuant to the Memorandum of Agreement (MOA, July 4, 2025) between the Treasury Department and the OMB regarding review of tax regulations. OIRA has determined that the rulemaking is economically significant and subject to review under section 3(f)(1) of Executive Order 12866 and section 1(c) of the MOA. Accordingly, the temporary regulations have been reviewed by OMB.

Need for Regulation

The temporary regulations define terms for the purpose of implementing section 530A and clarify how initial accounts will be created and claimed. The temporary regulations define terms and establish rules for general funding contributions and qualified general contributions.

The Statute and the Temporary Regulations

Public Law 119–21, commonly referred to as the One, Big, Beautiful Bill Act, added new sections 530A, 128, and 6434 to the Code. Section 530A describes Trump accounts, section 128 describes certain employer contributions to Trump accounts, and section 6434 describes the Trump accounts contribution pilot program. The temporary regulations implement rules under section 530A concerning account creation and contributions to a qualified class.

Section 530A defines a Trump account as a traditional individual retirement account (IRA) with some special rules. Most special rules that distinguish Trump accounts from other IRAs apply only during the growth period. The first day of the growth period is the day the account is established, and the final day of the growth period is December 31 of the calendar year in which the account beneficiary attains age 17. The rules for traditional IRAs generally apply after the growth period. A Trump account may be established for the benefit of a child prior to the calendar year in which the child attains age 18 if the child has been issued a social security number.

In general, distributions from Trump accounts are not permitted during the growth period. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to a new Trump account of the account beneficiary. The entire balance of a Trump account may be rolled over in a direct trustee-to-trustee transfer to an ABLE account of the account beneficiary in the calendar year the account beneficiary attains age 17.

During the growth period, cash in a Trump account must generally be invested in funds that track the returns of a broad index of equities in primarily U.S. companies for which regulated futures contracts are traded, do not use leverage, and do not have annual fees and expenses above 0.1%.

Trump accounts may receive contributions from nonprofits, governments, employers, and individuals. During the growth period, contributions to a Trump account generally are subject to an annual limit of $5,000, adjusted for inflation for taxable years after 2027.

Governments and nonprofits may fund contributions in equal amounts to the Trump accounts of every account beneficiary in a qualified class. A qualified class consists of all account beneficiaries in the growth period or all such account beneficiaries who meet specified geographic or birth year criteria. Contributions to a qualified class funded by governments and nonprofits are facilitated by the Treasury Department. A payment from a government or nonprofit to the Treasury Department for the purpose of funding contributions to a qualified class is defined by section 530A(f)(2) as a general funding contribution. A payment from the Treasury Department to the Trump account of an account beneficiary in a qualified class is defined by section 530A(f)(1) as a qualified general contribution. Contributions to a qualified class facilitated by the Treasury Department and funded by a government or nonprofit do not count towards the $5,000 annual contribution limit.

Section 128 sets rules for certain employer contributions to Trump accounts. Employers may contribute to

the Trump account of an employee or an employee's dependent. Section 128 employer contributions to a Trump account are excluded from the employee's income, up to an annual limit of $2,500, adjusted for inflation for taxable years after 2027. Section 128 employer contributions count towards the $5,000 annual contribution limit.

Section 6434 describes the Trump accounts contribution pilot program. In the pilot program, the Secretary of the Treasury (Secretary) will pay $1,000 to the Trump accounts of eligible children. A U.S. citizen born in 2025, 2026, 2027, or 2028 who has been issued a social security number, for whom no request for a pilot program contribution has previously been processed, and for whom the pilot program-electing individual anticipates will be that individual's qualifying child under section 152(c) for the year in which the election is made is eligible for a pilot program contribution. Pilot program contributions do not count towards the $5,000 annual contribution limit.

Other contributions to a Trump account during the growth period (other than qualified rollover contributions), including contributions from friends or family members, contributions from governments and nonprofits that are not facilitated by the Treasury Department, and employer contributions that are not Section 128 employer contributions, are contributions for which no deduction is allowed under section 219 (they create investment in the contract (basis) for purposes of applying section 72) and count towards the $5,000 annual contribution limit.

The temporary regulations (§§ 1.530A–1T and 1.530A–7T) are just one piece of the implementation of section 530A; prior proposed regulations addressed eligible investments (§ 1.530A–3), and future guidance will address other issues (§§ 1.530A–2, 1.530A–4, 1.530A–5, and 1.530A–6).

Under the temporary regulations, the following terms are defined for the purpose of implementing section 530A: IRA, traditional IRA, growth period, responsible party, initial Trump account, auto account, claimed initial Trump account, qualified rollover contribution, rollover Trump account, and master group trust. An IRA is an individual retirement account. A traditional IRA is an individual retirement account that is not a Roth IRA. Growth period is a concise term for the period described repeatedly by the statute as ''the period before the first day of the calendar year in which the account beneficiary attains age 18.'' A responsible party is the person authorized under the written governing instrument to act on behalf of the account beneficiary. An initial Trump account is an account that is created or organized by the Secretary. An auto account is an initial Trump account that is created following an election made by the Secretary. A claimed initial Trump account is an initial Trump account that receives a qualified rollover contribution from an auto account. A qualified rollover contribution is a direct trustee-to-trustee transfer of an account beneficiary's entire Trump account balance to a different Trump account for the same account beneficiary. A rollover Trump account is a Trump account that is not an initial Trump account. A master group trust is a trust established by the Secretary to hold investments for the exclusive benefit of account beneficiaries of auto accounts.

Under the temporary regulations, these additional terms are defined for the purpose of implementing section 530A: Treasury acceptance agreement, eligible donor, approved class, record date, qualified stock, and qualified stock contribution. A Treasury acceptance agreement is a document that specifies the terms under which the Secretary accepts a general funding contribution. An eligible donor is a government or nonprofit that is eligible to make a general funding contribution. An approved class is a group of at least 5,000 account beneficiaries in the growth period who meet geographic and birth year criteria specified by a Treasury acceptance agreement. A record date is the date (or dates) when membership in a qualified class is determined as specified in a Treasury acceptance agreement. Qualified stock is publicly traded stock of a domestic corporation with no pre-existing transfer restrictions, such as being a restricted security as defined in 17 CFR 230.144(a)(3). A qualified stock contribution is a qualified general contribution of qualified stock.

Under the temporary regulations, the Secretary will create auto accounts for eligible children who do not have Trump accounts on or about October 1, 2026, and periodically thereafter. The Secretary is the responsible party for an auto account. An auto account may receive qualified general contributions and the $1,000 pilot program contribution. A person with legal authority to view the account beneficiary's tax information, including a guardian or legal custodian or the account beneficiary after attaining age 18, may ''claim'' an auto account. When an auto account is claimed during the growth period, there is a qualified rollover contribution to a claimed initial Trump account or to a rollover account, and the individual claiming the account becomes the responsible party. When an auto account is claimed after the growth period, there is a trustee-to-trustee transfer to a traditional IRA for the benefit of the account beneficiary.

Under the temporary regulations, the terms of a general funding contribution must be specified in a Treasury acceptance agreement. A Treasury acceptance agreement must identify the donor, aggregate funding amount or commitment, geographic criteria of the qualified class (if any), age criteria of the qualified class (if any), record dates, donor-identity reporting, and other required information. An approved class will receive the same tax treatment and Treasury facilitation as a qualified class. The regulations clarify that a 501(c)(3) organization furthers exempt purposes by making a general funding contribution, including through a donor advised fund, and that a general funding contribution is neither a section 4945 grant to an individual nor a section 4966 distribution to a natural person.

Under the temporary regulations, a general funding contribution may consist of qualified stock. For a qualified stock contribution, the Treasury acceptance agreement must include the name and employee identification number (EIN) of the stock issuer, the number of shares, and other required information. Qualified stock that is contributed to a Trump account in a qualified general contribution must generally be held for five years, but there are exceptions to liquidate the stock at the end of the growth period, to initiate a qualified ABLE rollover, to permit cash in lieu of fractional shares that cannot be transferred in kind as part of a qualified rollover contribution, in the case of a tender offer, or if the issuer of the qualified stock is acquired (by merger, purchase, or otherwise). If qualified stock is disposed of improperly without an exception, equivalent stock must be repurchased.

Baseline

The Treasury Department and the IRS have assessed the benefits and costs of the temporary regulations relative to a no-action baseline reflecting anticipated Federal income tax-related behavior in the absence of these temporary regulations.

Affected Entities and Taxpayers

The temporary regulations are expected to affect 73 million children in 44 million families.

Economic Effects of the Temporary Regulations

The temporary regulations make several choices that increase the appeal of making general funding contributions. As a consequence, more eligible donors will make general funding contributions, more children will receive qualified general contributions, and the total value of class contributions will be larger.

The class contribution feature of Trump accounts is unprecedented in the domain of child savings accounts. This will be the first time the federal government facilitates private contributions for the benefit of individual American children. Because class contributions are charting new territory in charitable giving, there is no obvious basis for estimating the incremental impact of the temporary regulations.

One very instructive data point is the pledged contribution from the Michael & Susan Dell Foundation (MSDF). MSDF has been at the forefront of class contributions since Trump accounts were enacted into law. MSDF pledged $6.25 billion to children born between 2016 and 2024 who live in ZIP codes where household median income is below $150,000. Some individuals have announced similar donations with smaller regional footprints, and other individuals have expressed interest in similar donations. It is unclear whether this level of giving can be sustained in the long run or whether it is concentrated as Trump accounts are launching. The choices in the temporary regulations position class contributions to Trump accounts for sustained participation by nonprofits and governments, both large and small.

The temporary regulations are expected to increase the number of children who have Trump accounts in 2026 by more than 60 million. The future impact is more uncertain, but the temporary regulations are estimated to result in approximately two million additional accounts per birth year cohort into the future.

As a result of the temporary regulations, the incremental value of class contributions is expected to be billions of dollars per year, allocated across the Trump accounts of tens of millions of children.

Account Creation

The temporary regulations prescribe that the Secretary will create Trump accounts that are able to receive qualified general contributions on behalf of eligible children without any action required from parents or guardians. An alternative would be to require a parent or guardian to take some action to open a Trump account before an eligible child is able to receive a qualified general contribution. The Treasury Department and the IRS decided to create Trump accounts for eligible children because the benefit to Trump account beneficiaries of incremental general funding contributions was expected to exceed the cost to the Treasury Department and the IRS of incremental administrative burdens.

A previous version of these regulations, which was proposed and is being withdrawn, explained that the Treasury Department and IRS believed at the time it was published that it was not possible for the Secretary to create Trump accounts for eligible children due to legal and administrative constraints. The Treasury Department and IRS, in consultation with the financial agent, the initial trustee, and appropriate federal regulators, have found a path to overcome those constraints. A major innovation for overcoming those constraints is using a master group trust. Trump accounts, which are individual accounts, are able to hold eligible investments, indirectly through their interests in the master group trust, without disclosing taxpayer information.

The most informative precedent for estimating the impact of the Secretary creating Trump accounts, relative to requiring action from a parent or guardian, is the Alfond Grant program, which began offering $500 to every newborn in Maine starting in 2013. The Alfond Grant program initially had an opt-in structure where a parent or guardian was required to check a box on their state tax return, and enrollment during that period was around 40% of eligible families. Trump accounts have some advantages over the Alfond Grant program for opt-in enrollment: the initial grant is larger, Trump accounts are capable of accepting other employer, nonprofit and government contributions, and Trump accounts are more salient than the Alfond Grant program. Nevertheless, if the Treasury Department and the IRS had chosen to require a parent or guardian to take some action to open a Trump account, then ongoing enrollment would likely have been close to 50% of eligible families. Administrative data from early Trump account elections so far in 2026 support this inference from the Alfond Grant program. In contrast, when the Secretary begins creating Trump accounts, nearly 100% of eligible children will have Trump accounts.

In addition to the direct impact, which will be the creation of more than 60 million Trump accounts, the choice to have the Secretary create accounts will increase the appeal of funding contributions to classes of Trump account beneficiaries. Stakeholders have expressed that eligible donors prefer that their contributions reach all children, not just children whose parents have the awareness to opt in. Both nonprofits and governments will be more likely to make general funding contributions with the confidence that the Secretary creates Trump accounts for all eligible children.

Table 1 shows the approximate number of electronic Forms 4547 processed prior to July 30, 2026, and the estimated number of eligible children in 2026, by adjusted gross income. Proportionately, children in lower income groups are the biggest beneficiaries of the regulation requiring the Secretary to establish a Trump account for eligible children.

TABLE 1

Adjusted gross income	Electronic Forms 4547 processed prior to July 30 (thousands)	Number of eligible children in 2026 (thousands)
No adjusted gross income or missing	10	8,610
$1 under $15,000	390	4,070
$15,000 under $30,000	710	10,340
$30,000 under $50,000	840	11,070
$50,000 under $75,000	780	8,770
$75,000 under $100,000	620	6,320
$100,000 under $200,000	1,480	14,570
$200,000 under $500,000	660	7,540

TABLE 1—Continued

Adjusted gross income	Electronic Forms 4547 processed prior to July 30 (thousands)	Number of eligible children in 2026 (thousands)
$500,000 or more	100	2,070
Total	5,600	73,370

Table 2 shows the approximate number of electronic Forms 4547 processed prior to July 30, 2026, and the estimated number of eligible children in 2026, by state. In most states, the number of processed electronic Forms 4547 was less than 10% of the estimated number of eligible children as of July 30.

TABLE 2

State	Electronic Forms 4547 processed prior to July 30 (thousands)	Number of eligible children in 2026 (thousands)
Alabama	80	1,000
Alaska	20	150
Arizona	130	1,410
Arkansas	60	630
California	450	7,210
Colorado	110	1,090
Connecticut	50	640
Delaware	20	190
District of Columbia	10	100
Florida	330	4,060
Georgia	180	2,230
Hawaii	20	250
Idaho	50	430
Illinois	180	2,390
Indiana	150	1,440
Iowa	70	660
Kansas	70	620
Kentucky	100	910
Louisiana	70	940
Maine	20	220
Maryland	90	1,200
Massachusetts	90	1,170
Michigan	170	1,870
Minnesota	110	1,180
Mississippi	50	610
Missouri	130	1,230
Montana	30	210
Nebraska	40	440
Nevada	50	610
New Hampshire	30	220
New Jersey	130	1,780
New Mexico	40	400
New York	250	3,510
North Carolina	200	2,100
North Dakota	20	170
Ohio	230	2,310
Oklahoma	90	850
Oregon	70	720
Pennsylvania	220	2,360
Rhode Island	20	180
South Carolina	100	1,050
South Dakota	20	200
Tennessee	160	1,410
Texas	540	6,780
Utah	80	840
Vermont	10	100
Virginia	160	1,680
Washington	160	1,460
West Virginia	40	310
Wisconsin	110	1,110
Wyoming	20	120
Other or missing	10	8,630
Total	5,600	73,370

Approved Classes

The temporary regulations allow contributions to approved classes, which are defined by both age and geographic criteria, to receive the same tax treatment and facilitation by the Treasury Department and the IRS as contributions to qualified classes, which are defined by either age or geographic criteria. An alternative would be not to allow contributions to approved classes to receive the same tax treatment and facilitation by the Treasury Department and the IRS as contributions to qualified classes.

Stakeholders have expressed that eligible donors value the flexibility of using both age and geographic criteria. Notably, the eligibility criteria announced by the MSDF included both age and geographic criteria. This choice and several others increase the appeal of funding contributions to classes of Trump account beneficiaries.

The Treasury Department and the IRS used historical returns for a broad index of U.S. equities for birth cohorts ranging from 1926 to 2006 to quantify the benefit at age 18 of returns on investments made at various ages.[8] Table 3 shows that while an earlier investment allows for more growth, there are still typically benefits at age 18 from making an investment even at age 17.

TABLE 3

Investment scenario	Value at age 18 of investment in broad index of U.S. equities		
	10th percentile	50th percentile	90th percentile
$1,000 at birth	2,980	6,180	13,800
$1,000 at age 1	2,860	5,690	11,990
$1,000 at age 2	2,680	4,920	10,040
$1,000 at age 3	2,400	4,750	9,030
$1,000 at age 4	2,150	4,260	8,040
$1,000 at age 5	2,020	3,990	7,110
$1,000 at age 6	1,770	3,620	6,350
$1,000 at age 7	1,660	3,280	5,380
$1,000 at age 8	1,680	3,150	4,670
$1,000 at age 9	1,480	2,740	4,110
$1,000 at age 10	1,350	2,460	3,560
$1,000 at age 11	1,340	2,350	3,040
$1,000 at age 12	1,180	2,050	2,720
$1,000 at age 13	1,050	1,890	2,390
$1,000 at age 14	1,020	1,630	2,060
$1,000 at age 15	990	1,400	1,810
$1,000 at age 16	970	1,240	1,590
$1,000 at age 17	900	1,160	1,330

Notes: Percentiles at age 18 are calculated based on birth cohorts 1926 through 2006. For a particular birth cohort, the value at age 18 of one dollar invested at birth is calculated as the gross 18-year market return for a broad index of U.S. equities.

Stock Contributions

The temporary regulations allow general funding contributions to be made with stock of publicly traded domestic corporations, which will be allocated by the Treasury Department to beneficiaries in the specified class and generally must be retained for at least five years. An alternative would be to require general funding contributions to be made with cash only. The Treasury Department and the IRS have concluded that qualified general contributions of publicly traded stock benefit Trump account beneficiaries because the benefit to Trump account beneficiaries of incremental general funding contributions was expected to exceed the cost to beneficiaries of riskier returns for general funding contributions that would have been received anyway but arrive as stock rather than cash.

For most ordinary investors comparing a diversified portfolio to a concentrated portfolio, the diversified portfolio will generally have the same expected return at lower risk. Reducing risk is generally beneficial for an investor, holding fixed expected returns. To the extent that general funding contributions would have been made in cash and will instead be made as stock, Trump account beneficiaries will bear some additional risk in the form of increased portfolio concentration.

On the other hand, Trump account beneficiaries are likely to receive more total contributions than they would if stock contributions were prohibited. The Treasury Department and the IRS have been informed that several eligible donors who would not otherwise make cash contributions are prepared to facilitate contributions of appreciated stock similar in magnitude to the general funding contribution of the MSDF. Donors are attracted by the hope that a stock contribution with a five-year holding period may lead recipients and their families to feel that they have a stake in the fate of the corporation to a greater extent than if the child's holdings of the corporation were only through an index fund. This choice and several others increase the appeal of funding contributions to classes of Trump account beneficiaries.

The Treasury Department and the IRS have reviewed claims that allowing stock contributions is a method of facilitating tax deductions of appreciated stock for individuals funding those contributions. However, an individual who wants to fund a general funding contribution must act through an eligible donor, which would generally be a 501(c)(3) organization. The temporary rules have no impact on the deductibility of contributions of cash or appreciated stock to 501(c)(3) organizations. It might be more efficient for Trump account trustees to manage the orderly liquidation of donated stock after the five-year holding period, but 501(c)(3) organizations are also capable of managing orderly liquidations prior

[8] Kenneth R. French Data Library. *https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.*

to a general funding contribution made in cash.

Summary

The major areas of discretion in the temporary regulations require the Secretary to create Trump accounts for eligible children, allow contributions to approved classes to receive the same treatment as contributions to qualified classes, and allow general funding contributions to be made with stock of publicly traded domestic corporations. All of these decisions increase the appeal of funding contributions to classes of Trump account beneficiaries and are expected to result in billions of additional dollars per year in general funding contributions, which will be allocated across the Trump accounts of tens of millions of children.

III. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) generally requires that a Federal agency obtain the approval of the OMB before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collections of information in these temporary regulations contain reporting, third-party disclosure and recordkeeping requirements that are necessary for Trump account enrollment. These collections of information generally would be used by the Secretary to automatically enroll beneficiaries into Trump accounts.

The temporary regulations mention reporting requirements for making elections for Trump accounts by a person other than the Secretary, as detailed in 26 CFR 1.530A–1T(d)(1)(ii). This reporting requirement is already approved by the OMB under OMB Control Number 1545–2336 and is not being revised by this temporary regulation.

The temporary regulations mention reporting requirements for filing a general funding contribution request and entering into a Treasury acceptance agreement, as detailed in 26 CFR 1.530A–7T(c)(2). This reporting requirement is already approved by the OMB under OMB Control Number 1505–0285 and is not being revised by this temporary regulation.

The temporary regulations include reporting by account beneficiaries or responsible parties and third-party disclosures and associated recordkeeping requirements from trustees to account beneficiaries or responsible parties. These collections of information are necessary to allow account beneficiaries or responsible parties to claim accounts and to inform account beneficiaries or responsible parties of any required sales and investments related to qualified stock. IRS anticipates that the likely respondents are individuals, responsible parties, businesses, and for-profit organizations (trustees).

Table 1 provides a high-level description of the collection requirements created or changed within this regulation, and the regulatory sections that detail these requirements. Table 2 provides the estimated burden placed on respondents for each collection requirement. These collection requirements and their associated burdens will be approved by the OMB under OMB Control Number 1545–2336 under the emergency procedures in 5 CFR 1320.13 and will be renewed under the PRA procedures in 5 CFR 1320.10.

TABLE 1—DESCRIPTION OF COLLECTIONS

OMB control No.	Collection type	New or revised collection	Description	Regulatory section with additional details
1545–2336 ..	Third-party Disclosure and Recordkeeping.	New	Claiming an auto account	26 CFR 1.530A–1T(f).
1545–2336 ..	Third-party Disclosure and Recordkeeping.	New	Beneficiary disclosure when stock held in a Trump account is either de-listed from a national securities exchange or generates property that is not successor qualified stock.	26 CFR 1.530A–7T(d)(5), (d)(6).

TABLE 2—ESTIMATED BURDEN

Collection	Estimated number of respondents	Estimated frequency of responses	Estimated average annual burden per response	Estimated total annual burden hours
26 CFR 1.530A–1T(f)	63,360,000	1	6 minutes	6,336,000
26 CFR 1.530A–7T(d)(5), (d)(6)	5	27,717	1 minute	2,310

IV. Regulatory Flexibility Act

For applicability of the Regulatory Flexibility Act, please refer to the cross-referenced notice of proposed rulemaking (CC–00226466–26) published elsewhere in this issue of the **Federal Register**.

V. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of $100 million in 1995 dollars, updated annually for inflation. These temporary regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

VI. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These temporary regulations do not have federalism

implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

VII. Small Business Administration

Pursuant to section 7805(f) of the Code, these temporary regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

VIII. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rule as a major rule as defined by 5 U.S.C. 804(2). For the reasons stated in the Good Cause section of this preamble, the Treasury Department and the IRS find good cause under 5 U.S.C. 808(2) for these temporary regulations to take effect upon publication, notwithstanding the delayed effective date otherwise applicable to a major rule under 5 U.S.C. 801(a)(3).

Statement of Availability of IRS Documents

Revenue Rulings, Revenue Procedures, Notices, and other guidance cited in this document are published in the Internal Revenue Bulletin (or Cumulative Bulletin) and are available from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402, or by visiting the IRS website at *https://www.irs.gov.*

Drafting Information

The principal author of these temporary regulations is Isaac Stein of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). Other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes and reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, the Treasury Department and the IRS amend 26 CFR part 1 as follows:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 is amended by adding entries for §§ 1.530A–1T and 1.530A–7T in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

* * * * *

Section 1.530A–1T is also issued under 26 U.S.C. 408(a)(2), 530A(a), (b)(1)(A)(i), (b)(1)(B), (b)(2)(C)(i), (b)(2)(C)(ii), and (i)(1).

Section 1.530A–7T is also issued under 26 U.S.C. 530A(a), (f)(1)(A), and (f)(3)(B).

* * * * *

■ **Par. 2.** Section 1.530A–1T is added to read as follows:

§ 1.530A–1T Trump accounts; general requirements; establishment of an initial Trump account; auto enrollment and auto accounts.

(a) *Overview.* This section provides rules regarding the general requirements for Trump accounts, the establishment of an initial Trump account, auto enrollment, and auto accounts. Paragraph (b) of this section provides definitions related to Trump accounts. Paragraph (c) of this section provides general requirements for Trump accounts, including rules on initial Trump accounts and the written governing instrument. Paragraph (d) of this section provides rules for the establishment of an initial Trump account, including auto enrollment by the Secretary of the Treasury or the Secretary's delegate. Paragraph (e) of this section provides rules for auto accounts. Paragraph (f) of this section provides rules for claiming auto accounts. Paragraph (g) of this section provides the applicability and expiration dates of this section.

(b) *Definitions.* For purposes of section 530A and the regulations thereunder, the following definitions apply—

(1) *Account beneficiary.* The term *account beneficiary* means the individual for whose benefit a Trump account was established.

(2) *Eligible individual.* The term *eligible individual* means any individual—

(i) Who has not attained age 18 before the end of the calendar year in which an election under paragraph (d) of this section is made;

(ii) For whom a social security number, within the meaning of section 24(h)(7), has been issued before the date on which an election under paragraph (d) of this section is made; and

(iii) For whom an election is made under paragraph (d) of this section.

(3) *Growth period.* The term *growth period* means, with respect to an account beneficiary, the period that begins when the initial Trump account under paragraph (b)(5)(i) or (ii) of this section is established and ends on December 31 of the calendar year in which the account beneficiary attains age 17. For example, a child born on October 1, 2025, would attain age 17 on October 1, 2042, and therefore the last day of the growth period with respect to the child would be December 31, 2042.

(4) *IRA.* The term *IRA* means an individual retirement account under section 408(a) and includes a custodial account that is treated as a trust pursuant to section 408(h). Accordingly, solely for purposes of section 530A and the regulations thereunder, the term *IRA* does not include an individual retirement annuity under section 408(b).

(5) *Initial Trump account.* The term *initial Trump account* means a Trump account created or organized by the Secretary pursuant to section 530A(b)(1)(A)(i) and maintained by a trustee selected by the Secretary pursuant to section 530A(g). An initial Trump account includes—

(i) An initial Trump account established pursuant to an election made by a person other than the Secretary (such as by using Form 4547, *Trump Account Election(s),* or successor form prescribed by the Secretary, or through an electronic application or web page made available by the Secretary) as described in paragraph (d)(1)(ii) of this section;

(ii) An *auto account,* which is an initial Trump account created or organized by the Secretary as described in paragraph (d)(2) of this section and maintained by a trustee selected by the Secretary pursuant to section 530A(g). An auto account does not include an initial Trump account established pursuant to an election that the Secretary is deemed to have made as described in paragraph (d)(1)(iii) of this section if the account was established before auto enrollment began (as described in paragraph (d)(2)(i) of this section); and

(iii) A *claimed initial Trump account,* which is an initial Trump account created or organized by the Secretary to receive a qualified rollover contribution from an auto account as described in paragraph (f) of this section and maintained by a trustee selected by the Secretary pursuant to section 530A(g).

(6) *Master group trust.* The term *master group trust* means a trust that the Secretary establishes for the exclusive benefit of account beneficiaries of auto accounts for the purpose of holding investments of those auto accounts and that meets the applicable requirements of Revenue Ruling 81–100, 1981–1 C.B. 326, as modified from time to time, and is exempt from taxation under section 408(e).

(7) *Qualified ABLE rollover contribution.* The term *qualified ABLE rollover contribution* means a trustee-to-trustee transfer of the entire balance of

a Trump account, made during the calendar year in which an account beneficiary attains age 17 to an ABLE account of that account beneficiary.

(8) *Qualified general contribution.* The term *qualified general contribution* is defined in section 530A(f) and § 1.530A–7T(b)(6).

(9) *Qualified rollover contribution.* The term *qualified rollover contribution* means a direct trustee-to-trustee transfer of an account beneficiary's entire Trump account balance to a Trump account for the same account beneficiary. A qualified rollover contribution may be either—

(i) A transfer from an auto account to a claimed initial Trump account; or

(ii) A transfer from any Trump account to a rollover Trump account.

(10) *Qualified stock contribution.* The term *qualified stock contribution* is defined in § 1.530A–7T(b)(9).

(11) *Responsible party.* The term *responsible party* means the person who is authorized under the terms of the written governing instrument for a Trump account to act on behalf of the account beneficiary. A person's status as a responsible party under the written governing instrument does not, by itself, establish that the person is entitled under section 6103 to inspect or receive the account beneficiary's returns or return information.

(12) *Rollover Trump account.* The term *rollover Trump account* means a Trump account that is not an initial Trump account but is created or organized in the United States and established for the account beneficiary during his or her growth period pursuant to section 530A(b)(1)(A)(ii). A rollover Trump account must first be funded by a qualified rollover contribution from the account beneficiary's existing Trump account before receiving any other contribution. However, see paragraph (f)(3) of this section for a special rule regarding a qualified rollover contribution from an unfunded auto account. An individual may have only one Trump account containing funds at a time.

(13) *Secretary.* The term *Secretary* means the Secretary of the Treasury or the Secretary's delegate.

(14) *Traditional IRA.* The term *traditional IRA* means an IRA that is not a Roth IRA under section 408A.

(15) *Trump account.* The term *Trump account* means an account described in paragraph (c) of this section.

(c) *Trump accounts*—(1) *In general.* A Trump account is a type of traditional IRA described in section 530A(b)(1) for the exclusive benefit of an eligible individual and, after the death of the individual, his or her beneficiaries. A Trump account is subject to the same rules as other traditional IRAs, except as provided by section 530A or the regulations thereunder. For example, a Trump account is exempt from tax under section 408(e)(1) and subject to the prohibited transaction restrictions of section 408(e)(2). A Trump account can be either an initial Trump account or a rollover Trump account.

(2) *Written governing instrument*—(i) *In general.* Except as provided in this paragraph (c)(2) or in guidance published in the Internal Revenue Bulletin, the written governing instrument establishing a Trump account must meet the requirements of section 408(a)(1) through (6), which apply to other IRAs, as well as the requirements of section 530A(b)(1)(C)(i) through (iii), which apply only to Trump accounts. The written governing instrument generally must reflect both the rules that apply during the growth period and the rules that apply after the growth period.

(ii) *Designation as a Trump account.* The written governing instrument establishing a Trump account must clearly designate the account as a Trump account at the time of establishment. Accordingly, an existing account (such as an IRA that is not a Trump account) cannot be amended to become a Trump account. In addition, a Trump account must be titled to clearly identify the account as a Trump account for the benefit of the account beneficiary.

(iii) *Growth period.* With respect to the growth period, a written governing instrument establishing a Trump account must generally restrict the timing and annual amount of contributions to the Trump account in accordance with section 530A(b)(1)(C)(i) (and prohibit contributions under a Simplified Employee Pension (SEP) arrangement under section 408(k) or a Savings Incentive Match Plan for Employees (SIMPLE) IRA plan under section 408(p) in accordance with section 530A(h)(1)), prohibit distributions from the Trump account in accordance with section 530A(b)(1)(C)(ii), and require that the funds in the Trump account be invested only in an eligible investment in accordance with section 530A(b)(1)(C)(iii), as applied under § 1.530A–7T(d). Additionally, with respect to the growth period, the written governing instrument establishing a Trump account must meet the requirements of section 408(a)(1) through (6), except that a Trump account satisfies the cash contribution requirement in section 408(a)(1) if the written governing instrument establishing the Trump account meets the requirement that, except in the case of a qualified rollover contribution, no contribution will be accepted unless it is in cash or is qualified stock received in a qualified stock contribution described in § 1.530A–7T(d).

(iv) *Post growth period.* With respect to the period after the growth period, a written governing instrument establishing a Trump account must meet the requirements of section 408(a)(1) through (6), except that the section 530A(h)(1) prohibition against a Trump account receiving contributions under a SEP arrangement under section 408(k) or a SIMPLE IRA plan under section 408(p) continues to apply to a Trump account after the growth period.

(3) *Automatic approval for certain nonbank trustees.* Any person approved by the IRS as of December 31, 2025, to be a nonbank trustee of an IRA is automatically approved to be a nonbank trustee of a Trump account.

(4) *Differences from other traditional IRAs*—(i) *During the growth period.* During the growth period, there are special rules for Trump accounts with respect to—

(A) Contributions (*see* section 530A(c));

(B) Investments (*see* section 530A(b)(3));

(C) Distributions (*see* section 530A(d), including a qualified ABLE rollover contribution);

(D) Reporting (*see* section 530A(i));

(E) Coordination with IRA rules (*see* section 530A(h)); and

(F) Qualified general contributions (*see* section 530A(f)).

(ii) *After the growth period.* After the growth period (that is, starting January 1 of the year in which the account beneficiary attains age 18), the rules under section 408 that apply to other traditional IRAs are generally applicable to Trump accounts, except as provided in section 530A(h).

(5) *Application of the birthday rule.* For purposes of section 530A, an individual attains an age on his or her birthday. For example, a child who is born on January 1, 2009, attains age 18 on January 1, 2027.

(6) *Closing a Trump account.* A funded Trump account may not be closed during the growth period unless all funds in the account have first been distributed in a distribution permitted under section 530A(b)(1)(C)(ii). After the growth period, the distribution restrictions under section 530A(b)(1)(C)(ii) do not apply. Additionally, after the growth period, an unfunded Trump account that is not an auto account may be closed by the trustee if provided by the terms of the

written governing instrument. *See* paragraph (e)(4) of this section for a trustee closing an unfunded auto account at the end of the growth period or upon death of the account beneficiary.

(d) *Establishment of initial Trump accounts; auto enrollment*—(1) *Methods to establish an initial Trump account*—(i) *Election by the Secretary to establish an auto account.* Pursuant to section 530A(b)(2)(C)(i), the Secretary may make an election to establish an auto account, if the Secretary determines, based on information available to the Secretary, that the individual for whom the account is to be established has met the requirements of paragraphs (b)(2)(i) and (ii) of this section to be an eligible individual, and no prior election has been made under paragraph (d)(1)(ii) of this section.

(ii) *Election by a person other than the Secretary to establish an initial Trump account.* Pursuant to section 530A(b)(2)(C)(ii), a person other than the Secretary may elect to establish an initial Trump account, as defined in paragraph (b)(5)(i) of this section, for an individual who has met the requirements of paragraphs (b)(2)(i) and (ii) of this section to be an eligible individual if the person files a completed Form 4547, *Trump Account Election(s),* or successor form prescribed by the Secretary, or otherwise provides required information through an electronic application or web page made available by the Secretary, in accordance with applicable instructions, and no prior election to establish an initial Trump account has been made for such individual by another person or the Secretary. Once the election is made, such election is irrevocable.

(iii) *Deemed election.* If an initial Trump account was established pursuant to an election under paragraph (d)(1)(ii) of this section, but the election was made by an individual who, under the applicable instructions, was not authorized to make the election at the time that the election was made, then the Secretary is deemed to have made the election to establish the initial Trump account pursuant to section 530A(b)(2)(C)(i) and the Trump account that was already established will not cease to be a Trump account. This deemed-election rule concerns the validity of the Trump account and does not itself establish that the person who submitted the original election was entitled under section 6103 to receive the account beneficiary's return information or was authorized to execute a consent to disclosure on the beneficiary's behalf.

(iv) *Establishment of a claimed initial Trump account.* A person may irrevocably claim an auto account pursuant to paragraph (f) of this section and the account may be activated pursuant to paragraph (d)(3) of this section. One way to claim an auto account is by establishing a claimed initial Trump account (which is a separate account from the auto account) and having the funds in the auto account transferred to the claimed initial Trump account. See paragraph (f) of this section for other ways to claim an auto account.

(2) *Auto enrollment; establishment of an auto account*—(i) *In general.* On or about October 1, 2026, the Secretary shall make an election under paragraph (d)(1)(i) of this section to establish an auto account for each individual who the Secretary has determined has met the requirements of paragraphs (b)(2)(i) and (ii) of this section to be an eligible individual, and for whom no prior election has been made under paragraph (d)(1)(ii) of this section. An auto account shall be established for each such individual. Thereafter, the Secretary shall make subsequent periodic elections under paragraph (d)(1)(i) of this section to establish auto accounts for individuals who the Secretary determines meet the requirements of paragraphs (b)(2)(i) and (ii) of this section to be an eligible individual and for whom no prior election has been made under paragraph (d)(1)(ii) of this section, and shall establish auto accounts for eligible individuals for whom a Trump account has not been established.

(ii) *Account established after auto enrollment has begun.* Any initial Trump account established after auto enrollment has begun pursuant to an election under paragraph (d)(1)(i), (ii), or (iii) of this section is an auto account, regardless of whether the election was made before, on, or after October 1, 2026. If an election under paragraph (d)(1)(ii) of this section was made before October 1, 2026, but an initial Trump account was not established pursuant to that election on or before September 30, 2026 (for example, because the account agreement was not signed and thus the account was not activated, as described in paragraph (d)(3) of this section), an auto account shall be established pursuant to that election.

(3) *Account activation is required to establish the initial Trump account.* An election under paragraph (d)(1)(ii) of this section (for example, using Form 4547) does not by itself establish an initial Trump account (and contributions cannot be made until the account is established). To establish an initial Trump account that is not an auto account, the account must be activated (which includes signing the account agreement for the initial Trump account), pursuant to instructions from the trustee, after the election is made. For any auto account, the Secretary (as the responsible party) is deemed to have activated the account. Making a claim with respect to an auto account pursuant to paragraph (f) of this section (for example, using the electronic app) also does not by itself establish a claimed initial Trump account (and the qualified rollover contribution from the auto account or other contributions cannot be made until the claimed initial Trump account is established). To establish a claimed initial Trump account, the account must be activated (pursuant to instructions from the trustee) after the claim is made, as described in paragraphs (d)(1)(iv) and (f)(2) of this section.

(e) *Administration of auto accounts*—(1) *Responsible party.* The Secretary is the responsible party for an auto account.

(2) *Contributions.* During the growth period, an auto account may only accept qualified general contributions under section 530A(f) and a $1,000 pilot program contribution, if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434. After the growth period, the auto account generally may not accept contributions.

(3) *Investment*—(i) *In general.* An auto account's sole investment must be its equitable interest in the master group trust, and the written governing instrument for the auto account must provide that the account adopts the provisions of the master group trust. The master group trust may hold only eligible investments described in section 530A(b)(3), cash to the extent permitted under section 530A(b)(1)(C)(iii), and qualified stock contributed pursuant to a qualified stock contribution described in § 1.530A–7T(d), including successor qualified stock. With respect to the eligible investment requirement under section 530A(b)(1)(C)(iii), each auto account's interest in the master group trust consists of its undivided proportionate beneficial interest in those investments of the master group trust that are attributable to contributions allocated to qualified classes of which the account beneficiary was a member and any $1,000 pilot program contribution (if a pilot program election has been made by a pilot program-electing individual pursuant to section 6434) made to that account.

(ii) *End of the minimum holding period for qualified stock.* The trustee of the master group trust must sell any qualified stock as described in § 1.530A–7T(d) within a reasonable period of time after the end of the minimum holding period applicable to the auto account's interest in that stock (as described in § 1.530A–7T(d)(3)). The proceeds of such sale must be promptly invested in an eligible investment, as described in section 530A(b)(3), pursuant to the requirement of section 530A(b)(1)(C)(iii). An investment under this paragraph (e)(3)(ii) will be considered prompt if it occurs within 30 calendar days after the sale of the qualified stock.

(4) *Closing an auto account.* When an auto account is claimed pursuant to paragraph (f) of this section, the trustee will close the auto account as soon as practicable after a claim and transfer of all account funds described in paragraph (f) of this section has been completed. At the end of the growth period of the account beneficiary or, if earlier, when the trustee has knowledge of the death of the account beneficiary, an unfunded auto account will be closed by the trustee as soon as practicable thereafter.

(5) *Death of account beneficiary of a funded auto account during growth period.* The account beneficiary's estate is the beneficiary of the account beneficiary's auto account. If an account beneficiary dies during the growth period before the account beneficiary's funded auto account has been claimed pursuant to paragraph (f) of this section, the account will cease to be a Trump account on the day that the account beneficiary dies but will remain an IRA, which may be claimed pursuant to paragraph (f) of this section. However, if the auto account is unfunded when the account beneficiary dies, the account will be closed pursuant to paragraph (e)(4) of this section.

(f) *Claiming an auto account*—(1) *In general.* A guardian or legal custodian having authority under applicable law to manage the account beneficiary's property or financial affairs or the account beneficiary, if the account beneficiary has legal capacity, may file a claim for an auto account by providing required information through an electronic application or web page made available by the Secretary, in accordance with applicable instructions. A guardian or legal custodian making the claim must authenticate their identity and establish entitlement to the account beneficiary's return information to inspect or receive the account beneficiary's return information. The guardian or legal custodian must also execute any consent required under section 6103(c) for disclosures necessary to process the claim and transfer the account balance. During the growth period, claiming an auto account results in the entire balance of the auto account being transferred in a qualified rollover contribution either to a claimed initial Trump account with a trustee selected by the Secretary pursuant to section 530A(g) or to a rollover Trump account with a trustee other than a trustee selected by the Secretary pursuant to section 530A(g) that has been established for the account beneficiary. The qualified rollover contribution will only occur once the receiving account is established (which, in the case of a claimed initial Trump account, will require activation of the account for the account to be established, see paragraph (d)(3) of this section). After the growth period, claiming an auto account results in the entire balance of the auto account being transferred into an IRA that is not a Trump account that has been established for the account beneficiary.

(2) *Activation of claimed initial Trump account if there are multiple claims.* Until there has been a transfer of funds from the auto account into a receiving account, another claim may be filed under paragraph (f)(1) of this section. If multiple claims are filed under paragraph (f)(1) of this section with respect to an auto account, the responsible party for the claimed initial Trump account will be the first person who is authorized under paragraph (f)(1) of this section to claim the auto account and activates the receiving account (see paragraph (d)(3) of this section).

(3) *Claiming an unfunded auto account.* If an unfunded auto account is claimed pursuant to paragraph (f)(1) of this section, a claimed initial Trump account or rollover Trump account may be created and treated as being first funded by a qualified rollover contribution from the auto account for purposes of section 530A(b)(1)(A)(ii)(II).

(4) *Responsible party.* In general, if a guardian or legal custodian having authority under applicable law to manage the account beneficiary's property or financial affairs makes a claim for the auto account, that person will be the initial responsible party of the claimed initial Trump account or rollover Trump account that receives the qualified rollover contribution from the auto account when the account is established.

(5) *Death of account beneficiary.* If the account beneficiary dies before the auto account has been claimed, a person authorized under applicable law to act with respect to the account beneficiary's estate or property may claim the funds in the account through an electronic application or web page made available by the Secretary, in accordance with applicable instructions, provided that the person also establishes entitlement under section 6103(e)(3) and (e)(7), or other applicable authority, to receive the decedent's return information.

(g) *Applicability and expiration dates.* This section applies to taxable years beginning on or after January 1, 2026. This section expires on September 30, 2029.

■ **Par. 3.** Section 1.530A–7T is added to read as follows:

§ 1.530A–7T Qualified general contributions and qualified stock contributions.

(a) *Overview.* This section provides rules for qualified general contributions and qualified stock contributions. Paragraph (b) of this section provides definitions related to qualified general contributions and qualified stock contributions. Paragraph (c) of this section provides rules specific to qualified general contributions. Paragraph (d) of this section provides rules specific to qualified stock contributions. Paragraph (e) of this section provides rules for determining whether a general funding contribution made by a section 501(c)(3) organization will further a charitable purpose. Paragraph (f) of this section provides the applicability and expiration dates of this section.

(b) *Definitions.* For purposes of section 530A and the regulations thereunder, the following definitions apply—

(1) *Approved class.* The term *approved class* means a class that consists of not less than 5,000 account beneficiaries and that includes all account beneficiaries who—

(i) Are still in their growth period when the contribution is made to the Trump account;

(ii) Reside in one or more States or other qualified geographic areas specified by the terms of and on the record date(s) provided in the Treasury acceptance agreement with respect to the general funding contribution; and

(iii) Were born in one or more calendar years specified by the terms of the Treasury acceptance agreement with respect to the general funding contribution.

(2) *Eligible donor.* The term *eligible donor* means—

(i) An entity described in section 170(c)(1) (other than a possession of the United States or a political subdivision thereof) or an Indian Tribal government, or

(ii) An organization described in section 501(c)(3) and exempt from tax under section 501(a).

(3) *General funding contribution.* The term *general funding contribution* means a contribution that—

(i) Is made by an eligible donor; and

(ii) Specifies a qualified class of account beneficiaries to whose Trump accounts such contribution is to be distributed. For this purpose, an approved class is treated as a qualified class.

(4) *Minimum holding period requirement.* The term *minimum holding period requirement* means the period of time described in paragraph (d)(3) of this section during which the qualified stock may not be sold or otherwise disposed of.

(5) *Qualified class.* The term *qualified class* means any of the following classes of account beneficiaries—

(i) All account beneficiaries who are still in their growth period when the contribution is made to the Trump account.

(ii) All account beneficiaries who—

(A) Are still in their growth period when the contribution is made to the Trump account; and

(B) Reside in one or more States or other qualified geographic areas specified by the terms of and on the record date(s) provided in the Treasury acceptance agreement with respect to the general funding contribution.

(iii) All account beneficiaries who—

(A) Are still in their growth period when the contribution is made to the Trump account; and

(B) Were born in one or more calendar years specified by the terms of the Treasury acceptance agreement with respect to the general funding contribution.

(6) *Qualified general contribution.* The term qualified general contribution means a contribution made by the Secretary of the Treasury or the Secretary's delegate pursuant to a general funding contribution from an eligible donor and distributed to the Trump accounts of a qualified class of account beneficiaries in the manner described in paragraph (c) of this section. A qualified general contribution also includes a contribution made by the Secretary pursuant to a general funding contribution that specifies an approved class to whose Trump accounts the contribution is to be distributed, and otherwise satisfies the requirements of paragraph (c) of this section (approved class contribution). A qualified general contribution also includes a qualified stock contribution.

(7) *Qualified geographic area.* The term *qualified geographic area* means a geographic area in which not less than 5,000 account beneficiaries eligible to receive the applicable qualified general contribution reside as of the record date and that is designated by the Secretary as a qualified geographic area.

(8) *Qualified stock*—(i) *In general.* The term *qualified stock* means stock that meets the requirements in paragraph (b)(8)(ii) of this section.

(ii) *Requirements for qualified stock*—(A) *Domestic corporation.* The issuer of the stock is a corporation that is domestic within the meaning of section 7701(a)(3) and (4).

(B) *Publicly traded.* The stock is listed on a national securities exchange that is registered under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). *See* § 1.1092(d)–1(b)(1)(i).

(C) *Transferable without pre-existing restrictions.* The stock is not subject to any pre-existing transfer restriction, such as being a restricted security as defined in 17 CFR 230.144(a)(3). For purposes of this paragraph (b)(8)(ii)(C), the minimum holding period requirement in paragraph (d)(3) of this section is not a pre-existing transfer restriction.

(D) *Satisfaction of the requirements for qualified stock.* To be treated as qualified stock, stock must satisfy the requirements in paragraphs (b)(8)(ii)(A) through (C) of this section at the time of contribution to the Treasury Department as part of the general funding contribution. Following the contribution, the stock will continue to be treated as qualified stock so long as the requirement in paragraph (b)(8)(ii)(B) of this section is satisfied.

(9) *Qualified stock contribution.* The term *qualified stock contribution* means a qualified general contribution of qualified stock that otherwise satisfies the requirements of paragraphs (c) and (d) of this section.

(10) *Record date.* The term *record date* means the date(s) specified in a Treasury acceptance agreement as of which the Secretary determines the account beneficiaries eligible to receive a qualified general contribution.

(11) *Treasury acceptance agreement.* The term *Treasury acceptance agreement* means the written agreement or other documentation under which the Secretary accepts a general funding contribution as described in paragraph (c)(2) of this section.

(c) *Qualified general contributions*—(1) *In general.* All qualified general contributions must meet the requirements of paragraphs (c)(2) through (4) of this section.

(2) *Made by the Secretary pursuant to a general funding contribution*—(i) *In general.* A qualified general contribution will only be made by the Secretary pursuant to a Treasury acceptance agreement, as described in paragraph (c)(2)(iv) of this section, that has been validly entered into by the eligible donor and the Secretary, and is made in accordance with the terms of that agreement.

(ii) *Request to make a general funding contribution.* An eligible donor may request to make a general funding contribution on the form prescribed by the Secretary or through an electronic application or web page made available by the Secretary.

(iii) *Treasury Department approval.* The Secretary will review the request and may, in the Secretary's sole discretion, approve the request after determining that the request satisfies the requirements of this section and considering objective criteria, including the cost of implementation and operational feasibility of the contribution. If the request includes qualified stock, then the Secretary will consider the cost of transferring and administering the shares of qualified stock.

(iv) *Treasury acceptance agreement.* The Treasury acceptance agreement must identify the eligible donor, the aggregate funding amount or funding commitment, the qualified class, the record date or dates, whether the identity of the eligible donor will be reported to account beneficiaries, and any other information required by the Secretary. If the general funding contribution consists of qualified stock, the Treasury acceptance agreement must also include information about the name and employer identification number (EIN) of the issuer of the qualified stock, the number of shares of qualified stock that will be contributed, and any other information required by the Secretary.

(3) *Made to a Trump account of an account beneficiary in the qualified class of account beneficiaries*—(i) *In general.* A qualified general contribution is made to the Trump account of each account beneficiary in the qualified class of account beneficiaries specified in the Treasury acceptance agreement. The qualified class for a general funding contribution is the qualified class identified in the Treasury acceptance agreement. If the qualified class proposed in the eligible donor's request differs from the qualified class identified in the Treasury acceptance agreement, the qualified class identified in the Treasury acceptance agreement controls.

(ii) *Approved class contributions.* For purposes of section 530A(f)(1)(B), an approved class used for an approved

class contribution is treated as a qualified class.

(iii) *Manner of contribution.* A qualified general contribution must be made in cash to a Trump account, except in the case of qualified stock contributed as part of a qualified stock contribution.

(4) *Is in an equal amount*—(i) *In general.* A qualified general contribution must be made in an equal amount to the Trump account of each account beneficiary in the qualified class. Thus, every account beneficiary in the qualified class must receive the same amount, which may be provided in cash, shares of qualified stock, or a combination of cash and shares. Details regarding the form and amount of the qualified general contributions will be addressed in the Treasury acceptance agreement. The amount of the qualified general contribution made to the Trump account of each account beneficiary is determined based on the ratio of—

(A) The amount of the general funding contribution allocated under the Treasury acceptance agreement to the applicable record date; to

(B) The number of account beneficiaries in the qualified class who are determined under paragraph (c)(4)(iv) of this section to be eligible to receive the qualified general contribution on the applicable record date.

(ii) *Approved class contributions.* For purposes of section 530A(f)(1)(C), an approved class used for an approved class contribution is treated as a qualified class.

(iii) *Multiple record dates.* If eligibility is determined using multiple record dates, each account beneficiary who receives a qualified general contribution for any of the record dates pursuant to the general funding contribution must receive the same amount.

(iv) *Determination of account beneficiaries in a qualified class*—(A) *In general.* Whether an account beneficiary is part of a qualified class will be determined for each qualified general contribution based on the record date for that contribution, which may be a single date or multiple dates. For example, with respect to the first record date, contributions would be made to all account beneficiaries determined to be eligible as of that date, while with respect to subsequent record dates, contributions would be made only to those account beneficiaries who are eligible as of that subsequent record date and did not receive a contribution with respect to any preceding record date.

(B) *Information based on Treasury Department records.* The Secretary will determine who is an account beneficiary eligible to receive a qualified general contribution based on information obtained during the election process of § 1.530A–1T(d)(1)(i) and (ii), as updated by information reported to the Secretary under section 530A(i) as of the applicable record date.

(d) *Qualified stock contributions*—(1) *Overview.* This paragraph (d) provides rules for qualified stock contributions, including requirements and procedures for making a qualified stock contribution, and rules for the administration of qualified stock contributions.

(2) *Eligible investment requirement of section 530A(b)(1)(C)(iii).* The eligible investment requirement of section 530A(b)(1)(C)(iii) is not violated by the acceptance and holding of qualified stock received in a qualified stock contribution.

(3) *Minimum holding period requirement*—(i) *In general.* The minimum holding period requirement lasts until the earlier of—

(A) The date that is 5 years after the qualified stock contribution is received by the Trump account; and

(B) The end of the growth period for the account beneficiary of the Trump account.

(ii) *Stock disposition during the minimum holding period.* If qualified stock is disposed of in violation of the minimum holding period requirement, the trustee must repurchase a number of shares of the same class of qualified stock equal to the number of shares sold or otherwise disposed of as soon as practicable.

(iii) *Satisfaction of the minimum holding period requirement.* Upon satisfaction of the minimum holding period requirement, the qualified stock may be sold or otherwise disposed of. During the growth period, the proceeds of a sale or other disposition must be invested in an eligible investment. See the eligible investment requirement during the growth period in section 530A(b)(1)(C)(iii).

(iv) *Exceptions to the minimum holding period requirement.* The minimum holding period requirement does not prohibit a disposition required under paragraphs (d)(5) or (6) of this section. In addition, notwithstanding that requirement, qualified stock may be disposed of—

(A) To effectuate a qualified ABLE rollover contribution as defined in section 530A(d)(4)(B);

(B) To permit cash in lieu of fractional shares that cannot be transferred in kind as part of a qualified rollover contribution (for example, if fractional shares cannot be transferred as part of a qualified rollover contribution, the transferring trustee may sell the fractional shares and transfer cash as part of the qualified rollover contribution instead);

(C) If the responsible party directs the trustee to accept a tender offer for the qualified stock; or

(D) If the issuer of the qualified stock is acquired (by merger, purchase, or otherwise).

(v) *Minimum holding period requirement with respect to qualified rollover contributions.* A qualified rollover contribution does not change or reset the minimum holding period for qualified stock.

(4) *Successor qualified stock.* If the Trump account receives stock (new stock) by reason of owning qualified stock (original stock), the new stock will be treated as qualified stock if the new stock satisfies the requirements in paragraph (b)(8)(ii) of this section (successor qualified stock). New stock will be treated as successor qualified stock under this paragraph (d)(4) regardless of whether the new stock is received in a nonrecognition transaction (as defined in section 7701(a)(45)), and regardless of whether the new stock is issued by the same corporation as the original stock. Successor qualified stock is subject to the same minimum holding period as the original stock measured from the date of the contribution of the original stock (for example if Company A stock was received by the Trump account on date X, any successor qualified stock received by reason of owning Company A stock would be treated as having been received by the Trump account on date X).

(5) *Consequences of notification of removal from listing.* If the trustee becomes aware of the filing of a notification of removal of qualified stock that it holds from listing on a national securities exchange described in paragraph (b)(8)(ii)(B) of this section (*see* SEC Form 25), the trustee must promptly sell or dispose of the stock, invest the cash proceeds from that disposition in an eligible investment described in section 530A(b)(3), and disclose how the proceeds were invested to the account beneficiary (for an auto account, disclosure to the Secretary, as the responsible party, is not required). For purposes of this paragraph (d)(5), a sale or disposition of the stock and the investment of the proceeds will be considered prompt if the sale or disposition and investment of the proceeds occur as soon as practicable.

(6) *Corporate distributions and other transactions.* If, by reason of owning qualified stock, the Trump account receives cash or other property that is not successor qualified stock, then the trustee must promptly sell or dispose of the other property, invest the net proceeds (and the distributed cash) in eligible investments described in section 530A(b)(3), and disclose how the proceeds were invested to the account beneficiary. An investment under this paragraph (d)(6) will be considered prompt if it occurs within 30 calendar days of receiving the cash or other property.

(7) *Qualified stock in the master group trust.* If, as a result of a qualified general contribution, an auto account (through its equitable interest in the master group trust) owns an equitable interest in stock that meets all the qualified stock requirements in paragraph (b)(8)(ii) of this section, the applicable equitable interest is treated as qualified stock for purposes of this paragraph (d).

(e) *Tax implications of contributions*—(1) *To the contributor to an eligible donor.* Contributions made to an eligible donor that is an organization described in section 501(c)(3) and exempt from tax under section 501(a) to fund a general funding contribution satisfying the requirements of this section are deductible under section 170, subject to the other requirements of that section. With regard to individuals making a gift to an organization qualifying as an eligible donor for purposes of section 530A, whether or not that eligible donor subsequently makes a general funding contribution, the gift is to an organization described in section 2522.

(2) *To the eligible donor*—(i) An eligible donor described in section 501(c)(3) and exempt from tax under section 501(a) furthers one or more of its purposes described in section 501(c)(3) by providing a general funding contribution, including by providing such amount through a distribution from a donor advised fund.

(ii) By making a general funding contribution, the eligible donor is making an expenditure for a purpose specified in section 170(c)(2)(B). In addition, a general funding contribution is neither a grant to an individual for purposes of section 4945 nor a distribution to a natural person for purposes of section 4966. Additionally, to the extent that an obligation to exercise expenditure responsibility arises under sections 4945 and 4966, a donor that makes a general funding contribution satisfying the requirements of this section is treated as exercising expenditure responsibility in accordance with section 4945(h) with respect to that contribution.

(f) *Applicability and expiration dates.* This section applies to taxable years beginning on or after January 1, 2026. This section expires on September 30, 2029.

Approved: September 25, 2026.

Frank J. Bisignano,

Chief Executive Officer.

Kevin M. Salinger,

Assistant Secretary of the Treasury (Tax Policy).

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Parts 510, 525, 526, 528, 535, 536, 539, 544, 546, 547, 548, 549, 551, 552, 553, 555, 558, 560, 561, 562, 566, 569, 570, 576, 578, 579, 582, 583, 584, 586, 587, 588, 589, 590, 591, and 594

Removing Duplicative Penalties Information and Reorganizing Certain Parts

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is removing duplicative regulatory provisions, and adding a provision to those parts directing readers to the Sanctions Penalties Regulations where the information is located. OFAC is also moving to an expanded subpart at the beginning of each part information regarding delegations of authority, recordkeeping and reporting requirements, and the Paperwork Reduction Act within multiple parts of the Office of Foreign Assets Control chapter of the CFR.

DATES: This rule is effective September 30, 2026.

FOR FURTHER INFORMATION CONTACT: *OFAC:* Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov*.

Background

OFAC administers and enforces U.S. economic and trade sanctions programs against targeted foreign governments, individuals, groups, and entities in accordance with national security and foreign policy goals and objectives. OFAC is responsible for civil investigation and enforcement of economic sanctions violations under Presidential national emergency powers and specific legislation, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA).

OFAC's Sanctions Penalties Regulations, 31 CFR Part 505

On September 25, 2026, OFAC issued the Sanctions Penalties Regulations, 31 CFR part 505, (91 FR 60821) (the ''Penalties Regulations''), to consolidate and update penalty information for multiple sanctions regulations into one CFR Part. The Penalties Regulations, among other provisions, contain provisions regarding: penalties for violations of IEEPA and the United Nations Participation Act, as amended (22 U.S.C. 287c(b)) (UNPA); Pre-Penalty Notices and responding to such Notices; settlements; penalty impositions; administrative collection and referral to the U.S. Department of Justice; and Findings of Violation.

Removing Duplicative Regulatory Provisions Now Contained in 31 CFR 505

Because 31 CFR parts 510, 525, 526, 528, 535, 536, 539, 544, 546, 547, 548, 549, 551, 552, 553, 555, 558, 560, 561, 562, 566, 569, 570, 576, 578, 579, 582, 583, 584, 586, 587, 588, 589, 590, 591, and 594 (the ''affected CFR Parts'') contain information in their subparts G that is now duplicated in 31 CFR part 505, OFAC is removing subpart G from the affected CFR Parts.

To aid readers in locating the provisions regarding penalties that were formerly in subpart G, OFAC is adding a section to the affected CFR Parts, in section 105, referring readers to the Penalties Regulations for this information. Additionally, OFAC is updating language in the ''Relation of this part to other laws and regulations'' section, section 101 of the affected CFR Parts, indicating that the Penalties Regulations apply to each of the affected parts.

In some cases, the penalty information in the Penalties Regulations updates or augments information previously found in parts being amended. Descriptions of the UNPA criminal penalties in parts 510, 547, and 594 had omitted penalties mandated in the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514); this rule

effectively updates these penalty amounts. Part 576 contained no information on UNPA penalties despite being an UNPA program; this rule effectively adds information on these penalties for these regulations. Parts 569, 579, 586, and 587 each contained a single abbreviated section relating to penalties, and parts 562 and 591 contained no penalties information at all; this update points users to penalties information that is more comprehensive than information previously presented as applying to each of these parts.

Reorganizing Provisions Within Individual CFR Parts

OFAC is also reorganizing most CFR Parts amended in this rule—31 CFR parts 510, 526, 535, 536, 539, 544, 546, 547, 548, 549, 551, 552, 553, 555, 558, 560, 561, 562, 566, 569, 570, 576, 578, 579, 582, 584, 586, 587, 588, 589, 590, 591, and 594—by renaming subpart A as ''General Provisions'', and moving provisions from other locations in these parts to subpart A. Generally, the sections being moved to subpart A pertain to: records and reports from subpart F; procedures from subpart H; Paperwork Reduction Act from subpart I; and delegation of authorities from subpart H. This rule then removes subparts F, H, and I. OFAC is also updating cross-references to moved sections in 31 CFR parts 510, 560, and 561.

Finally, OFAC is making technical and conforming updates to the authority citation in nearly all the affected CFR Parts.

Public Participation

Because this rule, Removing Duplicative Penalties Information and Reorganizing Certain Parts, involves a foreign affairs function, the provisions of E.O. 12866 of September 30, 1993, ''Regulatory Planning and Review'' (58 FR 51735, October 4, 1993), as amended, and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of E.O. 14192 of January 31, 2025, ''Unleashing Prosperity Through Deregulation'' (90 FR 6065, February 6, 2025) and E.O. 14219 of February 19, 2025, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative'' (90 FR 10583, February 25, 2025) are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Executive Order 14294

Section 5 of E.O. 14294 of May 9, 2025, ''Fighting Overcriminalization in Federal Regulations'' (90 FR 20367, May 14, 2025) directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the **Federal Register**, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute. E.O. 14294 directs agencies to draft this statement in consultation with the Department of Justice.

E.O. 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the **Federal Register** after May 9, 2025 should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the regulations set forth in this final rule may be subject to criminal penalties pursuant to 50 U.S.C. 1705 and regulations promulgated thereunder. The statutory authority for criminal liability requires a *mens rea* of willfulness as an element pursuant to 50 U.S.C. 1705(c). In drafting this statement, OFAC has consulted with the Department of Justice.

Paperwork Reduction Act

The collections of information related to the Regulations are contained in 31 CFR part 501 (the ''Reporting, Procedures and Penalties Regulations''). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Parts 510, 525, 526, 528, 535, 536, 539, 544, 546, 547, 548, 549, 551, 552, 553, 555, 558, 560, 561, 562, 566, 569, 570, 576, 578, 579, 582, 583, 584, 586, 587, 588, 589, 590, 591, and 594

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Licensing, Penalties, Sanctions.

For the reasons set forth in the preamble, OFAC amends 31 CFR chapter V as follows:

PART 510—NORTH KOREA SANCTIONS REGULATIONS

■ 1. The authority citation for part 510 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c, 9201–9255; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 115–44, 131 Stat. 886 (codified in scattered sections of 22 U.S.C.); E.O. 13466, 73 FR 36787, 3 CFR, 2008 Comp., p. 195; E.O. 13551, 75 FR 53837, 3 CFR, 2010 Comp., p. 242; E.O. 13570, 76 FR 22291, 3 CFR, 2011 Comp., p. 233; E.O. 13687, 80 FR 819, 3 CFR, 2015 Comp., p. 259; E.O. 13722, 81 FR 14943, 3 CFR, 2016 Comp., p. 446; E.O. 13810, 82 FR 44705, 3 CFR, 2017 Comp., p. 379.

■ 2. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 3. In § 510.101, revise the first two sentences of the section to read as follows:

§ 510.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 510.601, 510.801, and 510.901 [Redesignated as §§ 510.102 through 510.104]

■ 4. Redesignate §§ 510.601, 510.801, and 510.901 as §§ 510.102 through 510.104, respectively, under subpart A.

■ 5. Add § 510.105 to subpart A to read as follows:

§ 510.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 510.802 [Redesignated as § 510.106]

■ 6. Redesignate § 510.802 as § 510.106 under subpart A.

§ 510.214 [Amended]

■ 7. In Note 2 to § 510.214, replace ''§ 510.701'' with ''§ 510.105''.

Subparts F Through I—[Removed]

■ 8. Remove subparts F, G (consisting of §§ 510.701 through 510.705), H, and I.

PART 525—BURMA SANCTIONS REGULATIONS

■ 9. The authority citation for part 525 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 14014, 86 FR 9429, 3 CFR, 2021 Comp., p. 514.

■ 10. In § 525.101, revise the first two sentences of the section to read as follows:

§ 525.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

■ 11. Add § 525.105 to subpart A read as follows:

§ 525.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

Subparts F and G—[Removed]

■ 12. Remove subpart F and subpart G, consisting of §§ 525.701 through 525.705.

PART 526—HOSTAGES AND WRONGFUL DETENTION SANCTIONS REGULATIONS

■ 13. The authority citation for part 526 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 1741 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 14078, 87 FR 43389, 3 CFR, 2022 Comp., p. 407.

■ 14. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 15. In § 526.101, revise the first two sentences of the section to read as follows:

§ 526.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 526.601, 526.801, and 526.901 [Redesignated as §§ 526.102 through 526.104]

■ 16. Redesignate §§ 526.601, 526.801, and 526.901 as §§ 526.102 through 526.104, respectively, under subpart A.

■ 17. Add § 526.105 to subpart A to read as follows:

§ 526.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 526.802 [Redesignated as § 526.106]

■ 18. Redesignate § 526.802 as § 526.106 under subpart A.

Subparts F Through I—[Removed]

■ 19. Remove subparts F, G (consisting of §§ 526.701 through 526.705), H, and I.

PART 528—INTERNATIONAL CRIMINAL COURT-RELATED SANCTIONS

■ 20. The authority citation for part 528 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 14203, 90 FR 9369.

■ 21. In § 528.101, revise the first two sentences of the section to read as follows:

§ 528.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

■ 22. Add § 528.105 to subpart A to read as follows:

§ 528.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

Subparts F and G—[Removed]

■ 23. Remove subpart F and subpart G, consisting of §§ 528.701 and 528.702.

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

■ 24. The authority citation for part 535 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12170, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 46 FR 7913, 3 CFR, 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR, 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 112; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; E.O. 12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

■ 25. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 26. In § 535.101, revise the first two sentences of the section to read as follows:

§ 535.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 535.102, 535.103, and 535.104 [Added and reserved]

■ 27. Add to subpart A and reserve §§ 535.102, 535.103, and 535.104.

■ 28. Add to subpart A § 535.105 to read as follows:

§ 535.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

Subpart F [Removed and Reserved]

■ 29. Remove and reserve subpart F, consisting of § 535.601.

PART 536—NARCOTICS TRAFFICKING SANCTIONS REGULATIONS

■ 30. The authority citation for part 536 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415; E.O. 13286, 68 FR 10619, 3 CFR, 2003 Comp., p. 166.

■ 31. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 32. In § 536.101, revise the first two sentence of the section to read as follows:

§ 536.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 536.601, 536.801, and 536.901 [Redesignated as §§ 536.102 through 536.104]

■ 33. Redesignate §§ 536.601, 536.801, and 536.901 as §§ 536.102 through 536.104, respectively, under subpart A.

■ 34. Add § 536.105 to subpart A to read as follows:

§ 536.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 536.802 [Redesignated as § 536.106]

■ 35. Redesignate § 536.802 as § 536.106 under subpart A.

Subparts F Through I—[Removed]

■ 36. Remove subparts F, G (consisting of §§ 536.701 through 536.705), H, and I.

PART 539—WEAPONS OF MASS DESTRUCTION TRADE CONTROL REGULATIONS

■ 37. The authority citation for part 539 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 2751–2799aa–2; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200; E.O. 13382, 70 FR 38567, 3 CFR, 2005 Comp., p. 170.

■ 38. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 39. In § 539.101, revise the first two sentences of the section to read as follows:

§ 539.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 539.601, 539.801, and 539.901 [Redesignated as §§ 539.102 through 539.104]

■ 40. Redesignate §§ 539.601, 539.801, and 539.901 as §§ 539.102 through 539.104, respectively, under subpart A.

■ 41. Add § 539.105 to subpart A to read as follows:

§ 539.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 539.802 [Redesignated as § 539.106]

■ 42. Redesignate § 539.802 as § 539.106 under subpart A.

Subparts F Through I—[Removed]

■ 43. Remove subparts F, G (consisting of §§ 539.701 through 539.705), H, and I.

PART 544—WEAPONS OF MASS DESTRUCTION PROLIFERATORS SANCTIONS REGULATIONS

■ 44. The authority citation for part 544 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200; E.O. 13382, 70 FR 38567, 3 CFR, 2005 Comp., p. 170.

■ 45. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 46. In § 544.101, revise the first two sentences of the section to read as follows:

§ 544.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and

reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 544.601, 544.801, and 544.901 [Redesignated as §§ 544.102 through 544.104]

■ 47. Redesignate §§ 544.601, 544.801, and 544.901 as §§ 544.102 through 544.104, respectively, under subpart A.

■ 48. Add § 544.105 to subpart A to read as follows:

§ 544.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 544.802 [Redesignated as § 544.106]

■ 49. Redesignate § 544.802 as § 544.106 under subpart A.

Subparts F Through I—[Removed]

■ 50. Remove subparts F, G (consisting of §§ 544.701 through 544.704), H, and I.

PART 546—SUDAN STABILIZATION SANCTIONS REGULATIONS

■ 51. The authority citation for part 546 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230; E.O. 13400, 71 FR 25483, 3 CFR, 2006 Comp., p. 220; E.O. 14098, 88 FR 29529, 3 CFR, 2023 Comp, p. 394.

■ 52. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 53. In § 546.101, revise the first two sentences of the section to read as follows:

§ 546.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 546.601, 546.801, and 546.901 [Redesignated as §§ 546.102 through 546.104]

■ 54. Redesignate §§ 546.601, 546.801, and 546.901 as §§ 546.102 through 546.104, respectively, under subpart A.

■ 55. Add § 546.105 to subpart A to read as follows:

§ 546.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 546.802 [Redesignated as § 546.106]

■ 56. Redesignate § 546.802 as § 546.106 under subpart A.

Subparts F Through I—[Removed]

■ 57. Remove subparts F, G (consisting of §§ 546.701 through 546.705), H, and I.

PART 547—DEMOCRATIC REPUBLIC OF THE CONGO SANCTIONS REGULATIONS

■ 58. The authority citation for part 547 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13413, 71 FR 64105, 3 CFR, 2006 Comp., p. 247; E.O. 13671, 79 FR 39949, 3 CFR, 2015 Comp., p. 280.

■ 59. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 60. In § 547.101, revise the first two sentences of the section to read as follows:

§ 547.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 547.601, 547.801, and 547.901 [Redesignated as §§ 547.102 through 547.104]

■ 61. Redesignate §§ 547.601, 547.801, and 547.901 as §§ 547.102 through 547.104, respectively, under subpart A.

■ 62. Add § 547.105 to subpart A to read as follows:

§ 547.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 547.802 [Redesignated as § 547.106]

■ 63. Redesignate § 547.802 as § 547.106 under subpart A.

Subparts F Through I—[Removed]

■ 64. Remove subparts F, G (consisting of §§ 547.701 through 547.705), H, and I.

PART 548—BELARUS SANCTIONS REGULATIONS

■ 65. The authority citation for part 548 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13405, 71 FR 35485, 3 CFR, 2006 Comp., p. 231; E.O. 14038, 86 FR 43905, 3 CFR, 2021 Comp., p. 626.

■ 66. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 67. In § 548.101, revise the first two sentences of the section to read as follows:

§ 548.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and

reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 548.601, 548.801, and 548.901 [Redesignated as §§ 548.102 through 548.104]

■ 68. Redesignate §§ 548.601, 548.801, and 548.901 as §§ 548.102 through 548.104, respectively, under subpart A.

■ 69. Add § 548.105 to subpart A to read as follows:

§ 548.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 548.802 [Redesignated as § 548.106]

■ 70. Redesignate § 548.802 as § 548.106 under subpart A.

Subparts F Through I—[Removed]

■ 71. Remove subparts F, G (consisting of §§ 548.701 through 548.705), H, and I.

PART 549—LEBANON SANCTIONS REGULATIONS

■ 72. The authority citation for part 549 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13441, 72 FR 43499, 3 CFR, 2008 Comp., p. 232.

■ 73. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 74. In § 549.101, revise the first two sentences of the section to read as follows:

§ 549.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 549.601, 549.801, and 549.901 [Redesignated as §§ 549.102 through 549.104]

■ 75. Redesignate §§ 549.601, 549.801, and 549.901 as §§ 549.102 through 549.104, respectively, under subpart A.

■ 76. Add § 549.105 to subpart A to read as follows:

§ 549.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 549.802 [Redesignated as § 549.106]

■ 77. Redesignate § 549.802 as § 549.106 under subpart A.

Subparts F Through I—[Removed]

■ 78. Remove subparts F, G (consisting of §§ 549.701 through 549.704), H, and I.

PART 551—SOMALIA SANCTIONS REGULATIONS

■ 79. The authority citation for part 551 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13536, 75 FR 19869, 3 CFR, 2010 Comp., p. 203; E.O. 13620, 77 FR 43483, 3 CFR, 2012 Comp., p. 281.

■ 80. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 81. In § 551.101, revise the first two sentences of the section to read as follows:

§ 551.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 551.601, 551.801, and 551.901 [Redesignated as §§ 551.102 through 551.104]

■ 82. Redesignate §§ 551.601, 551.801, and 551.901 as §§ 551.102 through 551.104, respectively, under subpart A.

■ 83. Add § 551.105 to subpart A to read as follows:

§ 551.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 551.802 [Redesignated as § 551.106]

■ 84. Redesignate § 551.802 as § 551.106 under subpart A.

Subparts F Through I—[Removed]

■ 85. Remove subparts F, G (consisting of §§ 551.701 through 551.705), H, and I.

PART 552—YEMEN SANCTIONS REGULATIONS

■ 86. The authority citation for part 552 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13611, 77 FR 29533, 3 CFR, 2012 Comp., p. 260.

■ 87. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 88. In § 552.101, revise the first two sentences to read as follows:

§ 552.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts

501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 552.601, 552.801, and 552.901 [Redesignated as §§ 552.102 through 552.104]

■ 89. Redesignate §§ 552.601, 552.801, and 552.901 as §§ 552.102 through 552.104, respectively, under subpart A.

■ 90. Add § 552.105 to subpart A to read as follows:

§ 552.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 552.802 [Redesignated as § 552.106]

■ 91. Redesignate § 552.802 as § 552.106 under subpart A.

Subparts F Through I—[Removed]

■ 92. Remove subparts F, G (consisting of §§ 552.701 through 552.705), H, and I.

PART 553—CENTRAL AFRICAN REPUBLIC SANCTIONS REGULATIONS

■ 93. The authority citation for part 553 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13667, 79 FR 28387, 3 CFR, 2014 Comp., p. 243.

■ 94. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 95. In § 553.101, revise the first two sentences of the section to read as follows:

§ 553.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.'' * * *

§§ 553.601, 553.801, and 553.901 [Redesignated as §§ 553.102 through 553.104]

■ 96. Redesignate §§ 553.601, 553.801, and 553.901 as §§ 553.102 through 553.104, respectively, under subpart A.

■ 97. Add § 553.105 to subpart A to read as follows:

§ 553.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 553.802 [Redesignated as § 553.106]

■ 98. Redesignate § 553.802 as § 553.106 under subpart A.

Subparts F Through I—[Removed]

■ 99. Remove subparts F, G (consisting of §§ 553.701 through 553.705), H, and I.

PART 555—MALI SANCTIONS REGULATIONS

■ 100. The authority citation for part 555 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13882, 84 FR 37055, 3 CFR, 2019 Comp., p. 346.

■ 101. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 102. In § 555.101, revise the first two sentences of the section to read as follows:

555.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 555.601, 555.801, and 555.901 [Redesignated as §§ 555.102 through 555.104]

■ 103. Redesignate §§ 555.601, 555.801, and 555.901 as §§ 555.102 through 555.104, respectively, under subpart A.

■ 104. Add § 555.105 to subpart A to read as follows:

§ 555.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 555.802 [Redesignated as § 555.106]

■ 105. Redesignate § 555.802 as § 555.106 under subpart A.

Subparts F Through I—[Removed]

■ 106. Remove subparts F, G (consisting of §§ 555.701 through 555.705), H, and I.

PART 558—SOUTH SUDAN SANCTIONS REGULATIONS

■ 107. The authority citation for part 558 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13664, 79 FR 19283, 3 CFR, 2014 Comp., p. 238.

■ 108. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 109. In § 558.101, revise the first two sentences of the section to read as follows:

§ 558.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 558.601, 558.801, and 558.901 [Redesignated as §§ 558.102 through 558.104]

■ 110. Redesignate §§ 558.601, 558.801, and 558.901 as §§ 558.102 through 558.104, respectively, under subpart A.

■ 111. Add § 558.105 to subpart A to read as follows:

§ 558.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 558.802 [Redesignated as § 558.106]

■ 112. Redesignate § 558.802 as § 558.106 under subpart A.

Subparts F Through I—[Removed]

■ 113. Remove subparts F, G (consisting of §§ 558.701 through 558.705), H, and I.

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS

■ 114. The authority citation for part 560 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa–9, 7201 *et seq.,* 8501 *et seq.,* 8701 *et seq.,* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13846, 83 FR 38939, 3 CFR, 2018 Comp., p. 854; E.O. 13902, 85 FR 2003, 3 CFR, 2020 Comp., p. 299.

■ 115. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 116. In § 560.101, revise the first two sentences of the section to read as follows:

§ 560.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 560.601, 560.801, and 560.901 [Redesignated as §§ 560.102 through 560.104]

■ 117. Redesignate §§ 560.601, 560.801, and 560.901 as §§ 560.102 through 560.104, respectively, under subpart A.

■ 118. Add § 560.105 to subpart A to read as follows:

§ 560.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) As set forth in section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Pub. L. 112–158), a civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on a United States person if an entity owned or controlled by the United States person and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of the prohibition set forth in § 560.215 or of any order, regulation, or license set forth in or issued pursuant to this part concerning such prohibition. The penalties set forth in this paragraph shall not apply with respect to a transaction described in § 560.215 by an entity owned or controlled by the United States person and established or maintained outside the United States if the United States person divests or terminates its business with the entity not later than February 6, 2013, such that the U.S. person no longer owns or controls the entity, as defined in § 560.215(b)(1).

(c) Import shipments into the United States of Iranian-origin goods in violation of § 560.201 and export shipments from the United States of goods destined for Iran in violation of § 560.204 shall be detained. No such import, export, or reexport will be permitted to proceed, except as specifically authorized by or on behalf of the Secretary of the Treasury. Unless licensed, such shipments are subject to penalty or seizure and forfeiture action, under the customs laws or other applicable provisions of law, depending on the circumstances.

(d) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104–132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

(e) Violations of this part may also be subject to other applicable laws.

■ 119. Add § 560.106 to subpart A to read as follows:

§ 560.106 Delegation of certain authorities of the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant to: E.O. 12613 of October 29, 1987, E.O. 12957 of March 15, 1995, E.O. 12959 of May 6, 1995, E.O. 13059 of August 19, 1997, E.O. 13599 of February 5, 2012, E.O. 13846 of August 6, 2018, and any further Executive orders relating to the national emergency declared in E.O. 12957, may be taken by the Director of OFAC or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

§ 560.215 [Amended]

■ 120. In Note 4 to § 560.215, replace ''§ 560.701(a)(4)'' with ''§ 560.105(b)''.

§ 560.502 [Amended]

■ 121. In § 560.502(e), replace ''§ 560.701(d)'' with ''§ 560.105(d)''.

§ 560.525 [Amended]

■ 122. In § 560.525(a)(5)(iii), replace ''§§ 560.510 and 560.801'' with ''§§ 560.103 and 560.510''.

Subparts F Through I—[Removed]

■ 123. Remove subparts F, G (consisting of §§ 560.701 through 560.705), H, and I.

PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS

■ 124. The authority citation for part 561 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 8501 *et seq.,* 8701 *et seq.* (Pub. L. 112–158, title VII, Aug. 10, 2012, 126 Stat. 1265), E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 13553, 75 FR 60567, 3 CFR, 2010 Comp., p. 253; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13871, 84 FR

20761, 3 CFR, 2019 Comp., p. 309; E.O. 13876, 84 FR 30573, 3 CFR, 2019 Comp., p. 326.

■ 125. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 126. In § 561.101, revise the first two sentences of the section to read as follows:

§ 561.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 561.601, 561.801, and 561.901 [Redesignated as §§ 561.102 through 561.104]

■ 127. Redesignate §§ 561.601, 561.801, and 561.901 as §§ 561.102 through 561.104, respectively, under subpart A.

■ 128. Add § 561.105 to subpart A to read as follows:

§ 561.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) As set forth in section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Pub. L. 111–195) (22 U.S.C. 8501–8551) (''CISADA'') and section 1245(g)(2) of the National Defense Authorization Act for Fiscal Year 2012 (Pub. L. 112–81) (22 U.S.C. 8513a) (''2012 NDAA''), a civil penalty not to exceed the amount set forth in section 206(b) of the International Emergency Economic Powers Act (''IEEPA'') (50 U.S.C. 1705(b)) may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any prohibition contained in § 561.201 or § 561.203 or of any order, regulation, or license set forth in or issued pursuant to this part concerning such prohibitions.

(c) As set forth in section 104(d) of CISADA, a civil penalty not to exceed the amount set forth in section 206(b) of IEEPA may be imposed on a U.S. financial institution if:

(1) A person owned or controlled by the U.S. financial institution violates, attempts to violate, conspires to violate, or causes a violation of the prohibition in § 561.202 or of any order, regulation, or license set forth in or issued pursuant to this part concerning such prohibition; and

(2) The U.S. financial institution knew or should have known that the person violated, attempted to violate, conspired to violate, or caused a violation of such prohibition.

(d) As set forth in section 104(c) of CISADA and section 1245(g)(2) of the 2012 NDAA, a person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any prohibition contained in §§ 561.201 or 561.203 shall, upon conviction, be fined not more than $1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(e) Violations of this part may also be subject to other applicable laws.

§ 561.802 [Redesignated as § 561.106]

■ 129. Redesignate § 561.802 as § 561.106 under subpart A.

§ 561.803 [Redesignated as § 561.107]

■ 130. Redesignate § 561.803 as § 561.107 under subpart A.

§ 561.202 [Amended]

■ 131. In Note 2 to § 561.202, replace ''§ 561.701(a)(2)'' with ''§ 561.105(c)''.

Subparts F Through I—[Removed]

■ 132. Remove subparts F, G (consisting of §§ 561.701 through 561.704), H, and I.

PART 562—IRANIAN SECTOR AND HUMAN RIGHTS ABUSES SANCTIONS REGULATIONS

■ 133. The authority citation for part 562 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 8501 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 13553, 75 FR 60567, 3 CFR, 2010 Comp., p. 253; E.O. 13871, 84 FR 20761, 3 CFR, 2019 Comp., p. 308.

■ 134. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 135. In § 562.101, revise the first two sentences of the section to read as follows:

§ 562.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

■ 136. Add § 562.102 to subpart A to read as follows:

§ 562.102 Records and reports.

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

■ 137. Add § 562.103 to subpart A to read as follows:

§ 562.103 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

§ 562.901 [Redesignated as § 562.104]

■ 138. Redesignate § 562.901 as § 562.104 under subpart A.

■ 139. Add § 562.105 to subpart A to read as follows:

§ 562.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 562.802 [Redesignated as § 562.106]

■ 140. Redesignate § 562.802 as § 562.106 under subpart A.

Subparts F Through I—[Removed]

■ 141. Remove reserved subparts F and G, and subparts H (consisting of § 562.802) and I.

PART 566—HIZBALLAH FINANCIAL SANCTIONS REGULATIONS

■ 142. The authority citation for part 566 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); 50 U.S.C. 1701 note (Pub. L. 114–102, 129 Stat. 2205); 50 U.S.C. 1701 note (Pub. L. 115–272, 132 Stat 4144).

■ 143. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 144. In § 566.101, revise the first two sentences of the section to read as follows:

§ 566.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 566.601, 566.801, and 566.901 [Redesignated as §§ 566.102 through 566.104]

■ 145. Redesignate §§ 566.601, 566.801, and 566.901 as §§ 566.102 through 566.104, respectively, under subpart A.

■ 146. Add § 566.105 to subpart A to read as follows:

§ 566.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) As set forth in section 102(a)(3) of the Hizballah International Financing Prevention Act of 2015 (Pub. L. 114–102, 129 Stat. 2205 (50 U.S.C. 1701 note)), a civil penalty not to exceed the amount set forth in section 206(b) of the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1705(b)) may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition set forth in or issued pursuant to this part.

(c) As set forth in section 102(a)(3) of HIFPA, a person who willfully commits, willfully attempts to commit, or willfully conspires to commit a violation of any license, order, regulation, or prohibition set forth in or issued pursuant to this part shall, upon conviction, be fined not more than $1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(d) Violations of this part may also be subject to other applicable laws.

§ 566.802 [Redesignated as § 566.106]

■ 147. Redesignate § 566.802 as § 566.106 under subpart A.

Subparts F Through I—[Removed]

■ 148. Remove subparts F, G (consisting of §§ 566.701 through 566.705), H, and I.

PART 569—PROMOTING ACCOUNTABILITY FOR ASSAD AND REGIONAL STABILIZATION SANCTIONS REGULATIONS

■ 149. The authority citation for part 569 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); 22 U.S.C. 8791 *et seq,* (Pub. L. 112–158, Title VII, sec. 705, 126 Stat. 1268); 22 U.S.C. 8791 note (Pub. L. 116–92, Div. F, Title LXXIV, 133 Stat. 2291); 22 U.S.C. 9528(a); 50 U.S.C. 1701 note (Pub. L. 118–50, div. P, 138 Stat. 992); E.O. 13606, 77 FR 24571, 3 CFR, 2012 Comp., p. 243, E.O. 13894, 84 FR 55851, 3 CFR, 2019 Comp., p. 382, E.O. 14142, 90 FR 6709, E.O. 14312, 90 FR 29395.

■ 150. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 151. In § 569.101, revise the first two sentences of the section to read as follows:

§ 569.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 569.601, 569.801, and 569.901 [Redesignated as §§ 569.102 through 569.104]

■ 152. Redesignate §§ 569.601, 569.801, and 569.901 as §§ 569.102 through 569.104, respectively, under subpart A.

■ 153. Add § 569.105 to subpart A to read as follows:

§ 569.105 Penalties and Findings of Violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 569.802 [Redesignated as § 569.106]

■ 154. Redesignate § 569.802 as § 569.106 under subpart A.

Subparts F Through I—[Removed]

■ 155. Remove subparts F, G (consisting of § 569.701), H, and I.

PART 570—LIBYAN SANCTIONS REGULATIONS

■ 156. The authority citation for part 570 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13566, 76 FR 11315, 3 CFR, 2011 Comp., p. 222; E.O. 13726, 81 FR 23559, 3 CFR, 2016 Comp., p. 454.

■ 157. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 158. In § 570.101, revise the first two sentences of the section to read as follows:

§ 570.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties

regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 570.601, 570.801, and 570.901 [Redesignated as §§ 570.102 through 570.104]

■ 159. Redesignate §§ 570.601, 570.801, and 570.901 as §§ 570.102 through 570.104, respectively, under subpart A.

■ 160. Add § 570.105 to subpart A to read as follows:

§ 570.105 Penalties and Findings of Violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 570.802 [Redesignated as § 570.106]

■ 161. Redesignate § 570.802 as § 570.106 under subpart A.

Subparts F Through I—[Removed]

■ 162. Remove subparts F, G (consisting of §§ 570.701 through 570.705), H, and I.

PART 576—IRAQ STABILIZATION AND INSURGENCY SANCTIONS REGULATIONS

■ 163. The authority citation for part 576 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13303, 68 FR 31931, 3 CFR, 2003 Comp., p. 227; E.O. 13315, 68 FR 52315, 3 CFR, 2003 Comp., p. 252; E.O. 13350, 69 FR 46055, 3 CFR, 2004 Comp., p. 196; E.O. 13364, 69 FR 70177, 3 CFR, 2004 Comp., p. 236; E.O. 13438, 72 FR 39719, 3 CFR, 2007 Comp., p. 224; E.O. 13668, 79 FR 31019, 3 CFR, 2014 Comp., p. 248.

■ 164. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 165. In § 576.101, revise the first two sentences of the section to read as follows:

§ 576.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 576.601, 576.801, and 576.901 [Redesignated as §§ 576.102 through 576.104]

■ 166. Redesignate §§ 576.601, 576.801, and 576.901 as §§ 576.102 through 576.104, respectively, under subpart A.

■ 167. Add § 576.105 to subpart A to read as follows:

§ 576.105 Penalties and Findings of Violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 576.802 [Redesignated as § 576.106]

■ 168. Redesignate § 576.802 as § 576.106 under subpart A.

Subparts F Through I—[Removed]

■ 169. Remove subparts F, G (consisting of §§ 576.701 through 576.704), H, and I.

PART 578—CYBER-RELATED SANCTIONS REGULATIONS

■ 170. The authority citation for part 578 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 115–44, 131 Stat. 886 (codified in scattered sections of 22 U.S.C.); E.O. 13694, 80 FR 18077, 3 CFR, 2015 Comp., p. 297; E.O. 13757, 82 FR 1, 3 CFR, 2016 Comp., p. 659.

■ 171. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 172. In § 578.101, revise the first two sentences of the section to read as follows:

§ 578.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 578.601, 578.801, and 578.901 [Redesignated as §§ 578.102 through 578.104]

■ 173. Redesignate §§ 578.601, 578.801, and 578.901 as §§ 578.102 through 578.104, respectively, under subpart A.

■ 174. Add § 578.105 to subpart A to read as follows:

§ 578.105 Penalties and Findings of Violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 578.802 [Redesignated as § 578.106]

■ 175. Redesignate § 578.802 as § 578.106 under subpart A.

Subparts F Through I—[Removed]

■ 176. Remove subparts F, G (consisting of §§ 578.701 through 578.705), H, and I.

PART 579—FOREIGN INTERFERENCE IN U.S. ELECTIONS SANCTIONS REGULATIONS

■ 177. The authority citation for part 579 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13848, 83 FR 46843, 3 CFR, 2018 Comp., p. 869.

■ 178. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 179. In § 579.101, revise the first two sentences of the section to read as follows:

§ 579.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501

of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 579.601, 579.801, and 579.901 [Redesignated as §§ 579.102 through 579.104]

■ 180. Redesignate §§ 579.601, 579.801, and 579.901 as §§ 579.102 through 579.104, respectively, under subpart A.

■ 181. Add § 579.105 to subpart A to read as follows:

§ 579.105 Penalties and Findings of Violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 579.802 [Redesignated as § 579.106]

■ 182. Redesignate § 579.802 as § 579.106 under subpart A.

Subparts F Through I—[Removed]

■ 183. Remove subparts F, G (consisting of § 579.701), H, and I.

PART 582—NICARAGUA SANCTIONS REGULATIONS

■ 184. The authority citation for part 582 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 115–335, 132 Stat. 5019 (50 U.S.C. 1701 note); E.O. 13851, 83 FR 61505, 3 CFR, 2018 Comp., p. 884.

■ 185. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 186. In § 582.101, revise the first two sentences of the section to read as follows:

§ 582.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 582.601, 582.801, and 582.901 [Redesignated as §§ 582.102 through 582.104]

■ 187. Redesignate §§ 582.601, 582.801, and 582.901 as §§ 582.102 through 582.104, respectively, under subpart A.

■ 188. Add § 582.105 to subpart A to read as follows:

§ 582.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 582.802 [Redesignated as § 582.106]

■ 189. Redesignate § 582.802 as § 582.106 under subpart A.

Subparts F Through I—[Removed]

■ 190. Remove subparts F, G (consisting of § 582.701), H, and I.

PART 583—GLOBAL MAGNITSKY SANCTIONS REGULATIONS

■ 191. The authority citation for part 583 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 10101 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 116–145, 134 Stat. 651, as amended (22 U.S.C. 6901 note); Pub. L. 117–78, 135 Stat. 1531 (22 U.S.C. 6901 note); E.O. 13818, 82 FR 60839, 3 CFR, 2017 Comp., p. 399.

■ 192. In § 583.101, revise the first two sentences of the section to read as follows:

§ 583.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

■ 193. Add § 583.105 to subpart A to read as follows:

§ 583.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

Subparts F and G—[Removed]

■ 194. Remove reserved subpart F, and subpart G, consisting of §§ 583.701 through 583.705.

PART 584—MAGNITSKY ACT SANCTIONS REGULATIONS

■ 195. The authority citation for part 584 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 112–208, Title IV, 126 Stat. 1502 (22 U.S.C. 5811 note).

■ 196. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 197. In § 584.101, revise the first two sentences of the section to read as follows:

§ 584.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 584.601, 584.801, and 584.901 [Redesignated as §§ 584.102 through 584.104]

■ 198. Redesignate §§ 584.601, 584.801, and 584.901 as §§ 584.102 through 584.104, respectively, under subpart A.

■ 199. Add § 584.105 to subpart A to read as follows:

§ 584.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 584.802 [Redesignated as § 584.106]

■ 200. Redesignate § 584.802 as § 584.106 under subpart A.

Subparts F Through I—[Removed]

■ 201. Remove subparts F, G (consisting of §§ 584.701 through 584.705), H, and I.

PART 586—CHINESE MILITARY-INDUSTRIAL COMPLEX SANCTIONS REGULATIONS

■ 202. The authority citation for part 586 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13959, 85 FR 73185, 3 CFR, 2020 Comp., p. 475; E.O. 14032, 86 FR 30147.

■ 203. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 204. In § 586.101, revise the first two sentences of the section to read as follows:

§ 586.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ 586.601, 586.801, and 586.901 [Redesignated as §§ 586.102 through 586.104]

■ 205. Redesignate §§ 586.601, 586.801, and 586.901 as §§ 586.102 through 586.104, respectively, under subpart A.

■ 206. Add § 586.105 to subpart A to read as follows:

§ 586.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 586.802 [Redesignated as § 586.106]

■ 207. Redesignate § 586.802 as § 586.106 under subpart A.

Subparts F Through I—[Removed]

■ 208. Remove subparts F, G (consisting of § 586.701), H, and I.

PART 587—RUSSIAN HARMFUL FOREIGN ACTIVITIES SANCTIONS REGULATIONS

■ 209. The authority citation for part 587 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 14024, 86 FR 20249, 3 CFR, 2021 Comp., p. 542.

■ 210. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 211. In § 587.101, revise the first two sentences of the section to read as follows:

§ 587.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 587.601, 587.801, and 587.901 [Redesignated as §§ 587.102 through 587.104]

■ 212. Redesignate §§ 587.601, 587.801, and 587.901 as §§ 587.102 through 587.104, respectively, under subpart A.

■ 213. Add § 587.105 to subpart A to read as follows:

§ 587.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 587.802 [Redesignated as § 587.106]

■ 214. Redesignate § 587.802 as § 587.106 under subpart A.

Subparts F Through I—[Removed]

■ 215. Remove subparts F, G (consisting of § 587.701), H, and I.

PART 588—WESTERN BALKANS STABILIZATION SANCTIONS REGULATIONS

■ 216. The authority citation for part 588 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 22 U.S.C. 287c; 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13219, 66 FR 34777, 3 CFR, 2001 Comp., p. 778; E.O. 13304, 68 FR 32315, 3 CFR, 2004 Comp., p. 229; E.O. 14033, 86 FR 43905, 3 CFR, 2022 Comp., p. 591.

■ 217. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 218. In § 588.101, revise the first two sentences of the section to read as follows:

§ 588.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 588.601, 588.801, and 588.901 [Redesignated as §§ 588.102 through 588.104]

■ 219. Redesignate §§ 588.601, 588.801, and 588.901 as §§ 588.102 through 588.104, respectively, under subpart A.

■ 220. Add § 588.105 to subpart A to read as follows:

§ 588.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 588.802 [Redesignated as § 588.106]

■ 221. Redesignate § 588.802 as § 588.106 under subpart A.

Subparts F Through I—[Removed]

■ 222. Remove subparts F, G (consisting of §§ 588.701 through 588.705), H, and I.

PART 589—UKRAINE-/RUSSIA-RELATED SANCTIONS REGULATIONS

■ 223. The authority citation for part 589 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 8901 *et seq.,* 8921 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 115–44, 131 Stat. 886 (codified in scattered sections of 22 U.S.C.); E.O. 13660, 79 FR 13493, 3 CFR, 2014 Comp., p. 226; E.O. 13661, 79 FR 15535, 3 CFR, 2014 Comp., p. 229; E.O. 13662, 79 FR 16169, 3 CFR, 2014 Comp., p. 233; E.O. 13685, 79 FR 77357, 3 CFR, 2014 Comp., p. 313.

■ 224. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 225. In § 589.101, revise the first two sentences of the section to read as follows:

§ 589.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 589.601, 589.801, and 589.901 [Redesignated as §§ 589.102 through 589.104]

■ 226. Redesignate §§ 589.601, 589.801, and 589.901 as §§ 589.102 through 589.104, respectively, under subpart A.

■ 227. Add § 589.105 to subpart A to read as follows:

§ 589.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 589.802 [Redesignated as § 589.106]

■ 228. Redesignate § 589.802 as § 589.106 under subpart A.

Subparts F Through I—[Removed]

■ 229. Remove subparts F, G (consisting of §§ 589.701 through 589.705), H, and I.

PART 590—TRANSNATIONAL CRIMINAL ORGANIZATIONS SANCTIONS REGULATIONS

■ 230. The authority citation for part 590 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 13581, 76 FR 44757, 3 CFR, 2011 Comp., p. 260; E.O. 13863, 84 FR 10255, 3 CFR, 2019 Comp., p. 267.

■ 231. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 232. In § 590.101, revise the first two sentences of the section to read as follows:

§ 590.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§ § 590.601, 590.801, and 590.901 [Redesignated as §§ 590.102 through 590.104]

■ 233. Redesignate §§ 590.601, 590.801, and 590.901 as §§ 590.102 through 590.104, respectively, under subpart A.

■ 234. Add § 590.105 to subpart A to read as follows:

§ 590.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 590.802 [Redesignated as § 590.106]

■ 235. Redesignate § 590.802 as § 590.106.

Subparts F Through I—[Removed]

■ 236. Remove subparts F, G (consisting of §§ 590.701 through 590.705), H, and I.

PART 591—VENEZUELA SANCTIONS REGULATIONS

■ 237. The authority citation for part 591 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 113–278, 128 Stat. 3011 (50 U.S.C. 1701 note); E.O. 13692, 80 FR 12747, 3 CFR, 2015 Comp., p. 276; E.O. 13808, 82 FR 41155, 3 CFR, 2017 Comp., p. 377; E.O. 13827, 83 FR 12469, 3 CFR, 2018 Comp., p. 794; E.O. 13835, 83 FR 24001, 3 CFR, 2018 Comp., p. 817; E.O. 13850, 83 FR 55243, 3 CFR, 2018 Comp., p. 881; E.O. 13857, 84 FR 509, 3 CFR, 2019 Comp., p 251; E.O. 13884, 84 FR 38843, 3 CFR, 2019 Comp., p. 351.

■ 238. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 239. In § 591.101, revise the first two sentences of the section to read as follows:

§ 591.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

■ 240. Add § 591.102 to subpart A to read as follows:

§ 591.102 Records and reports.

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

■ 241. Add § 591.103 to subpart A to read as follows:

§ 591.103 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

§ 591.901 [Redesignated as § 591.104]

■ 242. Redesignate § 591.901 as § 591.104.

■ 243. Add § 591.105 to subpart A to read as follows:

§ 591.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 591.802 [Redesignated as § 591.106]

■ 244. Redesignate § 591.802 as § 591.106 under subpart A.

Subparts F Through I—[Removed]

■ 245. Remove reserved subparts F and G, and subparts H and I.

PART 594—GLOBAL TERRORISM SANCTIONS REGULATIONS

■ 246. The authority citation for part 594 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 22 U.S.C. 9404 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); Pub. L. 114–102, 129 Stat. 2205, as amended (50 U.S.C. 1701 note); Pub. L. 115–348, 132 Stat. 5055 (50 U.S.C. 1701 note); E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13268, 67 FR 44751, 3 CFR, 2002 Comp., p. 240; E.O. 13284, 68 FR 4075, 3 CFR, 2003 Comp., p. 161; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159; E.O. 13886, 84 FR 48041, 3 CFR, 2019 Comp., p. 356.

■ 247. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

■ 248. In § 594.101, revise the first two sentences of the section to read as follows:

§ 594.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to parts 501 and 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. * * *

§§ 594.601, 594.801, and 594.901 [Redesignated as §§ 594.102 through 594.104]

■ 249. Redesignate §§ 594.601, 594.801, and 594.901 as §§ 594.102 through 594.104, respectively, under subpart A.

■ 250. Add § 594.105 to subpart A to read as follows:

§ 594.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part, see part 505, subparts D and E, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 594.802 [Redesignated as § 594.106]

■ 251. Redesignate § 594.802 as § 594.106 under subpart A.

Subparts F Through I—[Removed]

■ 252. Remove subparts F, G (consisting of §§ 594.701 through 594.705), H, and I.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20007 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 515

Cuban Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Cuban Assets Control Regulations to implement portions of the President's foreign policy toward Cuba, including as directed by National Security Presidential Memorandum-5, ''Reissuance of and Amendments to National Security Presidential Memorandum 5 on Strengthening the Policy of the United States Toward Cuba'' (2025 NSPM–5), signed by the President on June 30, 2025. Among other things, this rule adds a prohibition on indirect financial transactions with entities or subentities on the Cuba Restricted List; amends other authorizations related to financial transactions, including removing an authorization for ''U-Turn'' transactions; and amends authorizations related to travel and related transactions, including removing authorizations for group people-to-people travel and professional meetings in Cuba.

DATES: This rule is effective September 30, 2026.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov.*

Background

The Department of the Treasury issued the Cuban Assets Control Regulations, 31 CFR part 515 (the ''Regulations''), on July 8, 1963, under the Trading With the Enemy Act (50 U.S.C. 4301–4341). OFAC has amended the Regulations on numerous occasions, most recently on May 29, 2024. In this document, OFAC, in consultation with the Department of State, is taking actions to implement the Administration's foreign policy toward Cuba, including measures set forth in the 2025 NSPM–5, which reissued an amended version of the National Security Presidential Memorandum 5 of

June 16, 2017, ''Strengthening the Policy of the United States Toward Cuba'' (2017 NSPM–5).

I. Prohibition on Indirect Financial Transactions With Cuba Restricted List Entities

Section 3(a)(i) of the 2025 NSPM–5 expands the scope of activities for which entities or subentities can be added to the U.S. Department of State's List of Restricted Entities and Subentities Associated with Cuba (Cuba Restricted List), and Section 3(a)(ii) of the 2025 NSPM–5 directs the Secretary of the Treasury to amend the Regulations to prohibit direct or indirect financial transactions with such entities and subentities.

Accordingly, OFAC is amending § 515.209 to prohibit persons subject to U.S. jurisdiction from engaging in indirect financial transactions with any entities or subentities that are on the Cuba Restricted List. Specifically, under amended § 515.209, an indirect financial transaction occurs when a person participates in a transfer of funds but does not act as an originator or ultimate beneficiary, where either the originator or ultimate beneficiary is an entity or subentity on the Cuba Restricted List. The previous prohibition on ''direct financial transactions'' with entities or subentities on the Cuba Restricted List, which was implemented pursuant to the 2017 NSPM–5, remains in effect and continues to prohibit persons subject to U.S. jurisdiction from acting as the originator on a transfer of funds whose ultimate beneficiary is an entity or subentity on the Cuba Restricted List or as the ultimate beneficiary on a transfer of funds whose originator is an entity or subentity on the Cuba Restricted List. The definitions and related interpretations of a direct financial transaction and an indirect financial transaction in § 515.209 of the Regulations apply only to the Regulations and not to any other part of 31 CFR chapter V.

In addition, OFAC is amending § 515.209 to reflect the expanded scope of activities for which the Secretary of State, pursuant to the 2025 NSPM–5, may add entities or subentities to the Cuba Restricted List. Specifically, the Secretary of State may now add to the Cuba Restricted List any entities or subentities that are under the control of, or act for or on behalf of, *or for the benefit of,* the Cuban military, intelligence, or security services or personnel and with which direct *or indirect* financial transactions would disproportionately benefit such services or personnel at the expense of the Cuban people or private enterprise in Cuba.

To guard against evasion of the prohibition on direct or indirect transactions with entities or subentities on the Cuba Restricted List, OFAC is also amending § 515.201(c) to add a prohibition on any transaction that has the purpose or effect of evading or avoiding prohibitions on direct or indirect transactions with entities or subentities on the Cuba Restricted List.

Finally, OFAC is also amending certain general licenses in subpart E that currently exclude direct financial transactions with entities or subentities on the Cuba Restricted List to also exclude indirect financial transactions with such entities. OFAC is also amending § 515.421 to clarify that transactions ordinarily incident to licensed transactions do not include direct or indirect financial transactions with entities and subentities on the Cuba Restricted List if the terms of the applicable general or specific license expressly exclude such direct or indirect financial transactions. OFAC has not incorporated the prohibition on direct or indirect financial transactions with entities or subentities on the Cuba Restricted List into certain general licenses in accordance with the exceptions detailed in section 3(a)(iii) of the 2025 NSPM–5.

II. Changes to § 515.584 Relating to Financial Transactions Involving Cuba

Consistent with the 2025 NSPM–5's prohibition on indirect financial transactions with entities or subentities on the Cuba Restricted List and the Administration's foreign policy toward Cuba, OFAC is also making the following changes to § 515.584:

A. Elimination of ''U-Turn'' General License: § 515.584(d) and (e)

OFAC previously authorized, pursuant to § 515.584(d), any banking institutions, as defined in § 515.314, that are subject to U.S. jurisdiction to process funds transfers in which Cuba or a Cuban national has an interest, where: (1) the funds transfers originate and terminate outside the United States and (2) neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. OFAC is amending § 515.584(d) to remove the authorization for banking institutions subject to U.S. jurisdiction to process these ''U-Turn'' transactions and to replace it with an authorization to reject such transactions.

To account for the removal of the ''U-Turn'' authorization, OFAC is also amending § 515.584(e) to remove the authorization for the unblocking and return of any transfer that would have been authorized pursuant to the prior ''U-Turn'' general license.

B. Processing of U.S. Dollar Instruments: § 515.584(g)

To align with the 2025 NSPM–5's prohibition on direct or indirect financial transactions with entities or subentities on the Cuba Restricted List, OFAC is amending § 515.584(g), which authorizes persons subject to U.S. jurisdiction to accept, process, and give value to certain U.S. dollar monetary instruments presented indirectly by Cuban financial institutions. OFAC is excluding from that authorization direct or indirect financial transactions with entities or subentities on the Cuba Restricted List.

Consistent with the amendments to the general licenses contained at § 515.584(d) and (g), OFAC is also deleting note 1 to § 515.209, which previously stated that § 515.209 does not prohibit a person subject to U.S. jurisdiction from participating in indirect financial transactions, such as those authorized by § 515.584(d) or (g), where the person does not act as the originator or beneficiary on a transfer of funds. This note is no longer applicable given OFAC's new prohibition on participating in indirect financial transactions with entities or subentities on the Cuba Restricted List, the corresponding amendment to § 515.584(g), and the removal of the ''U-Turn'' authorization in § 515.584(d).

C. Opening and Maintaining Bank Accounts for Certain Cuban Nationals: § 515.584(h)

In furtherance of the Administration's policy toward Cuba, OFAC is also removing the authorization at § 515.584(h)(2) that allowed banking institutions subject to U.S. jurisdiction to open and maintain accounts solely in the name of a Cuban national who is an independent private sector entrepreneur, as defined in § 515.340, for the purposes of conducting certain transactions authorized by, or exempt from the prohibitions of, the Regulations. Banking institutions subject to U.S. jurisdiction will require a specific license from OFAC to unblock funds located in these accounts.

III. Travel and Related Transactions

In addition to the above changes, OFAC is amending the following authorizations for travel and related transactions in furtherance of the Administration's policy toward Cuba and is making other technical and conforming amendments to the Regulations.

A. Educational Activities: § 515.565(a)

Section 515.565(a) previously authorized persons subject to U.S. jurisdiction, including U.S. academic institutions and their faculty, staff, and students, to engage in a wide variety of education-related transactions in and with Cuba. Section 3(b)(i) of the 2025 NSPM–5 requires that except for educational travel that was permitted by regulation in effect on January 27, 2011, all educational travel must be under the auspices of an organization subject to the jurisdiction of the United States, and all such travelers must be accompanied by a representative of the sponsoring organization. OFAC is incorporating this requirement by amending § 515.565(a) to restore certain requirements on educational activities involving Cuba consistent with the regulations in effect on January 27, 2011. Under amended § 515.565(a)(1), only accredited U.S. undergraduate or graduate-degree granting institutions, their students, and full-time permanent employees are authorized to engage in certain educational activities, such as noncommercial research in Cuba specifically related to Cuba and for the purpose of obtaining a graduate degree, without being accompanied by a representative from a sponsoring organization.

In addition, OFAC is adding § 515.565(a)(2) to authorize certain educational activities not authorized by § 515.565(a)(1), such as certain educational exchanges sponsored by Cuban or U.S. secondary schools, subject to the limitations described in section 3(b)(i) of the 2025 NSPM–5: (1) that the activity takes place under the auspices of an organization subject to U.S. jurisdiction and (2) that all travelers are accompanied by a representative of the sponsoring organization. The accompaniment requirement does not apply to representatives of a sponsoring organization traveling individually (not as part of a group) that obtains the requisite letter from the sponsoring organization.

In addition, OFAC is adding a ''grandfathering'' provision in § 515.565(c) to authorize certain educational travel that previously was authorized where the traveler has already completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to September 30, 2026.

B. Elimination of Group People-to-People Educational Travel Authorization: § 515.565(b)

OFAC is also removing an authorization at § 515.565(b) for group people-to-people educational travel that takes place under the auspices of an organization that is subject to U.S. jurisdiction. OFAC is replacing that authorization with a ''grandfathering'' provision in § 515.565(b) to authorize certain group people-to-people educational travel that previously was authorized where the traveler has already completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to September 30, 2026.

C. Elimination of Professional Meetings Authorization: § 515.564

OFAC is also eliminating the authorization in § 515.564(a)(2) related to the attendance at, or organization of, professional meetings or conferences in Cuba. Persons subject to U.S. jurisdiction are no longer authorized via general license to attend or organize professional meetings or conferences in Cuba. OFAC is replacing the authorizations contained within § 515.564(a)(2) with a limited wind-down period authorizing persons who were in Cuba on September 30, 2026 pursuant to the former authorization to engage in travel-related and other previously authorized transactions through October 30, 2026, provided they depart Cuba by October 30, 2026. In addition, OFAC is also authorizing persons to terminate and obtain refunds for travel and related transactions for trips consistent with the former professional meetings authorization until October 30, 2026.

OFAC is also amending § 515.564 to clarify that specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions in § 515.560(c) and other transactions that are related to (1) professional research in Cuba that does not qualify for the general license under § 515.564(a) or (2) professional meetings or conferences in Cuba that are not authorized under other travel-related authorizations and that relate to activities otherwise authorized pursuant to the Regulations.

Public Participation

Because the Regulations involve a foreign affairs function, the provisions of E.O. 12866 of September 30, 1993, ''Regulatory Planning and Review'' (58 FR 51735, October 4, 1993), as amended, and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of E.O. 14192 of January 31, 2025, ''Unleashing Prosperity Through Deregulation'' (90 FR 6065, February 6, 2025) and E.O. 14219 of February 19, 2025, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative'' (90 FR 10583, February 25, 2025) are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Executive Order 14294

Section 5 of E.O. 14294 of May 9, 2025, ''Fighting Overcriminalization in Federal Regulations'' (90 FR 20367, May 14, 2025) directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the **Federal Register**, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute. E.O. 14294 directs agencies to draft this statement in consultation with the Department of Justice.

E.O. 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the **Federal Register** after May 9, 2025, should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the regulations set forth in this final rule may be subject to criminal penalties pursuant to 50 U.S.C. 4301–4341 and regulations promulgated thereunder. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 50 U.S.C. 4315. In drafting this statement, OFAC has consulted with the Department of Justice.

Paperwork Reduction Act

The collections of information related to the Regulations are contained in 31 CFR part 501 (the ''Reporting, Procedures and Penalties Regulations''). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 515

Administrative practice and procedure, Banks, Banking, Blocking of assets, Cuba, Financial transactions, Foreign trade, Penalties, Reporting and recordkeeping requirements, Sanctions, Securities, Services.

For the reasons set forth in the preamble, OFAC amends 31 CFR part 515 as follows:

PART 515—CUBAN ASSETS CONTROL REGULATIONS

■ 1. The authority citation for part 515 continues to read as follows:

Authority: 22 U.S.C. 2370(a), 6001–6010, 7201–7211; 31 U.S.C. 321(b); 50 U.S.C. 4301–4341; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); 22 U.S.C. 6021–6091; Pub. L. 105–277, 112 Stat. 2681; Pub. L. 111–8, 123 Stat. 524; Pub. L. 111–117, 123 Stat. 3034; E.O. 9989, 13 FR 4891, 3 CFR, 1943–1948 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR, 1959–1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

Subpart B—Prohibitions

§ 515.201 [Amended]

■ 2. In § 515.201, in paragraph (c), add ''or § 515.209'' after ''section''.

■ 3. Revise § 515.209 to read as follows:

§ 515.209 Restrictions on direct or indirect financial transactions with certain entities and subentities.

(a) Except as otherwise authorized pursuant to this part, no person subject to U.S. jurisdiction may engage in a direct or indirect financial transaction with any person that the Secretary of State has identified as an entity or subentity that is under the control of, or acts for or on behalf of, or for the benefit of, the Cuban military, intelligence, or security services or personnel and with which direct or indirect financial transactions would disproportionately benefit such services or personnel at the expense of the Cuban people or private enterprise in Cuba. This prohibition does not apply to certain transactions set forth in paragraphs (b) and (c) of this section. For purposes of this prohibition:

(1) A person engages in a direct financial transaction by acting as the originator on a transfer of funds whose ultimate beneficiary is an entity or subentity on the State Department's List of Restricted Entities and Subentities Associated with Cuba (''Cuba Restricted List'') or as the ultimate beneficiary on a transfer of funds whose originator is an entity or subentity on the Cuba Restricted List, including a transaction by wire transfer, credit card, check, or payment of cash; or

(2) A person engages in an indirect financial transaction by participating in a transfer of funds, but not acting as an originator or ultimate beneficiary, where either the originator or the ultimate beneficiary is an entity or subentity on the Cuba Restricted List, including a transaction by wire transfer, credit card, check, or payment of cash.

Note 1 to paragraph (a): The names of entities and subentities that the Secretary of State has identified as meeting the criteria set forth in this section are published in the **Federal Register** and incorporated into the Cuba Restricted List. Entities or subentities that are owned or controlled by another entity or subentity on this list are not treated as restricted unless also specified by name on the Cuba Restricted List. The Cuba Restricted List is maintained by the State Department and will be published in the **Federal Register**. It is also accessible through the following page on the State Department's website: *https://www.state.gov/cuba-sanctions/cuba-restricted-list/.*

(b) The prohibition in paragraph (a) of this section does not apply to any travel-related transactions, including those that involve direct or indirect financial transactions with an entity or subentity on the Cuba Restricted List, provided those travel-related transactions were initiated prior to the date that entity or subentity was added to the Cuba Restricted List as published in the **Federal Register**.

(c) The prohibition in paragraph (a) of this section does not apply to any transactions related to commercial engagements that involve direct or indirect financial transactions with an entity or subentity on the Cuba Restricted List, provided those commercial engagements were in place prior to the date that entity or subentity was added to the Cuba Restricted List as published in the **Federal Register**.

Note 2 to § 515.209: A transaction relating to the collection, forwarding, or receipt of remittances involving an entity or subentity identified on the Cuba Restricted List is not authorized as a transaction ordinarily incident to a licensed transaction where the terms of the applicable general or specific license expressly exclude any such transactions. *See* §§ 515.570, 515.572(a)(3), and 515.587.

Subpart D—Interpretations

§ 515.421 [Amended]

■ 4. In § 515.421, in paragraph (a)(5), add ''or indirect'' after ''direct''.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

■ 5. In § 515.530, revise paragraph (d) to read as follows:

§ 515.530 Exportation of powers of attorney or instructions relating to certain types of transactions.

* * * * *

(d) Nothing in this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

■ 6. Amend § 515.534 as follows:

■ a. Remove the note to § 515.534;

■ b. Revise paragraph (c); and

■ c. Add note 1 to § 515.534.

The revision and addition read as follows:

§ 515.534 Negotiation of, and entry into, contingent contracts relating to transactions prohibited by this part.

* * * * *

(c) Nothing in this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

Note 1 to § 515.534: This section does not authorize transactions related to travel to, from, or within Cuba. See § 515.533(c) for a general license authorizing travel-related and other transactions incident to the negotiation of contracts for the exportation or reexportation of certain items to Cuba.

§ 515.542 [Amended]

■ 7. In § 515.542, in note 1 to § 515.542, remove the last sentence.

■ 8. In § 515.545, revise paragraph (c) to read as follows:

§ 515.545 Transactions related to information and informational materials.

* * * * *

(c) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a) or (b) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

* * * * *

§ 515.547 [Amended]

■ 9. In § 515.547, in note 2 to paragraph (a), in the second sentence, remove ''and professional meetings'' after ''professional research''.

§ 515.560 [Amended]

■ 10. In § 515.560, in paragraph (d), add ''or indirect'' after ''direct''.

■ 11. In § 515.561, revise and republish paragraph (a) to read as follows:

§ 515.561 Family visits.

(a) *General license.* Persons subject to the jurisdiction of the United States and persons traveling with them who share a common dwelling as a family with them are authorized to engage in the travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to: visiting a close relative, as defined in § 515.339, who is a national of Cuba or a person ordinarily resident in Cuba; or

visiting a close relative located in Cuba or accompanying a close relative traveling to Cuba pursuant to the authorizations in § 515.562 (official government business), § 515.563 (journalistic activity), § 515.564(a)(1) (professional research), § 515.565(a)(1)(i) through (iv) and (vi) (educational activities), § 515.566 (religious activities), § 515.575 (humanitarian projects), or § 515.576 (activities of private foundations or research or educational institutes). Nothing in this paragraph (a) authorizes a direct or indirect financial transaction prohibited by § 515.209, or the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

Note 1 to paragraph (a): Each person relying on the general authorization in this paragraph must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

* * * * *

■ 12. Revise § 515.564 to read as follows:

§ 515.564 Professional research and professional meetings in Cuba.

(a) *General licenses*—(1) *General license for professional research.* The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to professional research are authorized, provided that:

(i) The purpose of the research directly relates to the traveler's profession, professional background, or area of expertise, including area of graduate-level full-time study; and

(ii) The traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule of professional research.

Example 1 to paragraph (a)(1): The making of a documentary film in Cuba would qualify for the general license in this section if it is a vehicle for presentation of the research conducted pursuant to this section.

Note 1 to paragraph (a)(1): A person does not qualify as engaging in professional research merely because that person is a professional who plans to travel to Cuba.

(2) *General license authorizing the wind-down of certain travel and other transactions directly incident to professional meetings in Cuba.* (i) Persons subject to U.S. jurisdiction who are located in Cuba as of September 30, 2026, for the attendance at, or organization of, professional meetings or conferences in Cuba are authorized to engage in travel and related transactions for a trip consistent with this paragraph (a)(2) as this provision existed on June 30, 2025, provided the traveler departs Cuba no later than October 30, 2026.

(ii) Persons subject to U.S. jurisdiction are authorized until October 30, 2026, to engage in transactions ordinarily incident and necessary to terminating and obtaining refunds for travel and related transactions for a trip consistent with this paragraph (a)(2) as this provision existed on June 30, 2025.

Note 2 to paragraph (a): Each person relying on a general authorization in this paragraph (a) must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

(b) *Applicability to groups.* An entire group does not qualify for the general license in paragraph (a) of this section merely because some members of the group qualify individually.

Example 2 to paragraph (b): A musicologist travels to Cuba to research Cuban music pursuant to the general license for professional research set forth in paragraph (a)(1) of this section. Others who are simply interested in music may not engage in travel-related transactions with the musicologist in reliance on this general license. For example, an art historian who plays in the same band with the musicologist would not qualify for the general license.

(c) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

(d) *Certain travel-related transactions restricted.* Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

(e) *Specific licenses.* Specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions set forth in § 515.560(c) and such other transactions as are related to either: professional research in Cuba that does not qualify for the general license under paragraph (a)(1) of this section, or professional meetings or conferences in Cuba that are not otherwise authorized pursuant to other travel-related authorizations and relate to activities otherwise authorized pursuant to this part.

■ 13. Revise § 515.565 to read as follows:

§ 515.565 Educational activities.

(a) *General license for educational activities.* (1) Accredited U.S. undergraduate or graduate degree-granting academic institutions, their students enrolled in an undergraduate or graduate degree program at the institution, and their full-time permanent employees, are authorized to engage, under the auspices of the institutions, in transactions, including the travel-related transactions set forth in § 515.560(c), that are directly incident to the following activities:

(i) Participation in a structured educational program in Cuba as part of a course offered at the U.S. institution, provided the program includes a full term, and in no instance includes fewer than 10 weeks, of study in Cuba. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in an undergraduate or graduate degree program at the institution, or is a full-time permanent employee of the institution, and that the Cuba-related travel is part of a structured educational program of the U.S. institution that will be no shorter than 10 weeks in duration;

(ii) Noncommercial academic research in Cuba specifically related to Cuba and for the purpose of obtaining a graduate degree. A student planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in a graduate degree program at the U.S. institution and that the research in Cuba will be accepted for credit toward that degree;

(iii) Participation in a formal course of study at a Cuban academic institution, provided the formal course of study in Cuba will be accepted for credit toward the student's undergraduate or graduate degree at the U.S. institution and provided that the course of study is no shorter than 10 weeks in duration. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in an undergraduate or graduate degree program at the U.S. institution and that the study in Cuba will be accepted for credit toward that degree and will be no shorter than 10 weeks in duration;

(iv) Teaching at a Cuban academic institution by an individual regularly employed in a teaching capacity at the U.S. institution, provided the teaching activities are related to an academic program at the Cuban institution and provided that the duration of the teaching will be no shorter than 10

weeks. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a full-time permanent employee regularly employed in a teaching capacity at the U.S. institution;

(v) Sponsorship of a Cuban scholar to teach or engage in other scholarly activity at the U.S. institution (in addition to those transactions authorized by the general license contained in § 515.571); and

Note 1 to paragraph (a)(1)(v): See § 515.571(a) for authorizations related to certain banking transactions and receipt of salary or other compensation by Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. Government.

(vi) The organization of, and preparation for, the activities described in paragraphs (a)(1)(i) through (v) of this section by a full-time permanent employee of the U.S. institution. An individual engaging in such transactions must obtain a letter from the U.S. institution stating that the individual is a full-time permanent employee of the U.S. institution.

(2) To the extent not authorized in paragraph (a)(1) of this section, persons subject to U.S. jurisdiction, including U.S. academic institutions and their faculty, staff, and students, are authorized to engage in transactions, including the travel-related transactions set forth in § 515.560(c), that are directly incident to the following activities, provided that any travel-related transactions pursuant to these authorizations take place under the auspices of an organization that is a person subject to U.S. jurisdiction, and further provided that all such travelers be accompanied by a person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization, except in cases where the traveler is an employee, paid consultant, agent, or other representative traveling individually (not as part of a group) and the individual traveler obtains a letter from the sponsoring organization stating that: The individual is traveling to Cuba as an employee, paid consultant, agent, or other representative (including specifying the responsibilities of the individual that make him or her a representative) of the sponsoring organization; the individual is acting for or on behalf of, or otherwise representing, the sponsoring organization; and the individual's travel to Cuba is related to his or her role at the sponsoring organization:

(i) Participation in a structured educational program in Cuba as part of a course offered for credit by a U.S. graduate or undergraduate degree-granting academic institution that is sponsoring the program;

(ii) Noncommercial academic research in Cuba specifically related to Cuba and for the purpose of obtaining an undergraduate or graduate degree;

(iii) Participation in a formal course of study at a Cuban academic institution, provided the formal course of study in Cuba will be accepted for credit toward the student's graduate or undergraduate degree;

(iv) Teaching at a Cuban academic institution related to an academic program at the Cuban institution, provided that the individual is regularly employed by a U.S. or other non-Cuban academic institution;

(v) Sponsorship of a Cuban scholar to teach or engage in other scholarly activity at the sponsoring U.S. academic institution (in addition to those transactions authorized by the general license contained in § 515.571);

Note 2 to paragraph (a)(2)(v): See § 515.571(a) for authorizations related to certain banking transactions and receipt of salary or other compensation by Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. Government.

(vi) Educational exchanges sponsored by Cuban or U.S. secondary schools involving secondary school students' participation in a formal course of study or in a structured educational program offered by a secondary school or other academic institution and led by a teacher or other secondary school official. This includes participation by a reasonable number of adult chaperones to accompany the secondary school students to Cuba;

(vii) Sponsorship or co-sponsorship of non-commercial academic seminars, conferences, symposia, and workshops related to Cuba or global issues involving Cuba and attendance at such events by faculty, staff, and students of a participating U.S. academic institution;

(viii) Establishment of academic exchanges and joint non-commercial academic research projects with universities or academic institutions in Cuba;

(ix) Provision of standardized testing services, including professional certificate examinations, university entrance examinations, and language examinations, and related preparatory services for such exams, to Cuban nationals, wherever located;

(x) Provision of internet-based courses, including distance learning and Massive Open Online Courses, to Cuban nationals, wherever located, provided that the course content is at the undergraduate level or below;

(xi) The organization of, and preparation for, activities described in paragraphs (a)(2)(i) through (x) of this section by an employee, paid consultant, agent, or other representative of the sponsoring organization that is a person subject to U.S. jurisdiction; and

(xii) Facilitation by an organization that is a person subject to U.S. jurisdiction, or a member of the staff of such an organization, of licensed educational activities in Cuba on behalf of U.S. academic institutions or secondary schools, provided that:

(A) The organization is directly affiliated with one or more U.S. academic institutions or secondary schools; and

(B) The organization facilitates educational activities that meet the requirements of one or more of the general licenses set forth in paragraphs (a)(1)(i) through (iii) and (a)(2)(i) through (iii) and (vi) of this section.

Example 1 to paragraph (a)(2): An individual undergraduate student serves as a research assistant at his or her U.S. undergraduate degree-granting academic institution. This individual may travel to Cuba to engage in noncommercial academic research specifically related to Cuba for the purpose of obtaining an undergraduate degree pursuant to paragraph (a)(2)(ii) of this section if the student is either accompanied by an employee, paid consultant, agent, or other representative of the academic institution (either individually or as part of a group), or has obtained a letter from the institution stating that the student is an employee, paid consultant, agent, or other representative (including specifying the responsibilities that make him or her a representative) of the academic institution, that the student is acting for or on behalf of or otherwise representing the academic institution, and that the student's travel to Cuba is related to his or her role at the academic institution.

Note 3 to paragraph (a)(2): The authorizations in this paragraph (a)(2) extend to adjunct faculty and part-time staff of U.S. academic institutions. A student enrolled in a U.S. academic institution is authorized pursuant to this paragraph (a)(2) to participate in the academic activities in Cuba described through any sponsoring U.S. academic institution.

Note 4 to paragraph (a): See § 515.560(c)(6) for an authorization for individuals to open and maintain accounts at Cuban financial

institutions; see § 515.573 for an authorization for entities conducting educational activities authorized by § 515.565(a) to establish a physical presence in Cuba, including an authorization to open and maintain accounts at Cuban financial institutions.

Note 5 to paragraph (a): The export or reexport to Cuba of goods (including software) or technology subject to the Export Administration Regulations (15 CFR parts 730 through 774) may require separate authorization from the Department of Commerce.

Note 6 to paragraph (a): See § 515.590(a) for an authorization for the provision of educational grants, scholarships, or awards to a Cuban national or in which Cuba or a Cuban national otherwise has an interest.

Note 7 to paragraph (a): Each person relying on the general authorization in this paragraph (a) must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

(b) *General license for certain people-to-people travel and related transactions where certain transactions were completed prior to September 30, 2026.* Persons subject to U.S. jurisdiction are authorized to engage in people-to-people travel and related transactions for a trip consistent with this paragraph (b) as this provision existed on June 30, 2025, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to September 30, 2026.

(c) *General license for certain educational travel and related transactions where certain transactions were completed prior to September 30, 2026.* Persons subject to U.S. jurisdiction are authorized to engage in educational travel and related transactions for a trip consistent with paragraph (a) of this section as this provision existed on June 30, 2025, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to September 30, 2026.

(d) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a), (b), or (c) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

(e) *Certain travel-related transactions restricted.* Nothing in paragraph (a), (b), or (c) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

(f) *Restriction on primarily tourist-oriented activities.* Transactions related to activities that are primarily tourist-oriented are not authorized pursuant to this section.

(g) *Specific licenses.* Specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions set forth in § 515.560(c) and such other transactions as are related to educational activities that do not qualify for the general license under paragraph (a) of this section.

§ 515.566 [Amended]

■ 14. In § 515.566, in the last sentence of paragraph (a):
■ a. Remove ''this paragraph'' and add ''this paragraph (a)'' in its place; and
■ b. Add ''or indirect'' after ''direct''.

■ 15. In § 515.567, revise paragraph (d) to read as follows:

§ 515.567 Public performances, clinics, workshops, athletic and other competitions, and exhibitions.

* * * * *

(d) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

* * * * *

■ 16. In § 515.570, revise and republish paragraph (d) to read as follows:

§ 515.570 Remittances.

* * * * *

(d) *Remittances to students in Cuba pursuant to an educational license authorized.* Persons subject to the jurisdiction of the United States who are 18 years of age or older are authorized to make remittances to close relatives, as defined in § 515.339, who are students in Cuba pursuant to the general license authorizing certain educational activities in § 515.565(a) or a specific license issued pursuant to § 515.565(g), provided that the remittances are not made from a blocked source and are for the purpose of funding transactions authorized by the general licenses in § 515.565(a) or the specific license issued pursuant to § 515.565(g) under which the student is traveling.

* * * * *

§ 515.572 [Amended]

■ 17. Amend § 515.572 as follows:
■ a. In the last sentence of paragraph (a)(1):
■ i. Remove ''this paragraph'' and add ''this paragraph (a)(1)'' in its place; and
■ ii. Add ''or indirect'' after ''direct'';
■ b. Remove note 3 to paragraph (a); and
■ c. Redesignate note 4 to § 515.572 as note 3 to § 515.572.

■ 18. In § 515.573, revise paragraph (f) to read as follows:

§ 515.573 Physical presence and business presence in Cuba authorized; Cuban news bureaus.

* * * * *

(f) *Certain direct or indirect financial transactions restricted.* (1) Nothing in paragraph (c)(3) of this section, with the exception of transactions related to exports or reexports of agricultural commodities, medicines or medical supplies, items associated with the provision of telecommunications and internet services for the Cuban people, or items associated with air and sea operations that support permissible travel, cargo, or trade, authorizes a direct or indirect financial transaction prohibited by § 515.209. Nothing in paragraph (c)(5) of this section, with the exception of transactions concerning air and sea operations that support permissible travel, cargo, or trade, authorizes a direct or indirect financial transaction prohibited by § 515.209.

(2) Nothing in paragraph (d)(2), (3), or (6) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

* * * * *

■ 19. In § 515.574, revise the section heading and paragraph (c) to read as follows:

§ 515.574 Support for the Cuban people.

* * * * *

(c) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a)(1)(iii) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209, with the exception of transactions on behalf of a non-governmental organization.

* * * * *

■ 20. In § 515.576, revise paragraph (c) to read as follows:

§ 515.576 Activities of private foundations or research or educational institutes.

* * * * *

(c) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (a) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

* * * * *

■ 21. Amend § 515.577 as follows:
■ a. Revise paragraph (e); and
■ b. Remove paragraph (f).

The revision reads as follows:

§ 515.577 Authorized transactions necessary and ordinarily incident to publishing.

* * * * *

(e) Nothing in this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

■ 22. In § 515.578, revise paragraph (f) to read as follows:

§ 515.578 Exportation, reexportation, and importation of certain internet-based services; importation of software.

* * * * *

(f) *Certain direct or indirect financial transactions restricted.* Nothing in paragraph (d) or (e) of this section authorizes a direct or indirect financial transaction prohibited by § 515.209.

* * * * *

§ 515.581 [Amended]

■ 23. In § 515.581, in the second sentence:

■ a. Remove ''this paragraph'' and add ''this section'' in its place; and

■ b. Add ''or indirect'' after ''direct''.

■ 24. In § 515.584, revise the note to paragraph (a) and paragraphs (d) through (h) to read as follows:

§ 515.584 Certain financial transactions involving Cuba.

(a) * * *

Note 1 to paragraph (a): This paragraph (a) does not authorize the establishment and maintenance of accounts in the United States or with a person subject to U.S. jurisdiction by, on behalf of, or for the benefit of, Cuba or a Cuban national.

* * * * *

(d) *Funds transfers.* Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to reject funds transfers originating and terminating outside the United States, provided that neither the originator nor the beneficiary is a person subject to U.S. jurisdiction.

(e) *Unblocking of certain previously blocked funds transfers authorized.* Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to unblock and return to the originator or originating financial institution or their successor-in-interest previously blocked funds transfers that could have been processed pursuant to § 515.562(b) or § 515.579(b) if the processing of those transfers would have been authorized had they been sent under the current text of those provisions. Persons subject to U.S. jurisdiction unblocking funds transfers that were originally blocked on or after August 25, 1997, pursuant to this section must submit a report to the Department of the Treasury, Office of Foreign Assets Control within 10 business days from the date such funds transfers are unblocked and reported in compliance with § 501.603(b)(3) of this chapter.

(f) *Financing for certain exports or reexports.* Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to provide financing for exports or reexports of items, other than agricultural commodities, authorized pursuant to § 515.533, including issuing, advising, negotiating, paying, or confirming letters of credit (including letters of credit issued by a financial institution that is a national of Cuba), accepting collateral for issuing or confirming letters of credit, and processing documentary collections. With the exception of transactions related to exports or reexports of medicines or medical supplies, items associated with the provision of telecommunications and internet services for the Cuban people, or items associated with air and sea operations that support permissible travel, cargo, or trade, nothing in this paragraph (f) authorizes a direct or indirect financial transaction prohibited by § 515.209.

(g) *U.S. dollar monetary instruments.* Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to accept, process, and give value to U.S. dollar monetary instruments presented for processing and payment by a banking institution located in a third country that is not a person subject to U.S. jurisdiction or a Cuban national and that has received the U.S. dollar monetary instruments from a financial institution that is a national of Cuba for which it maintains a correspondent account and which received the U.S. dollar monetary instruments in connection with an underlying transaction that is authorized, exempt, or otherwise not prohibited by this part, such as dollars spent in Cuba by authorized travelers or a third-country transaction that is not prohibited by this part. Nothing in this paragraph (g) authorizes a direct or indirect financial transaction prohibited by § 515.209.

Note 2 to paragraph (g): Correspondent accounts used for transactions authorized pursuant to this paragraph (g) may be denominated in U.S. dollars.

(h) *Opening and maintaining bank accounts for certain Cuban nationals.* Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to open and maintain accounts solely in the name of a Cuban national located in Cuba for the purposes only of receiving payments in the United States in connection with transactions authorized pursuant to, or exempt from the prohibitions of, this part and remitting such payments to Cuba.

§ 515.590 [Amended]

■ 25. In § 515.590, in the introductory text, add ''or indirect'' after ''direct''.

§ 515.591 [Amended]

■ 26. In § 515.591, in note 2 to § 515.591, remove ''and professional meetings'' after ''professional research''.

Bradley T. Smith,

Director, Office of Foreign Assets Control, Department of the Treasury.

[FR Doc. 2026–19973 Filed 9–29–26; 8:45 am]

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 516

Cuba Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adding regulations to implement a May 1, 2026 Cuba-related Executive order. OFAC intends to supplement these regulations with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses, and other regulatory provisions.

DATES: This rule is effective September 30 2026.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov.*

Background

On May 1, 2026, the President, invoking the authority of, *inter alia,* the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), issued Executive Order (E.O.) 14404, ''Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy'' (91 FR 25061, May 7, 2026).

In E.O. 14404, the President determined that the policies, practices,

and actions of the Government of Cuba, as described in the national emergency declared in E.O. 14380, ''Addressing Threats to the United States by the Government of Cuba'' (91 FR 5085, February 3, 2026), continue to constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and took further steps to address that threat.

OFAC is issuing the Cuba Sanctions Regulations, 31 CFR part 516 (the ''Regulations''), to implement E.O. 14404, pursuant to authorities delegated to the Secretary of the Treasury in E.O. 14404. A copy of E.O. 14404 appears in appendix A to this part.

The Regulations are being published in abbreviated form at this time for the purpose of providing immediate guidance to the public. OFAC intends to supplement this part 516 with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses, and other regulatory provisions. The appendix to the Regulations will be removed when OFAC supplements this part with a more comprehensive set of regulations.

Public Participation

Because the Regulations involve a foreign affairs function, the provisions of E.O. 12866 of September 30, 1993, ''Regulatory Planning and Review'' (58 FR 51735, October 4, 1993), as amended, and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of E.O. 14192 of January 31, 2025, ''Unleashing Prosperity Through Deregulation'' (90 FR 6065, February 6, 2025), and E.O. 14219 of February 19, 2025, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative'' (90 FR 10583, February 25, 2025), are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Executive Order 14294

Section 5 of E.O. 14294 of May 9, 2025, ''Fighting Overcriminalization in Federal Regulations'' (90 FR 20363, May 14, 2025), directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the **Federal Register**, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute. E.O. 14294 directs agencies to draft this statement in consultation with the Department of Justice.

E.O. 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the **Federal Register** after May 9, 2025, should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the regulations set forth in this final rule may be subject to criminal penalties pursuant to 50 U.S.C. 1705 and regulations promulgated thereunder. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 50 U.S.C. 1705(c). In drafting this statement, OFAC has consulted with the Department of Justice.

Paperwork Reduction Act

The collections of information related to the Regulations are contained in 31 CFR part 501 (the ''Reporting, Procedures and Penalties Regulations''). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 516

Administrative practice and procedure, Banks, banking, Blocking of assets, Cuba, Foreign trade, Penalties, Reporting and recordkeeping requirements, Sanctions, Services.

■ For the reasons set forth in the preamble, OFAC adds part 516 to 31 CFR chapter V to read as follows:

PART 516—CUBA SANCTIONS REGULATIONS

Subpart A—General Provisions

Sec.
516.101 Relation of this part to other laws and regulations.
516.102 Records and reports.
516.103 Procedures.
516.104 Paperwork Reduction Act notice.
516.105 Penalties and findings of violation.
516.106 Delegation of certain authorities of the Secretary of the Treasury.

Subpart B—Prohibitions

516.201 Prohibited transactions.
516.202 Effect of transfers violating the provisions of this part.
516.203 Holding of funds in interest-bearing accounts; investment and reinvestment.
516.204 Expenses of maintaining blocked tangible property; liquidation of blocked property.
516.205 Exempt transactions.

Subpart C—General Definitions

516.300 Applicability of definitions.
516.301 Blocked account; blocked property.
516.302 Effective date.
516.303 Entity.
516.304 Financial, material, or technological support.
516.305 Foreign financial institution.
516.306 Foreign person.
516.307 Government of Cuba.
516.308 [Reserved]
516.309 Interest.
516.310 Licenses; general and specific.
516.311 OFAC.
516.312 Person.
516.313 Property; property interest.
516.314 Transfer.
516.315 United States.
516.316 United States person; U.S. person.
516.317 U.S. financial institution.

Subpart D—Interpretations

516.401 [Reserved]
516.402 Effect of amendment.
516.403 Termination and acquisition of an interest in blocked property.
516.404 Transactions ordinarily incident to a licensed transaction.
516.405 Setoffs prohibited.
516.406 Entities owned by one or more persons whose property and interests in property are blocked.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

516.501 General and specific licensing procedures.
516.502 Effect of license or other authorization.
516.503 Exclusion from licenses.
516.504 Payments and transfers to blocked accounts in U.S. financial institutions.
516.505 Entries in certain accounts for normal service charges.
516.506 Provision of certain legal services.
516.507 Payments for legal services from funds originating outside the United States.
516.508 Emergency medical services.
516.509 Official business of the United States Government.
516.510 Official business of certain international organizations and entities.
516.511 Certain transactions in support of nongovernmental organizations' activities.
516.512 Transactions related to the provision of agricultural commodities, medicine, medical devices, replacement parts and components, or software updates for personal, non-commercial use.
516.513 Transactions related to closing a correspondent account or payable-through account.
Appendix A to Part 516—E.O. 14404 of May 1, 2026

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 14404, 91 FR 25061.

Subpart A—General Provisions

§ 516.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, including part 515 of this chapter, with the exceptions of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures, and part 505 of this chapter, the penalties regulations, both of which apply to this part. Actions taken pursuant to part 501 or 505 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. Differing foreign policy and national security circumstances may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

Note 1 to § 516.101: This part has been published in abbreviated form for the purpose of providing immediate guidance to the public. OFAC intends to supplement this part with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses, and other regulatory provisions.

§ 516.102 Records and reports.

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

§ 516.103 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

§ 516.104 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) of information collections relating to recordkeeping and reporting requirements, licensing procedures, and other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

§ 516.105 Penalties and findings of violation.

(a) For provisions relating to penalties and findings of violation with respect to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury or the Secretary's delegee pursuant to this part, see part 505, subpart D, of this chapter.

(b) Violations of this part may also be subject to other applicable laws.

§ 516.106 Delegation of certain authorities of the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant to E.O. 14404 of May 1, 2026, and any further Executive orders issued pursuant to the national emergency declared in E.O. 14380 of January 29, 2026, may be taken by the Director of OFAC or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

Subpart B—Prohibitions

§ 516.201 Prohibited transactions.

All transactions prohibited pursuant to E.O. 14404 of May 1, 2026, or any further Executive orders issued pursuant to the national emergency declared in E.O. 14380 of January 29, 2026, are prohibited pursuant to this part.

Note 1 to § 516.201: The names of persons designated or identified as blocked pursuant to E.O. 14404, or any further Executive orders issued pursuant to the national emergency declared in E.O. 14380, whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) using the following identifier formulation: for E.O. 14404: ''[CUBA–EO14404]''; and for any further Executive orders issued pursuant to the national emergency declared in E.O. 14380: ''[CUBA–E.O.[E.O. number pursuant to which the person's property and interests in property are blocked]].'' The SDN List is accessible through the following page on OFAC's website: *https://sanctionslist.ofac.treas.gov/Home/SdnList.* Additional information pertaining to the SDN List can be found in appendix A to this chapter. *See* § 516.406 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to this section.

Note 2 to § 516.201: Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), authorizes the blocking of property and interests in property of a person during the pendency of an investigation. The names of persons whose property and interests in property are blocked pending investigation pursuant to this section also are published in the **Federal Register** and incorporated into the SDN List using the following identifier formulation: ''[BPI–CUBA–E.O.[E.O. number pursuant to which the person's property and interests in property are blocked pending investigation]].''

Note 3 to § 516.201: The names of foreign financial institutions for which the opening or maintaining of a correspondent account or a payable-through account in the United States is prohibited or for which the maintenance of such accounts is subject to one or more strict conditions pursuant to section 4(b)(i) of E.O. 14404, or pursuant to any further Executive orders issued pursuant to the national emergency declared in E.O. 14380, will be added to the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List) on OFAC's website (*https://ofac.treasury.gov*), and published in the **Federal Register** along with the applicable prohibition(s) or condition(s).

Note 4 to § 516.201: In certain cases, OFAC may issue an order to: identify as blocked specific property or interests in property of a person designated or otherwise blocked pursuant to this section; block specific property or interests in property of a person pending investigation; or block or impose other prohibitions with respect to specific property or interests in property less than full blocking sanctions. Notice of such orders will be provided: by publication in the **Federal Register**; in writing to persons OFAC may assess to have an interest in the property; or by issuing an order or directive in writing to financial institutions or other transaction intermediaries, and requiring the recipient of the order or directive to promptly disclose it to affected persons with whom the recipient maintains direct commercial relationships. Inquiries regarding any such order should be directed to OFAC's Compliance Division at *https://ofac.treasury.gov/contact-ofac.*

Note 5 to § 516.201: Subpart E of part 501 of this chapter describes the procedures to be followed for the release of property and interests in property blocked pursuant to this section, including funds blocked due to mistaken identity or typographical or similar errors, and for administrative reconsideration of one's status as a person whose property and interests in property are blocked pursuant to this section.

§ 516.202 Effect of transfers violating the provisions of this part.

(a) Any transfer after the effective date that is in violation of any provision of this part or of any regulation, ruling, instruction, order, directive, or license issued pursuant to this part, and that involves any property or interest in property blocked pursuant to § 516.201,

is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power, or privilege with respect to such property or interest in property.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or any interest in, any property or interest in property blocked pursuant to § 516.201, unless the person who holds or maintains such property, prior to that date, had written notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, a license or other authorization issued by OFAC before, during, or after a transfer shall validate such transfer or make it enforceable to the same extent that it would be valid or enforceable but for the provisions of this part and any regulation, ruling, instruction, order, directive, or license issued pursuant to this part.

(d) Transfers of property that otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property is or was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of OFAC each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property is or was held or maintained (and as to such person only);

(2) The person with whom such property is or was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization issued pursuant to this part and was not so licensed or authorized, or, if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained; and

(3) The person with whom such property is or was held or maintained filed with OFAC a report setting forth in full the circumstances relating to such transfer promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, order, directive, license, or other authorization issued pursuant to this part;

(ii) Such transfer was not licensed or authorized by OFAC; or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained.

(e) The filing of a report in accordance with the provisions of paragraph (d)(3) of this section shall not be deemed evidence that the terms of paragraphs (d)(1) and (2) of this section have been satisfied.

(f) Unless licensed pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property or interest in property blocked pursuant to § 516.201.

§ 516.203 Holding of funds in interest-bearing accounts; investment and reinvestment.

(a) Except as provided in paragraph (e) or (f) of this section, or as otherwise directed or authorized by OFAC, any U.S. person holding funds, such as currency, bank deposits, or liquidated financial obligations, subject to § 516.201 shall hold or place such funds in a blocked interest-bearing account located in the United States.

(b)(1) For the purposes of this section, the term *blocked interest-bearing account* means a blocked account:

(i) In a federally insured U.S. bank, thrift institution, or credit union, provided the funds are earning interest at rates that are commercially reasonable; or

(ii) With a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), provided the funds are invested in a money market fund or in U.S. Treasury bills.

(2) Funds held or placed in a blocked account pursuant to paragraph (a) of this section may not be invested in instruments the maturity of which exceeds 180 days.

(c) For the purposes of this section, a rate is commercially reasonable if it is the rate currently offered to other depositors on deposits or instruments of comparable size and maturity.

(d) For the purposes of this section, if interest is credited to a separate blocked account or subaccount, the name of the account party on each account must be the same.

(e) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to § 516.201 may continue to be held until maturity in the original instrument, provided any interest, earnings, or other proceeds derived therefrom are paid into a blocked interest-bearing account in accordance with paragraph (a) or (f) of this section.

(f) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to § 516.201 may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates that are commercially reasonable.

(g) This section does not create an affirmative obligation for the holder of blocked tangible property, such as real or personal property, or of other blocked property, such as debt or equity securities, to sell or liquidate such property. However, OFAC may issue licenses permitting or directing such sales or liquidation in appropriate cases.

(h) Funds blocked pursuant to § 516.201 may not be held, invested, or reinvested in a manner that provides financial or economic benefit or access to any person whose property and interests in property are blocked pursuant to § 516.201, nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

§ 516.204 Expenses of maintaining blocked tangible property; liquidation of blocked property.

(a) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or contract entered into or any license or permit granted prior to the effective date, all expenses incident to the maintenance of tangible property blocked pursuant to § 516.201 shall be the responsibility of the owners or operators of such property, which expenses shall not be met from blocked funds.

(b) Property blocked pursuant to § 516.201 may, in the discretion of OFAC, be sold or liquidated and the net proceeds placed in a blocked interest-bearing account in the name of the owner of the property.

§ 516.205 Exempt transactions.

The prohibitions contained in this part do not apply to any transactions that are exempt pursuant to section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)).

Subpart C—General Definitions

§ 516.300 Applicability of definitions.

The definitions in this subpart apply throughout the entire part.

§ 516.301 Blocked account; blocked property.

The terms *blocked account* and *blocked property* mean any account or property subject to the prohibitions in § 516.201 held in the name of a person whose property and interests in property are blocked pursuant to § 516.201, or in which such person has an interest, and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to a license or other authorization from OFAC expressly authorizing such action.

Note 1 to § 516.301: *See* § 516.406 concerning the blocked status of property and interests in property of an entity that is directly or indirectly owned, whether individually or in the aggregate, 50 percent or more by one or more persons whose property and interests in property are blocked pursuant to § 516.201.

§ 516.302 Effective date.

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part, and, with respect to a person whose property and interests in property are blocked pursuant to § 516.201, the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked.

§ 516.303 Entity.

The term *entity* means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

§ 516.304 Financial, material, or technological support.

The term *financial, material, or technological support* means any property, tangible or intangible, including currency, financial instruments, securities, or any other transmission of value; weapons or related materiel; chemical or biological agents; explosives; false documentation or identification; communications equipment; computers; electronic or other devices or equipment; technologies; lodging; safe houses; facilities; vehicles or other means of transportation; or goods. ''Technologies'' as used in this section means specific information necessary for the development, production, or use of a product, including related technical data such as blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals, or other recorded instructions.

§ 516.305 Foreign financial institution.

The term *foreign financial institution* means any foreign entity that is engaged in the business of accepting deposits; making, granting, transferring, holding, or brokering loans or credits; purchasing or selling foreign exchange, securities, futures, or options; or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions; banks; savings banks; money services businesses; operators of credit card systems; trust companies; insurance companies; securities brokers and dealers; futures and options brokers and dealers; forward contract and foreign exchange merchants; securities and commodities exchanges; clearing corporations; investment companies; employee benefit plans; dealers in precious metals, stones, or jewels; and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Office of Foreign Assets Control.

§ 516.306 Foreign person.

The term *foreign person* means any person that is not a U.S. person.

§ 516.307 Government of Cuba.

The term *Government of Cuba* means the Government of Cuba, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Cuba, and any person owned, controlled, or acting for or on behalf of, the Government of Cuba.

§ 516.308 [Reserved]

§ 516.309 Interest.

Except as otherwise provided in this part, the term *interest,* when used with respect to property (*e.g.,* ''an interest in property''), means an interest of any nature whatsoever, direct or indirect.

§ 516.310 Licenses; general and specific.

(a) Except as otherwise provided in this part, the term *license* means any license or authorization contained in or issued pursuant to this part.

(b) The term *general license* means any license or authorization the terms of which are set forth in subpart E of this part or made available on OFAC's website: *https://ofac.treasury.gov.*

(c) The term *specific license* means any license or authorization issued pursuant to this part but not set forth in subpart E of this part or made available on OFAC's website: *https://ofac.treasury.gov.*

Note 1 to § 516.310: *See* § 501.801 of this chapter on licensing procedures.

§ 516.311 OFAC.

The term *OFAC* means the Department of the Treasury's Office of Foreign Assets Control.

§ 516.312 Person.

The term *person* means an individual or entity.

§ 516.313 Property; property interest.

The terms *property* and *property interest* include money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership, or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors' sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future, or contingent.

§ 516.314 Transfer.

The term *transfer* means any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, convey, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect to any property. Without limitation on the foregoing, it shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of trust, power of attorney, power of appointment, bill of sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the making of any payment; the setting off of any

obligation or credit; the appointment of any agent, trustee, or fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or levy of or under any judgment, decree, attachment, injunction, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition; the exercise of any power of appointment, power of attorney, or other power; or the acquisition, disposition, transportation, importation, exportation, or withdrawal of any security.

§ 516.315 United States.

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

§ 516.316 United States person; U.S. person.

The term *United States person* or *U.S. person* means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches of such entities), or any person in the United States.

§ 516.317 U.S. financial institution.

The term *U.S. financial institution* means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, purchasing or selling foreign exchange, securities, futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes depository institutions, banks, savings banks, money services businesses, operators of credit card systems, trust companies, insurance companies, securities brokers and dealers, futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

Subpart D—Interpretations

§ 516.401 [Reserved]

§ 516.402 Effect of amendment.

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or of any regulation, ruling, instruction, order, directive, or license issued by OFAC does not affect any act done or omitted, or any civil or criminal proceeding commenced or pending, prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such regulation, ruling, instruction, order, directive, or license continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 516.403 Termination and acquisition of an interest in blocked property.

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a person whose property and interests in property are blocked pursuant to § 516.201, such property shall no longer be deemed to be property blocked pursuant to § 516.201, unless there exists in the property another interest that is blocked pursuant to § 516.201, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to a person whose property and interests in property are blocked pursuant to § 516.201, such property shall be deemed to be property in which such person has an interest and therefore blocked.

§ 516.404 Transactions ordinarily incident to a licensed transaction.

Any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized, except:

(a) An ordinarily incident transaction, not explicitly authorized within the terms of the license, by or with a person whose property and interests in property are blocked pursuant to § 516.201; or

(b) An ordinarily incident transaction, not explicitly authorized within the terms of the license, involving a debit to a blocked account or a transfer of blocked property.

§ 516.405 Setoffs prohibited.

A setoff against blocked property (including a blocked account), whether by a U.S. financial institution or other U.S. person, is a prohibited transfer under § 516.201 if effected after the effective date.

§ 516.406 Entities owned by one or more persons whose property and interests in property are blocked.

Persons whose property and interests in property are blocked pursuant to § 516.201 have an interest in all property and interests in property of an entity in which such persons directly or indirectly own, whether individually or in the aggregate, a 50 percent or greater interest. The property and interests in property of such an entity, therefore, are blocked, and such an entity is a person whose property and interests in property are blocked pursuant to § 516.201, regardless of whether the name of the entity is incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List).

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§ 516.501 General and specific licensing procedures.

For provisions relating to licensing procedures, see part 501, subpart E, of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. General licenses and statements of licensing policy relating to this part also may be available through the Cuba sanctions page on OFAC's website: *https://ofac.treasury.gov.*

§ 516.502 Effect of license or other authorization.

(a) No license or other authorization contained in this part, or otherwise issued by OFAC, authorizes or validates any transaction effected prior to the issuance of such license or other authorization, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, order, directive, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction, order, directive, or license is issued by OFAC and specifically refers to this part. No regulation, ruling, instruction, order, directive, or license referring to this part shall be deemed to authorize any transaction prohibited by any other part of this chapter unless the regulation, ruling, instruction, order, directive, or license specifically refers to such part.

(c) Any regulation, ruling, instruction, order, directive, or license authorizing any transaction prohibited under this part has the effect of removing a prohibition contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, order, directive, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or with respect to, any property that would not otherwise exist under ordinary principles of law.

(d) Nothing contained in this part shall be construed to supersede the requirements established under any other provision of law or to relieve a person from any requirement to obtain a license or other authorization from another department or agency of the U.S. Government in compliance with applicable laws and regulations subject to the jurisdiction of that department or agency. For example, exports of goods, services, or technical data that are not prohibited by this part or that do not require a license by OFAC nevertheless may require authorization by the U.S. Department of Commerce, the U.S. Department of State, or other agencies of the U.S. Government.

(e) No license or other authorization contained in or issued pursuant to this part authorizes transfers of or payments from blocked property or debits to blocked accounts unless the license or other authorization explicitly authorizes the transfer of or payment from blocked property or the debit to a blocked account.

(f) Any payment relating to a transaction authorized in or pursuant to this part that is routed through the U.S. financial system should reference the relevant OFAC general or specific license authorizing the payment to avoid the blocking or rejection of the transfer.

§ 516.503 Exclusion from licenses.

OFAC reserves the right to exclude any person, property, transaction, or class thereof from the operation of any license or from the privileges conferred by any license. OFAC also reserves the right to restrict the applicability of any license to particular persons, property, transactions, or classes thereof. Such actions are binding upon actual or constructive notice of the exclusions or restrictions.

§ 516.504 Payments and transfers to blocked accounts in U.S. financial institutions.

Any payment of funds or transfer of credit in which a person whose property and interests in property are blocked pursuant to § 516.201 has any interest that comes within the possession or control of a U.S. financial institution must be blocked in an account on the books of that financial institution. A transfer of funds or credit by a U.S. financial institution between blocked accounts in its branches or offices is authorized, provided that no transfer is made from an account within the United States to an account held outside the United States, and further provided that a transfer from a blocked account may be made only to another blocked account held in the same name.

Note 1 to § 516.504: *See* § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers. *See also* § 516.203 concerning the obligation to hold blocked funds in blocked interest-bearing accounts.

§ 516.505 Entries in certain accounts for normal service charges.

(a) A U.S. financial institution is authorized to debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account.

(b) As used in this section, the term *normal service charges* shall include charges in payment or reimbursement for interest due; cable, telegraph, internet, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, notary and protest fees, and charges for reference books, photocopies, credit reports, transcripts of statements, registered mail, insurance, stationery and supplies, and other similar items.

§ 516.506 Provision of certain legal services.

(a) The provision of the following legal services to or on behalf of persons whose property and interests in property are blocked pursuant to § 516.201 is authorized, provided that any receipt of payment of professional fees and reimbursement of incurred expenses must be authorized pursuant to § 516.507, which authorizes certain payments for legal services from funds originating outside the United States; via specific license; or otherwise pursuant to this part:

(1) Provision of legal advice and counseling on the requirements of and compliance with the laws of the United States or any jurisdiction within the United States, provided that such advice and counseling are not provided to facilitate transactions in violation of this part;

(2) Representation of persons named as defendants in or otherwise made parties to legal, arbitration, or administrative proceedings before any U.S. Federal, State, or local court or agency;

(3) Initiation and conduct of legal, arbitration, or administrative proceedings before any U.S. Federal, State, or local court or agency;

(4) Representation of persons before any U.S. Federal, State, or local court or agency with respect to the imposition, administration, or enforcement of U.S. sanctions against such persons; and

(5) Provision of legal services in any other context in which prevailing U.S. law requires access to legal counsel at public expense.

(b) The provision of any other legal services to or on behalf of persons whose property and interests in property are blocked pursuant to § 516.201, not otherwise authorized in this part, requires the issuance of a specific license.

(c) U.S. persons do not need to obtain specific authorization to provide related services, such as making filings and providing other administrative services, that are ordinarily incident to the provision of services authorized by paragraph (a) of this section. Additionally, U.S. persons who provide services authorized by paragraph (a) of this section do not need to obtain specific authorization to contract for related services that are ordinarily incident to the provision of those legal services, such as those provided by private investigators or expert witnesses, or to pay for such services. *See* § 516.404.

(d) Entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to § 516.201 is prohibited unless licensed pursuant to this part.

Note 1 to § 516.506: Pursuant to part 501, subpart E, of this chapter, U.S. persons seeking administrative reconsideration or judicial review of their designation or the blocking of their property and interests in property may apply for a specific license from OFAC to authorize the release of certain blocked funds for the payment of professional fees and reimbursement of incurred expenses for the provision of such legal services where alternative funding sources are not available.

§ 516.507 Payments for legal services from funds originating outside the United States.

(a) *Professional fees and incurred expenses.* (1) Receipt of payment of

professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to § 516.506(a) to or on behalf of any person whose property and interests in property are blocked pursuant to § 516.201 is authorized from funds originating outside the United States, provided that the funds do not originate from:

(i) A source within the United States;

(ii) Any source, wherever located, within the possession or control of a U.S. person; or

(iii) Any individual or entity, other than the person on whose behalf the legal services authorized pursuant to § 516.506(a) are to be provided, whose property and interests in property are blocked pursuant to any part of this chapter or any Executive order or statute.

(2) Nothing in this paragraph (a) authorizes payments for legal services using funds in which any other person whose property and interests in property are blocked pursuant to § 516.201, any other part of this chapter, or any Executive order or statute has an interest.

(b) *Records.* Consistent with § 501.601 of this chapter, U.S. persons who receive payments pursuant to paragraph (a) of this section must retain for ten years from the date of the relevant payment a record that specifies the following for each payment:

(1) The individual or entity from whom the funds originated and the amount of funds received; and

(2) If applicable:

(i) The names of any individuals or entities providing related services to the U.S. person receiving payment in connection with authorized legal services, such as private investigators or expert witnesses;

(ii) A general description of the services provided; and

(iii) The amount of funds paid in connection with such services.

(3) These records must be furnished to OFAC on demand consistent with § 501.602 of this chapter.

§ 516.508 Emergency medical services.

The provision and receipt of nonscheduled emergency medical services that are prohibited by this part are authorized.

§ 516.509 Official business of the United States Government.

All transactions prohibited by this part that are for the conduct of the official business of the United States Government by employees, grantees, or contractors thereof are authorized.

§ 516.510 Official business of certain international organizations and entities.

All transactions prohibited by this part that are for the conduct of the official business of the following entities by employees, grantees, or contractors thereof are authorized:

(a) The United Nations, including its Programmes, Funds, and Other Entities and Bodies, as well as its Specialized Agencies and Related Organizations;

(b) The International Centre for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA);

(c) The African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group (IDB Group), including any fund entity administered or established by any of the foregoing;

(d) The International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies; and

(e) The Global Fund to Fight AIDS, Tuberculosis, and Malaria, and Gavi, the Vaccine Alliance.

§ 516.511 Certain transactions in support of nongovernmental organizations' activities.

(a) Except as provided in paragraph (c) of this section, all transactions prohibited by this part that are ordinarily incident and necessary to the activities described in paragraph (b) of this section by a nongovernmental organization are authorized, provided that the nongovernmental organization is not a person whose property or interests in property are blocked pursuant to this part.

(b) The activities referenced in paragraph (a) of this section are non-commercial activities designed to directly benefit the civilian population that fall into one of the following categories:

(1) Activities to support humanitarian projects to meet basic human needs, including disaster, drought, or flood relief; food, nutrition, or medicine distribution; the provision of health services; assistance for vulnerable or displaced populations, including individuals with disabilities and the elderly; and environmental programs;

(2) Activities to support democracy building, including activities to support rule of law, citizen participation, government accountability and transparency, human rights and fundamental freedoms, access to information, and civil society development projects;

(3) Activities to support education, including combating illiteracy, increasing access to education, international exchanges, and assisting education reform projects;

(4) Activities to support non-commercial development projects directly benefiting civilians, including those related to health, food security, and water and sanitation;

(5) Activities to support environmental and natural resource protection, including the preservation and protection of threatened or endangered species, responsible and transparent management of natural resources, and the remediation of pollution or other environmental damage; and

(6) Activities to support disarmament, demobilization, and reintegration (DDR) programs and peacebuilding, conflict prevention, and conflict resolution programs.

(c) This section does not authorize funds transfers initiated or processed with knowledge or reason to know that the intended beneficiary of such transfers is a person blocked pursuant to this part, other than for the purpose of effecting the payment of taxes, fees, or import duties, or the purchase or receipt of permits, licenses, or public utility services.

(d) Specific licenses may be issued on a case-by-case basis to authorize nongovernmental or other entities to engage in other activities designed to directly benefit the civilian population, including support for the removal of landmines and economic development projects directly benefiting the civilian population.

Note 1 to § 516.511: This section does not relieve any person authorized thereunder from complying with any other applicable laws or regulations.

§ 516.512 Transactions related to the provision of agricultural commodities, medicine, medical devices, replacement parts and components, or software updates for personal, non-commercial use.

(a) All transactions prohibited by this part that are related to the provision, directly or indirectly, of agricultural commodities, medicine, medical devices, replacement parts and components for medical devices, or software updates for medical devices to an individual whose property and interests in property are blocked pursuant to this part are authorized, provided the items are in quantities consistent with personal, non-commercial use.

(b) For the purposes of this section, *agricultural commodities, medicine,* and *medical devices* are defined as follows:

(1) *Agricultural commodities.* For the purposes of this section, *agricultural commodities* are:

(i) Products that fall within the term ''agricultural commodity'' as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602); and

(ii) That are intended for ultimate use as:

(A) Food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds);

(B) Seeds for food crops;

(C) Fertilizers or organic fertilizers; or

(D) Reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

(2) *Medicine.* For the purposes of this section, *medicine* is an item that falls within the definition of the term ''drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act

(21 U.S.C. 321).

(3) *Medical devices.* For the purposes of this section, a *medical device* is an item that falls within the definition of ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

Note 1 to § 516.512: This section does not relieve any person authorized thereunder from complying with any other applicable laws or regulations.

§ 516.513 Transactions related to closing a correspondent account or payable-through account.

(a) During the 10-day period beginning on the effective date of the prohibition in section 4(b)(i) of E.O. 14404, or the imposition of any such prohibition pursuant to any further Executive order issued pursuant to the national emergency declared in E.O. 14380, on the maintaining of a correspondent account or a payable-through account for a foreign financial institution whose name is added to the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List), which is maintained on the Office of Foreign Assets Control's website (*https://ofac.treasury.gov*), U.S. financial institutions that maintain correspondent accounts or payable-through accounts for the foreign financial institution are authorized to:

(1) Process only those transactions through the account, or permit the foreign financial institution to execute only those transactions through the account, that are for the purpose of, and necessary for, closing the account; and

(2) Transfer the funds remaining in the correspondent account or the payable-through account to an account of the foreign financial institution located outside of the United States and close the correspondent account or the payable-through account.

(b) A report must be filed with the Office of Foreign Assets Control within 30 days of the closure of an account, providing full details on the closing of each correspondent account or payable-through account maintained by a U.S. financial institution for a foreign financial institution whose name is added to the CAPTA List, maintained on the Office of Foreign Assets Control's website (*https://ofac.treasury.gov*). Such report must include complete information on the closing of the account and on all transactions processed or executed through the account pursuant to this section, including the account outside of the United States to which funds remaining in the account were transferred. Reports should be submitted to *OFACReport@treasury.gov.*

(c) Specific licenses may be issued on a case-by-case basis to authorize transactions by a U.S. financial institution with respect to a correspondent account or a payable-through account maintained by the U.S. financial institution for a foreign financial institution whose name is added to the CAPTA List, that are outside the scope of the transactions authorized in paragraph (a) of this section and/or that occur beyond the 10-day period authorized in paragraph (a) of this section. License applications should be filed in conformance with § 501.801 of this chapter.

(d) Nothing in this section authorizes the opening of a correspondent account or a payable-through account for a foreign financial institution whose name appears on the CAPTA List.

Note to § 516.513: This section does not authorize a U.S. financial institution to unblock property or interests in property, or to engage in any transaction or dealing in property or interests in property, blocked pursuant to any other part of this chapter, in the process of closing a correspondent account or a payable-through account for a foreign financial institution whose name has been added to the CAPTA List, maintained on the Office of Foreign Assets Control's website (*https://ofac.treasury.gov*).

Appendix A to Part 516—E.O. 14404 of May 1, 2026

IMPOSING SANCTIONS ON THOSE RESPONSIBLE FOR REPRESSION IN CUBA AND FOR THREATS TO UNITED STATES NATIONAL SECURITY AND FOREIGN POLICY

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act

(50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, and in order to take further steps with respect to the national emergency declared in Executive Order 14380 of January 29, 2026 (Addressing Threats to the United States by the Government of Cuba), I hereby determine and order:

Section 1. Policy

The policies, practices, and actions of the Government of Cuba, as described in Executive Order 14380, continue to constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security and foreign policy of the United States. Not only are these policies, practices, and actions designed to harm the United States, but they are also repugnant to the moral and political values of free and democratic societies.

Sec. 2. Sanctionable Conduct

(a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States persons of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) any foreign person determined by the Secretary of State, in consultation with the Secretary of the Treasury; or by the Secretary of the Treasury, in consultation with the Secretary of State:

(A) to operate in or have operated in the energy, defense and related materiel, metals and mining, financial services, or security sector of the Cuban economy, or any other sector of the Cuban economy, as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;

(B) to be owned, controlled, or directed by, or to have acted or purported to act for or on behalf of, directly or indirectly, the Government of Cuba or any person whose property or interests in property are blocked pursuant to this order;

(C) to own or control, directly or indirectly, any person whose property or interests in property are blocked pursuant to this order;

(D) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the Government of Cuba or any person whose property or interests in property are blocked pursuant to this order;

(E) to be or have been a leader, official, senior executive officer, or member of the board of directors of the Government of Cuba or an entity whose property or interests in property are blocked pursuant to this order;

(F) to be a political subdivision, agency, or instrumentality of the Government of Cuba;

(G) to be responsible for or complicit in, or to have directly or indirectly engaged in or

attempted to engage in, serious human rights abuse in Cuba;

(H) to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in, corruption related to Cuba, including corruption by, on behalf of, or otherwise related to the Government of Cuba, or a current or former official at any level of the Government of Cuba, such as the misappropriation of public assets, expropriation of private assets for personal gain or political purposes, or bribery; or

(I) to be an adult family member of a person designated pursuant to this order.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that are issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order; except that this subsection shall not apply to activities authorized by, and shall not affect the validity of, any license issued pursuant to part 515 of chapter 31 of the Code of Federal Regulations.

(c) Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that are issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order:

(i) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons whose property or interests in property are blocked pursuant to this order;

(ii) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(iii) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

(d) I hereby determine that the making of donations of the type specified in

section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to subsection (a) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 14380, and I hereby prohibit such donations.

(e) For those persons determined to be subject to subsection (a) of this section who might have a constitutional presence in the United States, I find that, because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that, for these measures to be effective in addressing the national emergency declared in Executive Order 14380, there need be no prior notice of a listing or determination made pursuant to subsection (a) of this section.

Sec. 3. Travel

(a) I hereby find the unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section 2(a)(i) of this order would be detrimental to the interests of the United States, and I hereby suspend entry into the United States, as immigrants or nonimmigrants, of such persons, except where the Secretary of State, or the Secretary of State's designee, determines that the person's entry is in the national interest of the United States. Such persons shall be treated in the same manner as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 4. Foreign Financial Institutions

(a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution one or more of the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has conducted or facilitated any significant transaction or transactions for or on behalf of any person whose property or interests in property are blocked pursuant to this order.

(b) With respect to any foreign financial institution determined to meet the criteria set forth in subsection (a) of this section, the Secretary of the Treasury, in consultation with the Secretary of State, may:

(i) prohibit the opening of, or prohibit or impose strict conditions on the maintenance of, correspondent accounts or payable-through accounts in the United States; and

(ii) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of such foreign financial institution, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in. The prohibitions described in this subsection shall include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property or interests in property are blocked pursuant to this subsection; and the receipt of any contribution or provision of funds, goods, or services from any such person.

(c) The sanctions described in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted before the date of this order; except that this subsection shall not apply to activities authorized by, and shall not affect the validity of, any license issued pursuant to part 515 of chapter 31 of the Code of Federal Regulations.

(d) I hereby determine that the making of donations of the types of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of any person whose property or interests in property are blocked pursuant to subsection (b) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 14380, and I hereby prohibit such donations.

Sec. 5. Delegation

Consistent with applicable law, the Secretary of State and the Secretary of the Treasury are directed and authorized to take all actions necessary to implement and effectuate this order—including through temporary suspension or amendment of regulations or through notices in the **Federal Register** and by adopting rules, regulations, or guidance—and to employ all powers granted to the President, including by IEEPA, as may be necessary to implement this order. The head of each executive department and agency (agency) is authorized to and shall take all appropriate measures within the agency's authority to implement this order. 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. 6. Reporting Directives

The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized and directed to submit recurring and final reports to the Congress on the national emergency declared in, and authorities exercised by, Executive Order 14380, consistent with section 401 of the NEA (50 U.S.C. 1641) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 7. Definitions

For the purposes of this order:

(a) the term ''entity'' means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term ''Government of Cuba'' means the Government of Cuba, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Cuba, and any person owned, controlled, or acting for or on behalf of, the Government of Cuba;

(c) the term ''person'' means an individual or entity;

(d) the term ''United States person'' means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches of such entities), or any person in the United States; and

(e) the term ''foreign financial institution'' means any foreign entity that is engaged in the business of accepting deposits; making, granting, transferring, holding, or brokering loans or credits; purchasing or selling foreign exchange, securities, futures, or options; or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions; banks; savings banks; money services businesses; operators of credit card systems; trust companies; insurance companies; securities brokers and dealers; futures and options brokers and dealers; forward contract and foreign exchange merchants; securities and commodities exchanges; clearing corporations; investment companies; employee benefit plans; dealers in precious metals, stones, or jewels; and holding

companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Office of Foreign Assets Control.

Sec. 8. General Provisions

(a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The costs for publication of this order shall be borne by the Department of State.

Donald J. Trump

The White House,

May 1, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control, Department of the Treasury.

[FR Doc. 2026–19977 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Parts 544, 560, 561, 562, 587, 589, and 594

Publication of Iran-Related Web General Licenses X and X1

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing two Iran-related general licenses (GLs): GL X and GL X1. These GLs were previously made available on OFAC's website. GL X was revoked and superseded by GL X1. GL X1 has expired.

DATES: GL X was issued on June 21, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: *OFAC:* Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On June 21, 2026, OFAC issued GL X to authorize certain transactions otherwise prohibited by the Iranian Transactions and Sanctions Regulations, 31 CFR part 560; Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587; Ukraine-/Russia-Related Sanctions Regulations, 31 CFR part 589; Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 CFR part 544; Iranian Financial Sanctions Regulations, 31 CFR part 561; Iranian Sector and Human Rights Abuses Sanctions Regulations, 31 CFR part 562; Global Terrorism Sanctions Regulations, 31 CFR part 594; Executive Order (E.O.) 13846 of August 6, 2018, ''Reimposing Certain Sanctions With Respect to Iran'' (83 FR 38939, August 7, 2018); E.O. 13876 of June 24, 2019, ''Imposing Sanctions With Respect to Iran'' (83 FR 30573, June 26, 2019); E.O. 13902 of January 10, 2020, ''Imposing Sanctions With Respect to Additional Sectors of Iran'' (85 FR 2003, January 14, 2020); and E.O. 13949 of September 21, 2020, ''Blocking Property of Certain Persons with Respect to the Conventional Arms Activities of Iran'' (85 FR 60043, September 23, 2020). On July 7, 2026, OFAC issued GL X1, which authorized transactions otherwise prohibited by the same regulations and Executive orders as GL X. GL X was revoked and superseded by GL X1. GL X1 expired on July 17, 2026. These GLs were made available on OFAC's website (*https://ofac.treasury.gov*). The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Iranian Transactions and Sanctions Regulations, 31 CFR Part 560;

Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR Part 587;

Ukraine-/Russia-Related Sanctions Regulations, 31 CFR Part 589;

Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 CFR Part 544;

Iranian Financial Sanctions Regulations, 31 CFR Part 561;

Iranian Sector and Human Rights Abuses Sanctions Regulations, 31 CFR Part 562;

Global Terrorism Sanctions Regulations, 31 CFR Part 594;

Executive Order 13846 of August 6, 2018 (''Reimposing Certain Sanctions With Respect to Iran'');

Executive Order 13876 of June 24, 2019 (''Imposing Sanctions With Respect to Iran'');

Executive Order 13902 of January 10, 2020 (''Imposing Sanctions With Respect to Additional Sectors of Iran'');

Executive Order 13949 of September 21, 2020 (''Blocking Property of Certain Persons With Respect to the Conventional Arms Activities of Iran'')

GENERAL LICENSE X

Authorizing the Production, Delivery and Sale of Crude Oil, Petrochemical Products, and Petroleum Products of Iranian-Origin Through August 21, 2026

(a) Except as provided in paragraph (b) and (c), all transactions prohibited by the above-listed authorities that are ordinarily incident and necessary to the production, sale, delivery, or offloading of crude oil, petrochemical products, or petroleum products of Iranian origin, including transactions involving vessels blocked under the above-listed authorities, are authorized through 12:01 a.m. eastern daylight time, August 21, 2026.

Note 1 to paragraph (a). Transactions that are ordinarily incident and necessary to the production, sale, delivery, or offloading of such crude oil, petrochemical products, or petroleum products include transactions for the safe docking and anchoring of vessels carrying such crude oil, petrochemical products, or petroleum products; the preservation of the health or safety of the crew of any such vessel; emergency repairs or environmental mitigation or protection activities relating to any such vessel or to such crude oil, petrochemical products, or petroleum products held in storage; and

services such as vessel management, crewing, bunkering, piloting, registration, flagging, insurance, classification, and salvage. Iranian-origin crude oil, petrochemical products, and petroleum products subject to this general license include those produced by entities sanctioned under the Iranian Transactions and Sanctions Regulations, 31 CFR part 560, Iranian Financial Sanctions Regulations, 31 CFR part 561, or the Global Terrorism Sanctions Regulations, 31 CFR part 594.

Note 2 to paragraph (a). Transactions authorized by this general license include the importation into the United States of crude oil, petrochemical products, and petroleum products of Iranian origin, where such importation is ordinarily incident and necessary to the sale, delivery, or offloading of such crude oil, petrochemical products, or petroleum products authorized by this general license.

(b) Any payment of funds owed to Iran, the Government of Iran, or any blocked person for the purchase of crude oil, petrochemical products, or petroleum products of Iranian origin authorized by paragraph (a) may be made in U.S. dollar-denominated funds.

(c) This general license does not authorize:

(1) Any transaction involving a person located in or organized under the laws of the Democratic People's Republic of Korea, the Republic of Cuba, the Covered Regions of Ukraine, as defined by E.O. 14065, the Crimea Region of Ukraine, as defined by E.O. 13685, or any entity that is owned or controlled by or in a joint venture with such persons; or

(2) Any other transactions or activities prohibited by any other Executive order or by any part of 31 CFR chapter V not referenced in this general license.

Bradley T. Smith,
Director, Office of Foreign Assets Control.

OFFICE OF FOREIGN ASSETS CONTROL

Iranian Transactions and Sanctions Regulations, 31 CFR Part 560;

Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR Part 587;

Ukraine-/Russia-Related Sanctions Regulations, 31 CFR Part 589;

Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 CFR Part 544;

Iranian Financial Sanctions Regulations, 31 CFR Part 561;

Iranian Sector and Human Rights Abuses Sanctions Regulations, 31 CFR Part 562;

Global Terrorism Sanctions Regulations, 31 CFR Part 594;

Executive Order 13846 of August 6, 2018 (''Reimposing Certain Sanctions With Respect to Iran'');

Executive Order 13876 of June 24, 2019 (''Imposing Sanctions With Respect to Iran'');

Executive Order 13902 of January 10, 2020 (''Imposing Sanctions With Respect to Additional Sectors of Iran'');

Executive Order 13949 of September 21, 2020 (''Blocking Property of Certain Persons With Respect to the Conventional Arms Activities of Iran'')

GENERAL LICENSE X1

Revocation and Wind Down of June 21, 2026 Authorization for the Production, Delivery and Sale of Crude Oil, Petrochemical Products, and Petroleum Products of Iranian Origin

(a) Effective July 7, 2026, General License X, dated June 21, 2026, is revoked and superseded in its entirety by General License X1.

(b) Except as provided in paragraph (c), all transactions prohibited by the above-listed authorities that are ordinarily incident and necessary to the wind down of transactions previously authorized by General License X are authorized through 12:01 a.m. eastern daylight time, July 17, 2026, provided that any payment to a blocked person must be made into a blocked, interest-bearing account located in the United States.

Note to paragraph (b). Except to the extent ordinarily incident and necessary to the wind down of transactions previously authorized by General License X for the production, sale, delivery, or offloading of crude oil, petrochemical products, or petroleum products of Iranian origin, paragraph (b) does not authorize any new transactions, including purchases or loading of such products on or after July 7, 2026.

(c) This general license does not authorize:

(1) Any transaction involving a person located in or organized under the laws of the Democratic People's Republic of Korea, the Republic of Cuba, the Covered Regions of Ukraine, as defined by E.O. 14065, the Crimea Region of Ukraine, as defined by E.O. 13685, or any entity that is owned or controlled by or in a joint venture with such persons; or

(2) Any other transactions or activities prohibited by any other Executive order or by any part of 31 CFR chapter V not referenced in this general license.

Bradley T. Smith,
Director, Office of Foreign Assets Control.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20010 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 560

Iranian Transactions and Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adopting a final rule amending the Iranian Transactions and Sanctions Regulations to implement certain provisions of a January 10, 2020 Iran-related Executive order. This amendment also revises an existing definition and an existing exemption, and incorporates two exemptions from the January 10, 2020 Iran-related Executive order.

DATES: This rule is effective September 30, 2026.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov.*

Background

On October 22, 2012, OFAC issued a final rule that amended the former Iranian Transactions Regulations, 31 CFR part 560, and reissued them in their entirety as the Iranian Transactions and

Sanctions Regulations (77 FR 64664, October 22, 2012) (the ''Regulations''). With this rule, OFAC is amending the Regulations to implement Executive Order (E.O.) 13902 of January 10, 2020, ''Imposing Sanctions With Respect to Additional Sectors of Iran'' (85 FR 2003, January 14, 2020).

On January 10, 2020, the President, invoking the authority of, *inter alia,* the International Emergency Economic Powers Act (50 U.S.C. 1701 *et. seq.*) (IEEPA), issued E.O. 13902 to take further steps with respect to the national emergency declared in E.O. 12957 of March 15, 1995. In E.O. 13902, the President found that Iran continues to be the world's leading sponsor of terrorism and has threatened United States military assets and civilians through the use of military force and support to Iranian-backed militia groups, and stated that it remains the policy of the United States to deny Iran all paths to a nuclear weapon and intercontinental ballistic missiles, and to counter the totality of Iran's malign influence in the region. In furtherance of these objectives, the President stated that it is the policy of the United States to deny the Iranian government revenues, including revenues derived from the export of products from key sectors of Iran's economy, that may be used to fund and support its nuclear program, missile development program, terrorism and terrorist proxy networks, and malign regional influence.

Section 1(a) of E.O. 13902 blocks, with certain exceptions, all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any U.S. person of any person determined by the Secretary of the Treasury, in consultation with the Secretary of State: (i) to operate in the construction, mining, manufacturing, or textiles sectors of the Iranian economy, or any other sector of the Iranian economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State; (ii) to have knowingly engaged, on or after January 10, 2020, in a significant transaction for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with a sector of the Iranian economy specified in, or determined by the Secretary of the Treasury, in consultation with the Secretary of State, pursuant to section 1(a)(i) of E.O. 13902; (iii) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked pursuant to E.O. 13902; or (iv) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to E.O. 13902. The blocked property and interests in property of the persons described above may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

In section 4 of E.O. 13902, the President determined that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to E.O. 13902 would seriously impair the President's ability to deal with the national emergency declared in E.O. 12957. The President therefore prohibited the donation of such items.

Section 5 of E.O. 13902 provides that the prohibition on any transaction or dealing in blocked property or interests in property includes the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to E.O. 13902, and the receipt of any contribution or provision of funds, goods, or services from any such person.

Section 6 of E.O. 13902 prohibits any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in E.O. 13902, as well as any conspiracy formed to violate such prohibitions.

Section 7(d) of E.O. 13902 defines the term ''Iran,'' for purposes of the order, to mean the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements.

Section 9 of E.O. 13902 authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of E.O. 13902. Section 9 of E.O. 13902 also provides that the Secretary of the Treasury may redelegate any of these functions within the Department of the Treasury.

Section 11 of E.O. 13902 states that E.O. 13902 shall not apply with respect to any person for conducting or facilitating a transaction for the provision (including any sale) of agricultural commodities, food, medicine, or medical devices to Iran.

Section 12 of E.O. 13902 states that nothing in E.O. 13902 shall prohibit transactions for the conduct of the official business of the United Nations (including its specialized agencies, programmes, funds, and related organizations) by employees, grantees, or contractors thereof.

Current Regulatory Action

In subpart B of the Regulations, OFAC is revising § 560.210 to amend an exemption and incorporate exemptions from sections 11 and 12 of E.O. 13902 as § 560.210 (g) and (h), respectively. OFAC is also revising § 560.211 to implement section 1(a) of E.O. 13902. OFAC is also making conforming amendments to notes 1 and 2 to paragraphs (a) through (c) of § 560.211.

In subpart C of the Regulations, OFAC is revising § 560.303 to incorporate the definition of ''Iran'' in section 7(d) of E.O. 13902 solely for the purposes of the newly added §§ 560.210(g) and 560.211(c)(1)(iii). For those provisions, the definition of ''Iran'' includes the Government of Iran.

Public Participation

Because the Regulations involve a foreign affairs function, the provisions of E.O. 12866 of September 30, 1993, ''Regulatory Planning and Review'' (58 FR 51735, October 4, 1993), as amended, and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of E.O. 14192 of January 31, 2025, ''Unleashing Prosperity Through Deregulation'' (90 FR 6065, February 6, 2025) and E.O. 14219 of February 19, 2025, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative'' (90 FR 10583, February 25, 2025) are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Executive Order 14294

Section 5 of E.O. 14294 of May 9, 2025, ''Fighting Overcriminalization in Federal Regulations'' (90 FR 20367, May 14, 2025) directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the **Federal Register**, the violation of which may constitute criminal regulatory offenses, should include a statement identifying

that the rule or proposed rule is a criminal regulatory offense and the authorizing statute. E.O. 14294 directs agencies to draft this statement in consultation with the Department of Justice.

E.O. 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the **Federal Register** after May 9, 2025 should explicitly state a *mens rea* requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the regulations set forth in this final rule may be subject to criminal penalties pursuant to 50 U.S.C. 1705 and regulations promulgated thereunder. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 50 U.S.C. 1705(c). In drafting this statement, OFAC has consulted with the Department of Justice.

Paperwork Reduction Act

The collections of information related to the Regulations are contained in 31 CFR part 501 (the ''Reporting, Procedures and Penalties Regulations''). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 560

Administrative practice and procedure, Banks, banking, Blocking of assets, Credit, Foreign trade, Iran, Penalties, Reporting and recordkeeping requirements, Sanctions, Securities, Services.

For the reasons set forth in the preamble, OFAC amends 31 CFR part 560 as follows:

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS

■ 1. The authority citation for part 560 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa–9, 7201 *et seq.,* 8501 *et seq.,* 8701 *et seq.;* 31 U.S.C. 321(b); 50 U.S.C. 1601 *et seq.,* 1701 *et seq.;* 28 U.S.C. 2461 note (Pub. L. 101–410, 104 Stat. 890, as amended); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13846, 83 FR 38939, 3 CFR, 2018 Comp., p. 854; E.O. 13902, 85 FR 2003, 3 CFR, 2020 Comp., p. 299.

Subpart B—Prohibitions

■ 2. Amend § 560.210 by revising paragraph (e) and adding paragraphs (g) and (h) to read as follows:

§ 560.210 Exempt transactions.

* * * * *

(e) *Official business.* The prohibitions in § 560.211(a), (b), and (c)(1)(i) and (ii) do not apply to transactions for the conduct of the official business of the Federal Government by employees, grantees, or contractors thereof.

* * * * *

(g) *Humanitarian transactions.* The prohibitions in § 560.211(c)(1)(iii) do not apply with respect to any person for conducting or facilitating a transaction for the provision (including any sale) of agricultural commodities, food, medicine, or medical devices to Iran.

(h) *Official business of the United Nations.* The prohibitions in § 560.211(c)(1)(iii) do not apply to transactions for the conduct of the official business of the United Nations (including its specialized agencies, programmes, funds, and related organizations) by employees, grantees, or contractors thereof.

■ 3. Amend § 560.211 by:

■ a. Removing the word ''or'' at the end of paragraph (c)(1)(i);

■ b. Removing the period at the end of paragraph (c)(1)(ii)(B) and adding ''; or'' in its place;

■ c. Adding paragraph (c)(1)(iii); and

■ d. Revising notes 1 and 2 to paragraphs (a) through (c).

The addition and revisions read as follows:

§ 560.211 Prohibited transactions involving blocked property.

* * * * *

(c) * * *

(1) * * *

(iii) *E.O. 13902.* Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(A) To operate in the construction, mining, manufacturing, or textiles sectors of the Iranian economy, or any other sector of the Iranian economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;

(B) To have knowingly engaged, on or after January 10, 2020, in a significant transaction for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with a sector of the Iranian economy specified in, or determined by the Secretary of the Treasury, in consultation with the Secretary of State, pursuant to paragraph (c)(1)(iii)(A) of this section;

(C) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked pursuant to this paragraph (c)(1)(iii); or

(D) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this paragraph (c)(1)(iii).

* * * * *

Note 1 to paragraphs (a) through (c): The names of persons that the Office of Foreign Assets Control (OFAC) has designated or identified pursuant to Executive Order (E.O.) 13599, sections 1(a)(i) or 1(a)(ii) of E.O. 13846, or E.O. 13902, whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) with the following identifiers: for E.O. 13599 or sections 1(a)(i) or 1(a)(ii) of E.O. 13846: ''[IRAN]''; for E.O. 13902: ''[IRAN–EO13902].'' The SDN List is accessible through the following page on OFAC's website: *www.treasury.gov/sdn.* Additional information pertaining to the SDN List can be found in appendix A to this chapter. See § 560.425 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to this section. E.O. 13599 blocks the property and interests in property of the Government of Iran and Iranian financial institutions, as defined in §§ 560.304 and 560.324, respectively. The property and interests in property of persons who meet the definitions of the terms Government of Iran or Iranian financial institution are blocked pursuant to this section regardless of whether the names of such persons are published in the **Federal Register** or incorporated into the SDN List.

Note 2 to paragraphs (a) through (c): Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) authorizes the blocking of property and interests in property of a person during the pendency of an investigation. Except as described in note 3 to paragraphs (a) through (c) of this section, the names of persons whose property and interests in property are blocked pending investigation pursuant to this section are published in the **Federal Register** and incorporated into the SDN List using the following identifier: for E.O. 13599 or sections 1(a)(i) or 1(a)(ii) of E.O. 13846: ''[BPI–IRAN]''; for E.O. 13902: ''[BPI–IRAN–EO13902].''

* * * * *

■ 4. Revise § 560.303 to read as follows:

§ 560.303 Iran; Iranian.

(a) Except as provided in paragraph (b) of this section, the term *Iran* means the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to an international agreement. The term *Iranian* means pertaining to Iran as defined in this paragraph (a).

(b) For purposes of §§ 560.210(g) and 560.211(c)(1)(iii), the term *Iran* means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements.

Bradley T. Smith,

Director, Office of Foreign Assets Control, Department of the Treasury.

[FR Doc. 2026–19978 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 587

Publication of Russian Harmful Foreign Activities Sanctions Regulations Web General Licenses 131E, 131F, and 131G

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing three general licenses (GLs) issued pursuant to the Russian Harmful Foreign Activities Sanctions Regulations: GLs 131E, 131F, and 131G, each of which was previously made available on OFAC's website.

DATES: GL 131E was issued on April 29, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On April 29, 2026, OFAC issued GL 131E to authorize certain transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations (RuHSR), 31 CFR part 587. GL 131E replaced and superseded GL 131D. On May 28, 2026, OFAC issued GL 131F, which replaced and superseded GL 131E. On June 25, 2026, OFAC issued GL 131G, which replaced and superseded GL 131F. Each of these GLs was made available on OFAC's website (*https://ofac.treasury.gov*) when it was issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 131E

Authorizing Certain Transactions for the Negotiation of and Entry Into Contingent Contracts for the Sale of Lukoil International GmbH and Related Maintenance Activities

(a) Except as provided in paragraph (d) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the negotiation of and entry into contracts with Public Joint-Stock Company Oil Company Lukoil or any of its affiliates for the sale, disposition, or transfer of Lukoil International GmbH (''LIG'') or any entity in which LIG owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest (collectively, ''LIG Entities'') are authorized through 12:01 a.m. eastern daylight time, May 30, 2026, provided that the performance of any such contract is made expressly contingent upon the receipt of separate authorization from the Office of Foreign Assets Control (''contingent contracts'').

Note to Paragraph (a). For purposes of this general license, the term ''contingent contracts'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

(b) Except as provided in paragraph (d) of this general license, all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other agreements of LIG Entities are authorized through 12:01 a.m. Eastern Daylight Time, May 30, 2026.

(c) All blocked accounts of LIG Entities may be used, debited, or credited for the transactions authorized in paragraph (b).

(d) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V, except as authorized in paragraph (c);

(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, other than blocked persons described in paragraph (a) of this general license, unless separately authorized; or

(3) The transfer of funds to any person or account located in the Russian Federation.

(e) Effective April 29, 2026, General License No. 131D, dated March 30, 2026, is replaced and superseded in its entirety by this General License No. 131E.

Lisa M. Palluconi,

Deputy Director, Office of Foreign Assets Control.

Dated: April 29, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 131F

Authorizing Certain Transactions for the Negotiation of and Entry Into Contingent Contracts for the Sale of Lukoil International GmbH and Related Maintenance Activities

(a) Except as provided in paragraph (d) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the negotiation of and entry into contracts with Public Joint-Stock Company Oil Company Lukoil or any of its affiliates for the sale, disposition, or transfer of Lukoil International GmbH (''LIG'') or any entity in which LIG owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest (collectively, ''LIG Entities'') are authorized through 12:01 a.m. eastern daylight time, June 27, 2026, provided that the performance of any such

contract is made expressly contingent upon the receipt of separate authorization from the Office of Foreign Assets Control (''contingent contracts'').

Note to Paragraph (a). For purposes of this general license, the term ''contingent contracts'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

(b) Except as provided in paragraph (d) of this general license, all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other agreements of LIG Entities are authorized through 12:01 a.m. Eastern Daylight Time, June 27, 2026.

(c) All blocked accounts of LIG Entities may be used, debited, or credited for the transactions authorized in paragraph (b).

(d) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V, except as authorized in paragraph (c);

(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, other than blocked persons described in paragraph (a) of this general license, unless separately authorized; or

(3) The transfer of funds to any person or account located in the Russian Federation.

(e) Effective May 28, 2026, General License No. 131E, dated April 29, 2026, is replaced and superseded in its entirety by this General License No. 131F.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: May 28, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 131G

Authorizing Certain Transactions for the Negotiation of and Entry Into Contingent Contracts for the Sale of Lukoil International GmbH and Related Maintenance Activities

(a) Except as provided in paragraph (d) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the negotiation of and entry into contracts with Public Joint-Stock Company Oil Company Lukoil or any of its affiliates for the sale, disposition, or transfer of Lukoil International GmbH (''LIG'') or any entity in which LIG owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest (collectively, ''LIG Entities'') are authorized through 12:01 a.m. eastern daylight time, July 25, 2026, provided that the performance of any such contract is made expressly contingent upon the receipt of separate authorization from the Office of Foreign Assets Control (''contingent contracts'').

Note to Paragraph (a). For purposes of this general license, the term ''contingent contracts'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

(b) Except as provided in paragraph (d) of this general license, all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other agreements of LIG Entities are authorized through 12:01 a.m. Eastern Daylight Time, July 25, 2026.

(c) All blocked accounts of LIG Entities may be used, debited, or credited for the transactions authorized in paragraph (b).

(d) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V, except as authorized in paragraph (c);

(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, other than blocked persons described in paragraph (a) of this general license, unless separately authorized; or

(3) The transfer of funds to any person or account located in the Russian Federation.

(e) Effective June 25, 2026, General License No. 131F, dated May 28, 2026, is replaced and superseded in its entirety by this General License No. 131G.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: June 25, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20014 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 590

Publication of Transnational Criminal Organizations Sanctions Regulations Web General License 2

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a web general license.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a general license (GL) issued pursuant to the Transnational Criminal Organizations Sanctions Regulations: GL 2. This GL was previously made available on OFAC's website.

DATES: GL 2 was issued on June 23, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On June 23, 2026, OFAC issued GL 2 to authorize certain transactions otherwise prohibited by the Transnational Criminal Organizations Sanctions Regulations, 31 CFR part 590. GL 2 was made available on OFAC's website (*https://ofac.treasury.gov*) when it was issued. The text of this GL is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Transnational Criminal Organizations Sanctions Regulations

31 CFR Part 590

GENERAL LICENSE NO. 2

Authorizing the Wind Down of Transactions Involving CCU Commercial Bank Plc.

(a) Except as provided in paragraph (b) of this general license, all

transactions prohibited by the Transnational Criminal Organizations Sanctions Regulations, 31 CFR part 590 (TCOSR), that are ordinarily incident and necessary to the wind down of any transaction involving CCU Commercial Bank Plc. (CCU Bank), or any entity in which CCU Bank owns, directly or indirectly, a 50 percent or greater interest, through 12:01 a.m. eastern daylight time, July 23, 2026 are authorized, provided that any payment to a blocked person is made into a blocked account, in accordance with the TCOSR.

(b) This general license does not authorize any transactions otherwise prohibited by the TCOSR, including transactions involving any person blocked pursuant to the TCOSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Ripley Quinby IV,
Associate Director, Office of Foreign Assets Control.

Dated: June 23, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20011 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General Licenses 46D, 47B, 48C, 50C, 51C, 52B, 54B, and 61A

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing eight general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations: GLs 46D, 47B, 48C, 50C, 51C, 52B, 54B, and 61A, each of which was previously made available on OFAC's website.

DATES: GL 46D was issued on August 27, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On August 27, 2026, OFAC issued GLs 46D, 47B, 48C, 50C, 51C, 52B, 54B, and 61A to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591. GL 46D replaced and superseded GL 46C. GL 47B replaced and superseded GL 47A. GL 48C replaced and superseded GL 48B. GL 50C replaced and superseded GL 50B. GL 51C replaced and superseded GL 51B. GL 52B replaced and superseded GL 52A. GL 54B replaced and superseded GL 54A. GL 61A replaced and superseded GL 61. These GLs were made available on OFAC's website (*https://ofac.treasury.gov*) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 46D

Authorizing Certain Activities Involving Venezuelan-Origin Oil or Petrochemical Products

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, or of Venezuelan-origin petrochemical products for importation into the United States, by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes commercially reasonable payments in the form of swaps of crude oil, diluents, or refined petroleum products.

Note 3 to Paragraph (a). For purposes of this general license, the term ''petrochemical products'' includes fertilizer products and fertilizer precursor chemicals, including the chemicals listed in the Annex of this general license.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) The unblocking of any property blocked pursuant to the VSR; or

(5) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities, values, and countries of ultimate destination;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 46C, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 46D.

Note to General License No. 46D. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

Annex to General License 46D

Chemicals that fall within the scope of the term ''petrochemical products'' include the following:

Chemical name	HS code
Sulfur	2503000010
Sulfur	2503000090
Phosphate Rock	2510100000
Phosphate Rock	2510200000
Sulfuric Acid	2807000000
Phosphoric Acid, fertilizer-grade, containing less than 65 percent available	2809200010
Phosphoric Acid, other	2809200020
Anhydrous Ammonia	2814100000
Aqua Ammonia	2814200000
Potassium Nitrate	2834210000
Calcium Nitrate	2834291000
Potassium Phosphate	2835240000
Dicalcium Phosphates	2835250000
Other Phosphates of Calcium	2835260000
Urea (Solid)	3102100000
Urea (Solid)	3102100010
Diesel Exhaust Fluid	3102100030
Other Urea	3102100050
Ammonium Sulfate	3102210000
Other Nitrogen Fert	3102290000
Ammonium Nitrate	3102300000
Ammonia Nitrate	3102400000
Sodium Nitrate	3102500000
Other Nitrogen Fert	3102600000
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	3102800000
Other Nitrogen Fert	3102900100
Concentrated Super	3103110000
Normal Super	3103190000
Other Phosphate Fert	3103900100
Potassium Muriate	3104200000
Potassium Muriate <=62% Oxide	3104200010
Potassium Muriate >62% Oxide	3104200050
Potassium Sulfate	3104300000
Other Potassium Fert	3104900100
Chemical Mixtures	3105100000
Chemical Mixtures	3105200000
Diammonium Phosphate	3105300000
Monoammonium Phosphate & Other	3105400000
Monoammonium Phosphate & Other	3105400010
Monoammonium Phosphate & Other	3105400050
Chemical Mixtures	3105510000
Chemical Mixtures	3105590000
Chemical Mixtures	3105600000
Potassium Sodium Nitrate	3105900010
Other Mixtures	3105900050

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 47B

Authorizing the Sale of U.S.-Origin Diluents to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the exportation, reexportation, sale, resale, supply, storage, marketing, delivery, or transportation of U.S.-origin diluents to Venezuela are authorized, provided that any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services,

including with port authorities or terminal operators that are part of the Government of Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR, except as provided in paragraph (a); or

(4) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies U.S.-origin diluents to Venezuela pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities and values; and

(3) The dates the transactions occurred.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 47A, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 47B.

Note to General License No. 47B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 48C

Authorizing the Supply of Certain Items and Services to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, or production of oil, gas, or petrochemical products in Venezuela, or for the generation, transmission, storage, or distribution of electricity in Venezuela, are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of oil, gas, petrochemical products, or electricity operations in Venezuela, including the refurbishment or repair of items used for oil, gas, or petrochemical products exploration, development, or production activities, or for electricity generation, transmission, storage, or distribution.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

Note 3 to Paragraph (a). For purposes of this general license, the term ''petrochemical products'' includes fertilizer products and fertilizer precursor chemicals, including the chemicals listed in the Annex of this general license.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel;

(5) The formation of new joint ventures or other entities in Venezuela to explore or produce oil, gas, or petrochemical products or to generate, transmit, store, or distribute electricity; or

(6) Any transactions or dealings related to the exportation or reexportation of diluents, directly or indirectly, to Venezuela.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 48B, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 48C.

Note to General License No. 48C. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

Annex to General License 48C

Chemicals that fall within the scope of the term ''petrochemical products'' include the following:

Chemical name	HS code
Sulfur	2503000010
Sulfur	2503000090
Phosphate Rock	2510100000
Phosphate Rock	2510200000
Sulfuric Acid	2807000000
Phosphoric Acid, fertilizer-grade, containing less than 65 percent available	2809200010
Phosphoric Acid, other	2809200020
Anhydrous Ammonia	2814100000
Aqua Ammonia	2814200000
Potassium Nitrate	2834210000
Calcium Nitrate	2834291000
Potassium Phosphate	2835240000
Dicalcium Phosphates	2835250000
Other Phosphates of Calcium	2835260000
Urea (Solid)	3102100000
Urea (Solid)	3102100010
Diesel Exhaust Fluid	3102100030
Other Urea	3102100050
Ammonium Sulfate	3102210000
Other Nitrogen Fert	3102290000
Ammonium Nitrate	3102300000
Ammonia Nitrate	3102400000
Sodium Nitrate	3102500000
Other Nitrogen Fert	3102600000
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	3102800000
Other Nitrogen Fert	3102900100
Concentrated Super	3103110000
Normal Super	3103190000
Other Phosphate Fert	3103900100
Potassium Muriate	3104200000
Potassium Muriate <=62% Oxide	3104200010
Potassium Muriate >62% Oxide	3104200050
Potassium Sulfate	3104300000
Other Potassium Fert	3104900100
Chemical Mixtures	3105100000
Chemical Mixtures	3105200000
Diammonium Phosphate	3105300000
Monoammonium Phosphate & Other	3105400000
Monoammonium Phosphate & Other	3105400010
Monoammonium Phosphate & Other	3105400050
Chemical Mixtures	3105510000
Chemical Mixtures	3105590000
Chemical Mixtures	3105600000
Potassium Sodium Nitrate	3105900010
Other Mixtures	3105900050

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 50C

Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela of Certain Entities

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are related to oil or gas sector operations in Venezuela of the entities listed in the Annex to this general license and their subsidiaries are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a)(2). Any payments of oil or gas taxes or royalties to the Government of Venezuela, PdVSA, or any PdVSA Entity must be paid into the Foreign Government Deposit Funds or any other account as instructed by the U.S. Department of the Treasury.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR; or

(4) Any transaction involving a blocked vessel.

(c) Any person that engages in transactions pursuant to this general

license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies:

(1) The parties involved;

(2) A description of the transactions, including, as relevant, the quantities, values, and dates of the transactions; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 50B, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 50C.

Note to General License No. 50C. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director Office of Foreign Assets Control.

Dated: August 27, 2026.

Annex—Entities Described in Paragraph (a) of General License 50C

List of Entities Described in Paragraph (a) of General License 50C as of August 27, 2026:

Entity
BP PLC.
Chevron Corporation.
Eni S.p.A.
Établissements Maurel & Prom SA.
Repsol S.A.
Shell PLC.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 51C

Authorizing Certain Activities Involving Venezuelan-Origin Minerals, Including Gold

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest (collectively, ''Minerven Entities''), that are ordinarily incident and necessary to the exportation, reexportation, sale, resale, supply, storage, purchase, delivery, or transportation of Venezuelan-origin minerals, including gold, by an established U.S. entity, are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, Minerven, or Minerven Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include conducting commercial, legal, technical, safety, and environmental due diligence and assessments ordinarily incident to the activity authorized in paragraph (a). Transactions authorized by paragraph (a) also include arranging shipping and logistics services, including chartering vessels, arranging security services, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela.

Note 3 to Paragraph (a). Transactions authorized by paragraph (a) include the processing or refining of such minerals, except as provided by paragraph (b).

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or in-kind payments, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) Any transaction involving the processing or refining of Venezuelan-origin minerals, including gold, in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or the People's Republic of China;

(5) The unblocking of any property blocked pursuant to the VSR;

(6) Any transaction involving a blocked vessel; or

(7) Exploration, development, mining, extraction, processing, refining, or production of minerals in Venezuela or the formation of joint ventures or other entities in Venezuela to engage in the foregoing activities.

(c) Any person that exports, reexports, sells, resells, purchases, or supplies Venezuelan-origin minerals, including gold, pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *ofac_intake@doi.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) Documentation demonstrating supply chain due diligence plans to determine the chain of custody of the minerals;

(3) Quantities, descriptions, and purchase prices of the minerals;

(4) The dates the transactions occurred; and

(5) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 30 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 51B, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 51C.

Note to General License No. 51C. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 52B

Authorizing Certain Transactions Involving Petróleos de Venezuela, S.A.

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by Executive Order (E.O.) 13884 or E.O. 13850 involving Petróleos de Venezuela, S.A.

(PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with PdVSA or PdVSA Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in E.O. 14373 of January 9, 2026 (''Foreign Government Deposit Funds''), or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

(b) Except as provided in paragraph (c) of this general license, all transactions involving the Government of Venezuela that would otherwise be prohibited by E.O. 13884 that are necessary for the activities set forth in paragraph (a) of this general license are authorized, provided that any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, or any other account as instructed by the U.S. Department of the Treasury.

(c) This general license does not authorize:

(1) Transactions otherwise prohibited by the Venezuela Sanctions Regulations (VSR), 31 CFR part 591, such as transactions prohibited by E.O. 13808 related to bonds and certain other debt of the Government of Venezuela or PdVSA, including transactions to settle such bonds and debt, as well as transactions prohibited by E.O. 13835, including transactions related to the sale, transfer, assignment or pledging as collateral by the Government of Venezuela of any equity interest in PdVSA, PdVSA Entities, or any other entity in which the Government of Venezuela has a 50 percent or greater ownership interest;

(2) The entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property of any person blocked pursuant to the VSR, including PdVSA or a PdVSA Entity;

(3) Any transaction involving any individual or entity identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons (SDN List), excluding PdVSA, as well as any entity in which one or more of such persons identified on the SDN List own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, excluding PdVSA Entities;

(4) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(5) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(6) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(7) The unblocking of any property blocked pursuant to the VSR; or

(8) Any transaction involving a blocked vessel.

(d) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil or Venezuelan-origin petrochemical products to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) A description of the transactions, including the products, quantities, values, dates of the transactions, and countries of ultimate destination; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(e) Reports described in paragraph (d) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(f) Effective August 27, 2026, General License No. 52A, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 52B.

Note to General License No. 52B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 54B

Authorizing the Supply of Certain Items and Services for Minerals Operations in Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest (collectively, ''Minerven Entities''), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, mining, extraction, processing, refining, or production of minerals, including gold, in Venezuela are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, Minerven, or Minerven Entities shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of minerals operations, including gold operations, in Venezuela, including the refurbishment or repair of items used for minerals exploration, development, mining, extraction, processing, refining, or production activities.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel; or

(5) The formation of new joint ventures or other entities in Venezuela to explore, develop, mine, extract, process, refine, or produce minerals, including gold.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *ofac_intake@doi.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 54A, dated June 10, 2026, is replaced and superseded in its entirety by this General License No. 54B.

Note to General License No. 54B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 61A

Authorizing the Supply of Certain Items and Services to Venezuela Related to Telecommunications

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, including but not limited to the Comisión Nacional de Telecomunicaciones (CONATEL) and the Compania Anonima Nacional Telefonos de Venezuela (CANTV), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the installation, maintenance, refurbishment, repair, upgrade, operation, or support of telecommunications in Venezuela are authorized, provided that any contract for such transactions with the Government of Venezuela, including but not limited to CONATEL and CANTV, shall require that dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore.

Note 1 to Paragraph (a). For purposes of this general license, telecommunications includes data, telephone, internet connectivity, radio, television, news wire feeds, and similar services, regardless of the medium of transmission, including transmission by satellite or through submarine cables.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include: processing payments and arranging shipping, including air freight, logistics, warehousing, insurance, and delivery services; interconnection and roaming agreements; capacity or infrastructure leases; and the laying, maintenance, repair, refurbishment, upgrade, security, operation, or support of submarine cables and other telecommunications infrastructure or equipment; and the provision, licensing, renewal, maintenance, or support of related software, systems, and services.

Note 3 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel; or

(5) The formation of new joint ventures or other entities in Venezuela to develop or invest in the telecommunications sector.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective August 27, 2026, General License No. 61, dated August 21, 2026, is replaced and superseded in its entirety by this General License No. 61A.

Note to General License No. 61A. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Federal Communications Commission, the Committee for the Assessment of Foreign Participation in the U.S. Telecommunications Services Sector, and the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: August 27, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20009 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General License 5W

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a web general license.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a general license (GL) issued pursuant to the Venezuela Sanctions Regulations: GL 5W, which was previously made available on OFAC's website.

DATES: GL 5W was issued on May 4, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: *OFAC:* Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On May 4, 2026, OFAC issued GL 5W to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591. GL 5W replaced and superseded GL 5V. This GL was made available on OFAC's website (*https://ofac.treasury.gov*) when it was issued. The text of this GL is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 5W

Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond On or After June 19, 2026

(a) Except as provided in paragraph (b) of this general license, on or after June 19, 2026, all transactions related to, the provision of financing for, and other dealings in the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond that would be prohibited by subsection l(a)(iii) of Executive Order (E.O.) 13835 of May 21, 2018, as amended by E.O. 13857 of January 25, 2019, and incorporated into the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), are authorized.

(b) This general license does not authorize any transactions or activities otherwise prohibited by the VSR, or any other part of 31 CFR chapter V.

(c) Effective May 4, 2026, General License No. 5V, dated March 19, 2026, is replaced and superseded in its entirety by this General License No. 5W.

Bradley T. Smith,
Director, Office of Foreign Assets Control.

Dated: May 4, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20012 Filed 9–29–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General Licenses 52, 53, 54, 55, 56, 57, and 58

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing seven general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations: GLs 52, 53, 54, 55, 56, 57, and 58, each of which was previously made available on OFAC's website.

DATES: GL 52 was issued on March 18, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: *OFAC:* Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On March 18, 2026, OFAC issued GL 52 to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (VSR). On March 24, 2026, OFAC issued GL 53, to authorize certain transactions otherwise prohibited by the VSR. On March 27, 2026, OFAC issued GLs 54 and 55, to authorize certain transactions otherwise prohibited by the VSR. On April 14, 2026, OFAC issued GLs 56 and 57, to authorize certain transactions otherwise prohibited by the VSR. On May 5, 2026, OFAC issued GL 58 to authorize certain transactions otherwise prohibited by the VSR. These GLs were made available on OFAC's website (*https://ofac.treasury.gov*) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 52

Authorizing Certain Transactions Involving Petróleos de Venezuela, S.A.

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by Executive Order (E.O.) 13884 or E.O. 13850 involving Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with PdVSA or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in E.O. 14373 of January 9, 2026 (''Foreign Government Deposit Funds''), or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

(b) Except as provided in paragraph (c) of this general license, all transactions involving the Government of Venezuela that would otherwise be prohibited by E.O. 13884 that are necessary for the activities set forth in paragraph (a) of this general license are authorized, provided that any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, or any other account as instructed by the U.S. Department of the Treasury.

(c) This general license does not authorize:

(1) Transactions otherwise prohibited by the Venezuela Sanctions Regulations

(VSR), 31 CFR part 591, such as transactions prohibited by E.O. 13808 related to bonds and certain other debt of the Government of Venezuela or PdVSA, including transactions to settle such bonds and debt, as well as transactions prohibited by E.O. 13835, including transactions related to the sale, transfer, assignment or pledging as collateral by the Government of Venezuela of any equity interest in PdVSA, PdVSA Entities, or any other entity in which the Government of Venezuela has a 50 percent or greater ownership interest;

(2) The entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property of any person blocked pursuant to the VSR, including PdVSA or a PdVSA Entity;

(3) Any transaction involving any individual or entity identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons (SDN List), excluding PdVSA, as well as any entity in which one or more of such persons identified on the SDN List own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, excluding PdVSA Entities;

(4) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(5) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(6) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(7) The unblocking of any property blocked pursuant to the VSR; or

(8) Any transaction involving a blocked vessel.

(d) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil or Venezuelan-origin petrochemical products to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) A description of the transactions, including the products, quantities, values, dates of the transactions, and countries of ultimate destination; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(e) Reports described in paragraph (d) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 52. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith

Director, Office of Foreign Assets Control.

Dated: March 18, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 53

Official Missions of the Government of Venezuela to the United States

(a) All transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), that are related to the provision of goods or services in the United States to official missions of the Government of Venezuela to the United States or to permanent missions of the Government of Venezuela to international organizations in the United States (collectively, the ''missions''), and payment for such goods or services, are authorized, provided that:

(1) The goods or services are for the conduct of the official business of the missions, or for personal use of the employees of the mission in the United States, or persons who share a common dwelling as a family member or dependent of such an employee, of the missions, and are not for resale;

(2) The transaction does not involve the purchase, sale, financing, or refinancing of real property; and

(3) The transaction is not otherwise prohibited by law.

(b) The provision of goods or services in the United States to the employees, or persons who share a common dwelling as a family member or dependent of such an employee, of the missions, and payment for such goods or services, are authorized, provided that:

(1) The goods or services are for personal use of the employees, or persons who share a common dwelling as a family member or dependent of such an employee, of the missions, and are not for resale; and

(2) The transaction is not otherwise prohibited by law.

(c) U.S. financial institutions, as defined by the VSR, are authorized to operate accounts for, extend credit to, and process funds transfers on behalf of the missions and employees thereof, subject to the limitations in paragraphs (a) and (b) of this general license.

Bradley T. Smith

Director, Office of Foreign Assets Control.

Dated: March 24, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 54

Authorizing the Supply of Certain Items and Services for Minerals Operations in Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest (collectively, ''Minerven Entities''), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, mining, extraction, processing, refining, or production of minerals, including gold, in Venezuela are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, Minerven, or Minerven Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include

processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of minerals operations, including gold operations, in Venezuela, including the refurbishment or repair of items used for minerals exploration, development, mining, extraction, processing, refining, or production activities.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel; or

(5) The formation of new joint ventures or other entities in Venezuela to explore, develop, mine, extract, process, refine, or produce minerals, including gold.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *ofac_intake@doi.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 54. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: March 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 55

Authorizing Negotiations of and Entry Into Contingent Contracts for Certain Investment in Venezuela's Minerals Sector

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest, that are related to the negotiation of and entry into contingent contracts for new investment in the minerals sector of Venezuela, including the gold sector of Venezuela, are authorized, provided that the performance of any such contract is made expressly contingent upon separate authorization from the Office of Foreign Assets Control (''contingent contracts'').

Note 1 to Paragraph (a). For purposes of this general license, the term ''contingent contracts'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

Note 2 to Paragraph (a). Paragraph (a) authorizes negotiating and entering into contingent contracts to engage in new exploration, development, mining, extraction, processing, refining, or production activities in Venezuela's minerals sector, to expand existing operations in Venezuela, and to form new joint ventures or other entities in Venezuela related to the foregoing activities. Transactions authorized by paragraph (a) also include prefatory steps for the aforementioned activities, such as conducting commercial, legal, technical, safety, and environmental due diligence and assessments.

(b) This general license does not authorize:

(1) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(2) The unblocking of any property blocked pursuant to the VSR; or

(3) Any transaction involving a blocked vessel.

Note to General License No. 55. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: March 27, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 56

Authorizing Commercial-Related Negotiations of Contingent Contracts With the Government of Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by Executive Order (E.O.) 13884 that are ordinarily incident and necessary to engaging in commercial-related negotiations of contingent contracts with the Government of Venezuela are authorized, provided that the entry into and performance of any such contract is made expressly contingent upon separate authorization from the Office of Foreign Assets Control (''contingent contracts'').

Note 1 to paragraph (a). For purposes of this general license, the term ''Government of Venezuela'' has the meaning set forth in section 6(d) of E.O. 13884 and includes the state and Government of Venezuela, any political subdivision, agency, or instrumentality thereof, any person owned or controlled, directly or indirectly, by the foregoing, and any person who has acted or purported to act, directly or indirectly, for or on behalf of the foregoing.

Note 2 to paragraph (a). For purposes of this general license, the term ''contingent contracts'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

(b) This general license does not authorize:

(1) Transactions otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (VSR), such as transactions prohibited by E.O. 13808 related to bonds and certain other debt

of the Government of Venezuela or Petróleos de Venezuela, S.A. (PdVSA), including transactions to settle such bonds and debt, as well as transactions prohibited by E.O. 13835, including transactions related to the sale, transfer, assignment, or pledging as collateral by the Government of Venezuela of any equity interest in PdVSA or any other entity in which the Government of Venezuela has a 50 percent or greater ownership interest;

(2) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(3) The entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to the VSR;

(4) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Republic of Cuba, or any entity that is owned or controlled by or in a joint venture with such persons;

(5) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(6) Any transaction involving any individual or entity identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons (SDN List), as well as any entity in which one or more of such persons identified on the SDN List own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest; or

(7) The unblocking of any property blocked pursuant to 31 CFR Chapter V.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: April 14, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 57

Authorizing Financial Services Transactions Involving Certain Venezuelan Banks and Government of Venezuela Individuals

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (VSR), that are ordinarily incident and necessary to the provision, exportation, or reexportation, directly or indirectly, of financial services to, from, or for the benefit of the following persons are authorized:

(1) Banco Central de Venezuela;

(2) Banco de Venezuela, S.A. Banco Universal (Banco de Venezuela);

(3) Banco Digital de los Trabajadores Banco Universal C.A.;

(4) Banco del Tesoro, C.A. Banco Universal (Banco del Tesoro);

(5) Any entity in which one or more of the above persons own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest; or

(6) Any individual whose property and interests in property are blocked solely pursuant to Executive Order (E.O.) 13884 because that individual meets the definition of ''Government of Venezuela,'' as defined in E.O. 13884, including current employees of the ''Government of Venezuela,'' excluding any individual identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons.

(b) Except as provided in paragraph (c) of this general license, all transactions involving the Government of Venezuela that would otherwise be prohibited by E.O. 13884 and that are necessary for the activities set forth in paragraph (a) of this general license are authorized.

(c) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V; or

(2) Any transactions otherwise prohibited by the VSR, unless separately authorized.

Note 1 to General License 57. For purposes of this general license, the term ''financial services'' includes maintaining, operating, or closing of accounts; loans; transfers; transfers of funds; banking services; money transfer services; collection; presentment; promise; order; consignment; the acceptance of deposits; insurance; guarantees; cash withdrawals; check services; Automated Clearing House (ACH) transfers; wire transfers; debit card, prepaid card, Automated Teller Machine transactions, and any other payments as defined under the Uniform Commercial Code Article 3–602; the issuance and use of payment cards and digital wallets; currency exchange; U.S. dollar-denominated banking, payment, and correspondent account services; services in connection with the collection, forwarding, processing, or receipt of funds or remittances; services in connection with the processing or receipt of salary, pension, annuity, payroll, and other employment-related payments or benefits; transfers of funds sent through mobile money, mobile wallets, digital bank accounts, credit cards, debit cards, online payments, or other digital technology; related safety, fraud-prevention, screening, authentication, cybersecurity, and security services and technologies; investments; securities; and commodity futures or options.

Note 2 to General License 57. U.S. financial institutions processing transactions authorized by paragraphs (a) or (b) of this general license may rely on the originator or beneficiary of a funds transfer with regard to compliance with this general license, provided that the processing financial institution does not know or have reason to know that the transaction is not in compliance with this general license.

Note 3 to General License 57. Nothing in this general license relieves any person from compliance with the requirements of other U.S. laws, including the Bank Secrecy Act, 31 U.S.C. 5311 *et seq.,* the USA PATRIOT Act, Public Law 107–56, and regulations promulgated by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: April 14, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 58

Authorizing Certain Services to the Government of Venezuela in Connection With Potential Debt Restructuring

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), that are ordinarily incident and necessary to the provision of legal, financial advisory, and consulting services to the Government of Venezuela, including Petróleos de Venezuela, S.A. (PdVSA) and any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), in connection with potential

restructuring of debt of the Government of Venezuela, including debt of PdVSA and PdVSA Entities, are authorized.

Note 1 to paragraph (a). For purposes of this general license, the term ''Government of Venezuela'' has the meaning set forth in section 6(d) of Executive Order 13884 and includes the state and Government of Venezuela, any political subdivision, agency, or instrumentality thereof, any person owned or controlled, directly or indirectly, by the foregoing, and any person who has acted or purported to act, directly or indirectly, for or on behalf of the foregoing.

Note 2 to paragraph (a). Authorized legal, financial advisory, and consulting services in connection with potential debt restructuring include the assessment, development, or preparation of debt restructuring options, proposals, and related supporting materials.

(b) This general license does not authorize:

(1) The restructuring, transfer, or settlement of debt of the Government of Venezuela, including debt of PdVSA and PdVSA Entities, or direct negotiations between the Government of Venezuela, including PdVSA and PdVSA Entities, and creditors regarding such restructuring, transfer, or settlement;

(2) Payment terms for services provided under this general license that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(3) The entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to the VSR;

(4) Any transaction by a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(5) Any transaction involving any individual or entity identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons (SDN List), excluding PdVSA, as well as any entity in which one or more of such persons identified on the SDN List own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, excluding PdVSA Entities; or

(6) The unblocking of any property blocked pursuant to 31 CFR Chapter V.

(c) Any person that provides legal, financial advisory, and consulting services pursuant to this general license shall furnish a copy of the signed contract for such services to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* within 10 business days of execution.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: May 5, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20008 Filed 9–29–26; 8:45 am]

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General Licenses 46C, 47A, 48B, 50B, 51B, 52A, and 54A

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing seven general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations: GLs 46C, 47A, 48B, 50B, 51B, 52A, and 54A, each of which was previously made available on OFAC's website.

DATES: GL 46C was issued on June 10, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: *https://ofac.treasury.gov/.*

Background

On June 10, 2026, OFAC issued GLs 46C, 47A, 48B, 50B, 51B, 52A, and 54A to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations (VSR), 31 CFR part 591. GL 46C replaced and superseded GL 46B. GL 47A replaced and superseded GL 47. GL 48B replaced and superseded GL 48A. GL 50B replaced and superseded GL 50A. GL 51B replaced and superseded GL 51A. GL 52A replaced and superseded GL 52. GL 54A replaced and superseded GL 54. These GLs were made available on OFAC's website (*https://ofac.treasury.gov*) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 46C

Authorizing Certain Activities Involving Venezuelan-Origin Oil or Petrochemical Products

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, or of Venezuelan-origin petrochemical products for importation into the United States, by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part

of the Government of Venezuela. Paragraph (a) also authorizes commercially reasonable payments in the form of swaps of crude oil, diluents, or refined petroleum products.

Note 3 to Paragraph (a). For purposes of this general license, the term ''petrochemical products'' includes fertilizer products and fertilizer precursor chemicals, including the chemicals listed in the Annex of this general license.

Note 4 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) The unblocking of any property blocked pursuant to the VSR; or

(5) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities, values, and countries of ultimate destination;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 46B, dated March 13, 2026, is replaced and superseded in its entirety by this General License No. 46C.

Note to General License No. 46C. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director,

Office of Foreign Assets Control.

Dated: June 10, 2026.

Annex to General License 46C

Chemicals that fall within the scope of the term ''petrochemical products'' include the following:

Chemical name	HS code
Sulfur	2503000010
Sulfur	2503000090
Phosphate Rock	2510100000
Phosphate Rock	2510200000
Sulfuric Acid	2807000000
Phosphoric Acid, fertilizer-grade, containing less than 65 percent available	2809200010
Phosphoric Acid, other	2809200020
Anhydrous Ammonia	2814100000
Aqua Ammonia	2814200000
Potassium Nitrate	2834210000
Calcium Nitrate	2834291000
Potassium Phosphate	2835240000
Dicalcium Phosphates	2835250000
Other Phosphates of Calcium	2835260000
Urea (Solid)	3102100000
Urea (Solid)	3102100010
Diesel Exhaust Fluid	3102100030
Other Urea	3102100050
Ammonium Sulfate	3102210000
Other Nitrogen Fert	3102290000
Ammonium Nitrate	3102300000
Ammonia Nitrate	3102400000
Sodium Nitrate	3102500000
Other Nitrogen Fert	3102600000
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	3102800000
Other Nitrogen Fert	3102900100
Concentrated Super	3103110000
Normal Super	3103190000
Other Phosphate Fert	3103900100
Potassium Muriate	3104200000
Potassium Muriate ≤62% Oxide	3104200010
Potassium Muriate >62% Oxide	3104200050
Potassium Sulfate	3104300000
Other Potassium Fert	3104900100
Chemical Mixtures	3105100000
Chemical Mixtures	3105200000
Diammonium Phosphate	3105300000
Monoammonium Phosphate & Other	3105400000
Monoammonium Phosphate & Other	3105400010

Chemical name	HS code
Monoammonium Phosphate & Other	3105400050
Chemical Mixtures	3105510000
Chemical Mixtures	3105590000
Chemical Mixtures	3105600000
Potassium Sodium Nitrate	3105900010
Other Mixtures	3105900050

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 47A

Authorizing the Sale of U.S.-Origin Diluents to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the exportation, reexportation, sale, resale, supply, storage, marketing, delivery, or transportation of U.S.-origin diluents to Venezuela are authorized, provided that any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela.

Note 2 to Paragraph (a). The requirement in paragraph (a)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR, except as provided in paragraph (a); or

(4) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies U.S.-origin diluents to Venezuela pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities and values; and

(3) The dates the transactions occurred.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 47, dated February 3, 2026, is replaced and superseded in its entirety by this General License No. 47A.

Note to General License No. 47A. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 48B

Authorizing the Supply of Certain Items and Services to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, or production of oil, gas, or petrochemical products in Venezuela, or for the generation, transmission, storage, or distribution of electricity in Venezuela, are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of oil, gas, petrochemical products, or electricity

operations in Venezuela, including the refurbishment or repair of items used for oil, gas, or petrochemical products exploration, development, or production activities, or for electricity generation, transmission, storage, or distribution.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

Note 3 to Paragraph (a). For purposes of this general license, the term ''petrochemical products'' includes fertilizer products and fertilizer precursor chemicals, including the chemicals listed in the Annex of this general license.

Note 4 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel;

(5) The formation of new joint ventures or other entities in Venezuela to explore or produce oil, gas, or petrochemical products or to generate, transmit, store, or distribute electricity; or

(6) Any transactions or dealings related to the exportation or reexportation of diluents, directly or indirectly, to Venezuela.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 48A, dated March 13, 2026, is replaced and superseded in its entirety by this General License No. 48B.

Note to General License No. 48B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith

Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

Annex to General License 48B

Chemicals that fall within the scope of the term ''petrochemical products'' include the following:

Chemical name	HS code
Sulfur	2503000010
Sulfur	2503000090
Phosphate Rock	2510100000
Phosphate Rock	2510200000
Sulfuric Acid	2807000000
Phosphoric Acid, fertilizer-grade, containing less than 65 percent available	2809200010
Phosphoric Acid, other	2809200020
Anhydrous Ammonia	2814100000
Aqua Ammonia	2814200000
Potassium Nitrate	2834210000
Calcium Nitrate	2834291000
Potassium Phosphate	2835240000
Dicalcium Phosphates	2835250000
Other Phosphates of Calcium	2835260000
Urea (Solid)	3102100000
Urea (Solid)	3102100010
Diesel Exhaust Fluid	3102100030
Other Urea	3102100050
Ammonium Sulfate	3102210000
Other Nitrogen Fert	3102290000
Ammonium Nitrate	3102300000
Ammonia Nitrate	3102400000
Sodium Nitrate	3102500000
Other Nitrogen Fert	3102600000
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	3102800000
Other Nitrogen Fert	3102900100
Concentrated Super	3103110000
Normal Super	3103190000
Other Phosphate Fert	3103900100
Potassium Muriate	3104200000
Potassium Muriate ≤ 62% Oxide	3104200010
Potassium Muriate >62% Oxide	3104200050
Potassium Sulfate	3104300000
Other Potassium Fert	3104900100
Chemical Mixtures	3105100000
Chemical Mixtures	3105200000

Chemical name	HS code
Diammonium Phosphate	3105300000
Monoammonium Phosphate & Other	3105400000
Monoammonium Phosphate & Other	3105400010
Monoammonium Phosphate & Other	3105400050
Chemical Mixtures	3105510000
Chemical Mixtures	3105590000
Chemical Mixtures	3105600000
Potassium Sodium Nitrate	3105900010
Other Mixtures	3105900050

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 50B

Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela of Certain Entities

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), that are related to oil or gas sector operations in Venezuela of the entities listed in the Annex to this general license and their subsidiaries are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a)(2). Any payments of oil or gas taxes or royalties to the Government of Venezuela, PdVSA, or any PdVSA Entity must be paid into the Foreign Government Deposit Funds or any other account as instructed by the U.S. Department of the Treasury.

Note 2 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR; or

(4) Any transaction involving a blocked vessel.

(c) Any person that engages in transactions pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies:

(1) The parties involved;

(2) A description of the transactions, including, as relevant, the quantities, values, and dates of the transactions; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 50A, dated February 18, 2026, is replaced and superseded in its entirety by this General License No. 50B.

Note to General License No. 50B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

Annex—Entities Described in Paragraph (a) of General License 50B

List of Entities Described in Paragraph (a) of General License 50B as of June 10, 2026:

Entity
BP PLC.
Chevron Corporation.
Eni S.p.A.
Établissements Maurel & Prom SA.
Repsol S.A.
Shell PLC.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 51B

Authorizing Certain Activities Involving Venezuelan-Origin Minerals, Including Gold

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest (collectively, ''Minerven Entities''), that are ordinarily incident and necessary to the exportation, reexportation, sale, resale, supply, storage, purchase, delivery, or transportation of Venezuelan-origin minerals, including gold, by an established U.S. entity, are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, Minerven, or Minerven Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract

occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include conducting commercial, legal, technical, safety, and environmental due diligence and assessments ordinarily incident to the activity authorized in paragraph (a). Transactions authorized by paragraph (a) also include arranging shipping and logistics services, including chartering vessels, arranging security services, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela.

Note 3 to Paragraph (a). Transactions authorized by paragraph (a) include the processing or refining of such minerals, except as provided by paragraph (b).

Note 4 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or in-kind payments, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) Any transaction involving the processing or refining of Venezuelan-origin minerals, including gold, in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or the People's Republic of China;

(5) The unblocking of any property blocked pursuant to the VSR;

(6) Any transaction involving a blocked vessel; or

(7) Exploration, development, mining, extraction, processing, refining, or production of minerals in Venezuela or the formation of joint ventures or other entities in Venezuela to engage in the foregoing activities.

(c) Any person that exports, reexports, sells, resells, purchases, or supplies Venezuelan-origin minerals, including gold, pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *ofac_intake@doi.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) Documentation demonstrating supply chain due diligence plans to determine the chain of custody of the minerals;

(3) Quantities, descriptions, and purchase prices of the minerals;

(4) The dates the transactions occurred; and

(5) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 30 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 51A, dated March 27, 2026, is replaced and superseded in its entirety by this General License No. 51B.

Note to General License No. 51B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 52A

Authorizing Certain Transactions Involving Petróleos de Venezuela, S.A.

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by Executive Order (E.O.) 13884 or E.O. 13850 involving Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, ''PdVSA Entities''), by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with PdVSA or PdVSA Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in E.O. 14373 of January 9, 2026 (''Foreign Government Deposit Funds''), or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term ''established U.S. entity'' means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) Except as provided in paragraph (c) of this general license, all transactions involving the Government of Venezuela that would otherwise be prohibited by E.O. 13884 that are necessary for the activities set forth in paragraph (a) of this general license are authorized, provided that any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, or any

other account as instructed by the U.S. Department of the Treasury.

(c) This general license does not authorize:

(1) Transactions otherwise prohibited by the Venezuela Sanctions Regulations (VSR), 31 CFR part 591, such as transactions prohibited by E.O. 13808 related to bonds and certain other debt of the Government of Venezuela or PdVSA, including transactions to settle such bonds and debt, as well as transactions prohibited by E.O. 13835, including transactions related to the sale, transfer, assignment or pledging as collateral by the Government of Venezuela of any equity interest in PdVSA, PdVSA Entities, or any other entity in which the Government of Venezuela has a 50 percent or greater ownership interest;

(2) The entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property of any person blocked pursuant to the VSR, including PdVSA or a PdVSA Entity;

(3) Any transaction involving any individual or entity identified on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons (SDN List), excluding PdVSA, as well as any entity in which one or more of such persons identified on the SDN List own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, excluding PdVSA Entities;

(4) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(5) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(6) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(7) The unblocking of any property blocked pursuant to the VSR; or

(8) Any transaction involving a blocked vessel.

(d) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil or Venezuelan-origin petrochemical products to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) A description of the transactions, including the products, quantities, values, dates of the transactions, and countries of ultimate destination; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(e) Reports described in paragraph (d) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(f) Effective June 10, 2026, General License No. 52, dated March 18, 2026, is replaced and superseded in its entirety by this General License No. 52A.

Note to General License No. 52A. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 54A

Authorizing the Supply of Certain Items and Services for Minerals Operations in Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, CVG Compania General de Mineria de Venezuela CA (Minerven), or any entity in which Minerven owns, directly or indirectly, a 50 percent or greater interest (collectively, ''Minerven Entities''), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, mining, extraction, processing, refining, or production of minerals, including gold, in Venezuela are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, Minerven, or Minerven Entities shall require that (i) the terms of the contract be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States and (ii) dispute resolution proceedings relating to the contract occur in the United States, the United Kingdom, France, or Singapore; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of minerals operations, including gold operations, in Venezuela, including the refurbishment or repair of items used for minerals exploration, development, mining, extraction, processing, refining, or production activities.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

Note 3 to Paragraph (a). The requirement in paragraph (a)(1)(i) permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel; or

(5) The formation of new joint ventures or other entities in Venezuela to explore, develop, mine, extract, process, refine, or produce minerals, including gold.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *ofac_intake@doi.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective June 10, 2026, General License No. 54, dated March 27, 2026, is replaced and superseded in its entirety by this General License No. 54A.

Note to General License No. 54A. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.

Dated: June 10, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026–20006 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 413

[CMS–1843–CN]

RIN 0938–AV75

Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program for Federal Fiscal Year 2027; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule; correction.

SUMMARY: This document corrects technical errors in the final rule that appeared in the July 31, 2026 **Federal Register** titled ''Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program for Federal Fiscal Year 2027.''

DATES: This correction is effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT: Heidi Magladry, (410) 786–6034.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026–15562 of July 31, 2026 (91 FR 48588 through 48654), there were a number of technical errors that are identified and corrected in this correcting document.

II. Summary of Errors

A. Skilled Nursing Facility (SNF) Prospective Payment System (PPS)

Payments under the SNF PPS are adjusted for several factors, including a wage index based on data collected for the Inpatient Prospective Payment System (IPPS). Under our methodologies as finalized in the FY 2027 Inpatient Prospective Payment System, Long Term Care Hospital Prospective Payment System (IPPS/LTCH PPS) final rule, we exclude hospitals that have subsequently converted to rural emergency hospitals (REHs) from certain data and calculations used in the IPPS rate setting. Specifically, we stated that we exclude REHs, including hospitals that subsequently became REHs after the period from which the data were taken for purposes of developing the Medicare Severity Diagnosis-Related Group (MS–DRG) relative weights for FY 2027 (91 FR 49672) and from the calculation of the standardized amount (91 FR 50370). In addition, we stated that any hospital that is designated as a REH by 7 days prior to the publication of the preliminary wage index public use file (PUF) is excluded from the calculation of the wage index. We inadvertently treated a current IPPS hospital as a hospital that had converted to REH status, thereby erroneously excluding its data from the MS–DRG relative weight calculation and the wage index (CMS Certification Number 250078). Therefore, we restored the applicable data for this hospital for these and other rate setting calculations, which required the recalculation of the SNF wage index budget neutrality factor, unadjusted SNF PPS Federal per diem rates, and the case-mix adjusted SNF PPS rates, as discussed further in section IV. of this correcting document.

On pages 48594, 48596 through 48597, 48599, 48601, and 48602, a technical error in the calculation of the final FY 2027 SNF PPS wage indexes required us to recalculate the wage index budget neutrality factor for (1) the unadjusted SNF PPS Federal per diem rates provided in Tables 3 and 4; (2) the case-mix adjusted SNF PPS rates provided in Tables 5 and 6; (3) the wage index budget neutrality factor; (4) the computed example total; (5) the PDPM case-mix adjusted rate computation example and wage index adjusted rate computation example in Tables 8 and 9, respectively; and (6) the adjusted rate computation example in Table 10. The numbers in the impact analysis provided on pages 48645 through 48646 in Table 25 are not affected at the displayed level. Further discussions of these errors are found in section IV. of this notice.

B. Summary of Errors and Corrections Posted on the CMS Website for the SNF Wage Index

After the FY 2027 SNF PPS final rule was published, we identified issues in the SNF wage index file. As discussed in the FY 2027 SNF PPS final rule (91 FR 48597 through 48600), in developing the wage index to be applied to SNFs under the SNF PPS, we use the updated, pre-reclassified, hospital inpatient PPS (IPPS) wage data, exclusive of the occupational mix adjustment, omitting the rural floor. For FY 2027, the updated wage data are for hospital cost reporting periods beginning on or after October 1, 2022, and before October 1, 2023 (FY 2023 cost report data), as discussed in the final rule entitled ''Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care

Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2027 Rates; Requirements for Quality Programs; Other Policy Changes; and Adoption of Updated Versions of Certain Health Information Technology Standards''(91 FR 49570) (hereinafter referred to as the FY 2027 IPPS/LTCH PPS final rule).

C. SNF Quality Reporting Program

On pages 48589, 48640, 48641, 48642, 48643, 48644, 48646, 48647, 48652, we are correcting the calculations for skilled nursing facilities used in the final rule. We inadvertently reflected the MEAN Bureau of Labor Statistics (BLS) wage and not the MEDIAN BLS wage, which will impact the burden numbers.

III. Waiver of Proposed Rulemaking

Section 1871(b)(1) of the Social Security Act (the Act) requires the Secretary to provide for notice of a proposed rule in the **Federal Register** and provide a period of not less than 60 days for public comment. In addition, section 1871(e)(1)(B)(i) of the Act mandates a 30-day delay in effective date after issuance or publication of a rule. Section 1871(b)(2)(C) of the Act provides an exception from the notice and 60-day comment period and delay in effective date requirements of the Act under the good cause standard set forth in 5 U.S.C. 553(b)(B). Section 1871(e)(1)(B)(ii) of the Act provides an exception from the delay in effective date requirements of the Act as well. Section 553(b)(B) authorizes an agency to dispense with normal notice and comment rulemaking procedures for good cause if the agency makes a finding that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and includes a statement of the finding and the reasons for it in the rule. In addition, section 1871(e)(1)(B)(ii) of the Act allows the agency to avoid the 30-day delay in effective date where the waiver is necessary to comply with statutory requirements or such delay is contrary to the public interest and the agency includes in the rule a statement of the finding and the reasons for it.

We believe that this final rule correction does not constitute a rule that would be subject to the notice and comment or delayed effective date requirements. This document merely corrects technical and typographical errors in the preamble, and tables referenced in the FY 2027 SNF final rule but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, the corrections made through this document are intended to resolve inadvertent errors so that the FY 2027 SNF final rule accurately reflects the policies adopted therein.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2027 SNF PPS final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply correctly implementing the methodologies and policies that we previously proposed, requested comment on, and subsequently finalized. This final rule correction is intended solely to ensure that the FY 2027 SNF PPS final rule accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors

In FR Doc. 2026–15562 of July 31, 2026 (91 FR 48588 through 48654), make the following corrections:

1. On page 48589, top of the page, TABLE 1: ESTIMATED COST AND BENEFITS is corrected to read as follows:

TABLE 1: ESTIMATED COST AND BENEFITS

Updates	Estimated Total Transfers/Costs
FY 2027 SNF PPS payment rate update	The overall economic impact of this final rule is an estimated increase of $882.74 million in aggregate payments to SNFs during FY 2027.
FY 2028 SNF QRP changes due to the removal of two measures	The overall economic impact of this final rule to SNFs is an estimated decrease of $8.2 million annually to SNFs beginning with the FY 2028 SNF QRP.
FY 2031 SNF QRP changes due to the requirement to submit MDS data on each resident receiving covered skilled care regardless of payer	The overall economic impact of this final rule to those SNFs is an estimated increase of $86.0 million annually to SNFs beginning with the FY 2031 SNF QRP.
FY 2027 SNF VBP changes	The overall economic impact of the SNF VBP Program is an estimated reduction of $203.60 million in aggregate payments to SNFs during FY 2027.

2. On page 48594, middle of the page, TABLE 3: FY2027 UNADJUSTED FEDERAL RATE PER DIEM—URBAN is corrected to read:

TABLE 3: FY 2027 UNADJUSTED FEDERAL RATE PER DIEM–URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
FY 2026 Per Diem Amount	$75.73	$70.49	$28.28	$132.00	$99.59	$118.21
FY 2027 Per Diem Amount*	$77.45	$72.10	$28.92	$135.01	$101.86	$120.90

*Reflects a 2027 SNF market basket update of 2.4 percent and the final wage index budget neutrality factor of 0.9988.

3. On page 48594, middle of the page, TABLE 4: FY2027 UNADJUSTED FEDERAL RATE PER DIEM—RURAL is corrected to read:

TABLE 4: FY 2027 UNADJUSTED FEDERAL RATE PER DIEM–RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
FY 2026 Per Diem Amount	$86.33	$79.29	$35.63	$126.12	$95.15	$120.40
FY 2027 Per Diem Amount*	$88.30	$81.10	$36.44	$128.99	$97.32	$123.14

*Reflects a 2027 SNF market basket update of 2.4 percent and the final wage index budget neutrality factor of 0.9988.

4. On page 48596, top of page, TABLE 5: PDPM CASE–MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—URBAN is corrected to read:

TABLE 5: PDPM CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—URBAN

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	$112.30	1.41	$101.66	0.64	$18.51	ES3	3.84	$518.44	3.06	$311.69
B	1.61	$124.69	1.54	$111.03	1.72	$49.74	ES2	2.90	$391.53	2.39	$243.45
C	1.78	$137.86	1.60	$115.36	2.52	$72.88	ES1	2.77	$373.98	1.74	$177.24
D	1.81	$140.18	1.45	$104.55	1.38	$39.91	HDE2	2.27	$306.47	1.26	$128.34
E	1.34	$103.78	1.33	$95.89	2.21	$63.91	HDE1	1.88	$253.82	0.91	$92.69
F	1.52	$117.72	1.51	$108.87	2.82	$81.55	HBC2	2.12	$286.22	0.68	$69.26
G	1.58	$122.37	1.55	$111.76	1.93	$55.82	HBC1	1.76	$237.62	-	-
H	1.10	$85.20	1.09	$78.59	2.70	$78.08	LDE2	1.97	$265.97	-	-
I	1.07	$82.87	1.12	$80.75	3.34	$96.59	LDE1	1.64	$221.42	-	-
J	1.34	$103.78	1.37	$98.78	2.83	$81.84	LBC2	1.63	$220.07	-	-
K	1.44	$111.53	1.46	$105.27	3.50	$101.22	LBC1	1.35	$182.26	-	-
L	1.03	$79.77	1.05	$75.71	3.98	$115.10	CDE2	1.77	$238.97	-	-
M	1.20	$92.94	1.23	$88.68	-	-	CDE1	1.53	$206.57	-	-
N	1.40	$108.43	1.42	$102.38	-	-	CBC2	1.47	$198.46	-	-
O	1.47	$113.85	1.47	$105.99	-	-	CA2	1.03	$139.06	-	-
P	1.02	$79.00	1.03	$74.26	-	-	CBC1	1.27	$171.46	-	-
Q	-	-	-	-	-	-	CA1	0.89	$120.16	-	-
R	-	-	-	-	-	-	BAB2	0.98	$132.31	-	-
S	-	-	-	-	-	-	BAB1	0.94	$126.91	-	-
T	-	-	-	-	-	-	PDE2	1.48	$199.81	-	-
U	-	-	-	-	-	-	PDE1	1.39	$187.66	-	-
V	-	-	-	-	-	-	PBC2	1.15	$155.26	-	-
W	-	-	-	-	-	-	PA2	0.67	$90.46	-	-
X	-	-	-	-	-	-	PBC1	1.07	$144.46	-	-
Y	-	-	-	-	-	-	PA1	0.62	$83.71	-	-

5. On page 48597, top of the page, TABLE 6: PDPM CASE–MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—RURAL is corrected to read:

TABLE 6: PDPM CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—RURAL

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	$128.04	1.41	$114.35	0.64	$23.32	ES3	3.84	$495.32	3.06	$297.80
B	1.61	$142.16	1.54	$124.89	1.72	$62.68	ES2	2.90	$374.07	2.39	$232.59
C	1.78	$157.17	1.60	$129.76	2.52	$91.83	ES1	2.77	$357.30	1.74	$169.34
D	1.81	$159.82	1.45	$117.60	1.38	$50.29	HDE2	2.27	$292.81	1.26	$122.62
E	1.34	$118.32	1.33	$107.86	2.21	$80.53	HDE1	1.88	$242.50	0.91	$88.56
F	1.52	$134.22	1.51	$122.46	2.82	$102.76	HBC2	2.12	$273.46	0.68	$66.18
G	1.58	$139.51	1.55	$125.71	1.93	$70.33	HBC1	1.76	$227.02	-	-
H	1.10	$97.13	1.09	$88.40	2.70	$98.39	LDE2	1.97	$254.11	-	-
I	1.07	$94.48	1.12	$90.83	3.34	$121.71	LDE1	1.64	$211.54	-	-
J	1.34	$118.32	1.37	$111.11	2.83	$103.13	LBC2	1.63	$210.25	-	-
K	1.44	$127.15	1.46	$118.41	3.50	$127.54	LBC1	1.35	$174.14	-	-
L	1.03	$90.95	1.05	$85.16	3.98	$145.03	CDE2	1.77	$228.31	-	-
M	1.20	$105.96	1.23	$99.75	-	-	CDE1	1.53	$197.35	-	-
N	1.40	$123.62	1.42	$115.16	-	-	CBC2	1.47	$189.62	-	-
O	1.47	$129.80	1.47	$119.22	-	-	CA2	1.03	$132.86	-	-
P	1.02	$90.07	1.03	$83.53	-	-	CBC1	1.27	$163.82	-	-
Q	-	-	-	-	-	-	CA1	0.89	$114.80	-	-
R	-	-	-	-	-	-	BAB2	0.98	$126.41	-	-
S	-	-	-	-	-	-	BAB1	0.94	$121.25	-	-
T	-	-	-	-	-	-	PDE2	1.48	$190.91	-	-
U	-	-	-	-	-	-	PDE1	1.39	$179.30	-	-
V	-	-	-	-	-	-	PBC2	1.15	$148.34	-	-
W	-	-	-	-	-	-	PA2	0.67	$86.42	-	-
X	-	-	-	-	-	-	PBC1	1.07	$138.02	-	-
Y	-	-	-	-	-	-	PA1	0.62	$79.97	-	-

6. On page 48599, third column (below Table 7), first partial paragraph, line 8, the figure ''0.9989'' is corrected to read ''0.9988''.

7. On page 48601,

a. Third column, first partial paragraph, line 2, the figure ''$23,413.26'' is corrected to read ''$23,412.69''.

b. Top of the page, TABLE 8: PDPM CASE–MIX ADJUSTED RATE COMPUTATION EXAMPLE is corrected to read:

TABLE 8: PDPM CASE-MIX ADJUSTED RATE COMPUTATION EXAMPLE

Per Diem Rate Calculation				
Component	**Component Group**	**Component Rate**	**VPD Adjustment Factor**	**VPD Adjusted Rate**
PT	N	$108.43	1.00	$108.43
OT	N	$102.38	1.00	$102.38
SLP	H	$78.08	1.00	$78.08
Nursing	N	$198.46	1.00	$198.46
NTA	C	$177.24	3.00	$531.72
Non-Case-Mix	-	$120.90	-	$120.90
Total PDPM Case-Mix Adjusted Per Diem				$1,139.97

TABLE 9: WAGE INDEX ADJUSTED RATE COMPUTATION EXAMPLE

PDPM Wage Index Adjustment Calculation						
HIPPS Code	**PDPM Case-Mix Adjusted Per Diem**	**Labor Portion**	**Wage Index**	**Wage Index Adjusted Rate**	**Non-Labor Portion**	**Total Case-Mix and Wage Index Adjusted Rate**
NHNC1	$1,139.97	$820.78	0.9344	$766.94	$319.19	$1,086.13

8. On page 48601, middle of the page ''TABLE 9: WAGE INDEX ADJUSTED RATE COMPUTATION EXAMPLE'' is corrected to read:

9. On page 48602, top of the page, TABLE 10: ADJUSTED RATE COMPUTATION EXAMPLE is corrected to read:

TABLE 9: WAGE INDEX ADJUSTED RATE COMPUTATION EXAMPLE

PDPM Wage Index Adjustment Calculation						
HIPPS Code	**PDPM Case-Mix Adjusted Per Diem**	**Labor Portion**	**Wage Index**	**Wage Index Adjusted Rate**	**Non-Labor Portion**	**Total Case-Mix and Wage Index Adjusted Rate**
NHNC1	$1,139.97	$820.78	0.9344	$766.94	$319.19	$1,086.13

TABLE 10: ADJUSTED RATE COMPUTATION EXAMPLE

Day of Stay	NTA VPD Adjustment Factor	PT/OT VPD Adjustment Factor	Case-Mix and Wage Index Adjusted Per Diem Rate
1	3.00	1.00	$1,086.13
2	3.00	1.00	$1,086.13
3	3.00	1.00	$1,086.13
4	1.00	1.00	$748.39
5	1.00	1.00	$748.39
6	1.00	1.00	$748.39
7	1.00	1.00	$748.39
8	1.00	1.00	$748.39
9	1.00	1.00	$748.39
10	1.00	1.00	$748.39
11	1.00	1.00	$748.39
12	1.00	1.00	$748.39
13	1.00	1.00	$748.39
14	1.00	1.00	$748.39
15	1.00	1.00	$748.39
16	1.00	1.00	$748.39
17	1.00	1.00	$748.39
18	1.00	1.00	$748.39
19	1.00	1.00	$748.39
20	1.00	1.00	$748.39
21	1.00	0.98	$744.37
22	1.00	0.98	$744.37
23	1.00	0.98	$744.37
24	1.00	0.98	$744.37
25	1.00	0.98	$744.37
26	1.00	0.98	$744.37
27	1.00	0.98	$744.37
28	1.00	0.96	$740.36
29	1.00	0.96	$740.36
30	1.00	0.96	$740.36
Total Payment			$23,412.69

10. On page 48640,

a. Top of the page, TABLE 18: U.S. BUREAU OF LABOR AND STATISTICS' MAY 2024 NATIONAL OCCUPATIONAL EMPLOYMENT AND WAGE ESTIMATES is corrected to read as follows:

TABLE 18: U.S. BUREAU OF LABOR AND STATISTICS' MAY 2024 NATIONAL OCCUPATIONAL EMPLOYMENT AND WAGE ESTIMATES

Occupation Title	Occupation Code	Median Hourly Wage ($/hr)	Other Indirect Costs and Fringe Benefit ($/hr)	Adjusted Hourly Wage ($/hr)
Administrative Assistants	43-6013	$21.46	$21.46	$42.92
Licensed Practical and Licensed Vocational Nurse (LPN/LVN)	29-2061	$29.97	$29.97	$59.94
Occupational Therapy (OT)	29-1122	$47.28	$47.28	$94.56
Physical Therapy (PT)	29-1123	$48.57	$48.57	$97.14
Registered Nurse (RN)	29-1141	$45.00	$45.00	$90.00
Speech-Language Pathologist (SLP)	29-1127	$45.87	$45.87	$91.74

b. Third column, second full paragraph,

(1) Line 8 the figure ''$43.82'' is corrected to read ''$42.92''.

(2) Line 10 the figure ''$525.84'' is corrected to read ''$515.04''.

(3) Line 10 the figure ''$43.82'' is corrected to read ''$42.92''.

(4) Line 11 the figure ''$7,831,860.96'' is corrected to ''$7,671,005.76''.

(5). Line 12 the figure ''$525.84'' is corrected to ''$515.04''.

c. Bottom of page, the table titled ''TABLE 19: ESTIMATED BURDEN REDUCTION ASSOCIATED WITH REMOVAL OF THE HCP COVID–19 VACCINE MEASURE BEGINNING WITH THE FY 2028 SNF QRP'' is corrected to read as follows:

TABLE 19: ESTIMATED BURDEN REDUCTION ASSOCIATED WITH REMOVAL OF THE HCP COVID-19 VACCINE MEASURE BEGINNING WITH THE FY 2028 SNF QRP

Requirement	Per SNF		All SNFs	
	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Removal of the HCP COVID-19 Vaccine Measure	-12.00	-$515.04	-178,728.00	−$7,671,005.76

11. On page 48641,

a. Second column, first partial paragraph,

(1) Line 11, the figure ''$78.16'' is corrected to read'' $74.97''.

(2) Line 13, the figure ''$61.68'' is corrected to read ''$59.94''.

(3) Line 14,

(a) The figure ''$94.64'' is corrected to read ''$90.00''.

(b) The figure ''$78.16'' is corrected to read ''$74.97''.

b. Third column, first full paragraph,

(1) Line 6, the figure ''$78.16'' is corrected to read ''$74.97.''

(2) Line 9, the figure ''$580,416'' is corrected to read ''$556,727.22''.

(3) Line 10, the figure ''$78.16'' is corrected to read ''$74.97''.

(4) Line 14,

(a) The figure ''$38.97'' is corrected to read ''$37.38''.

(b) The figure ''$580,416'' is corrected to read ''$556,727.22''.

c. Middle of the page, the table titled ''TABLE 20: ESTIMATED BURDEN ASSOCIATED WITH OMB CONTROL NUMBER (CMS–10387) RELATED TO THE SNF QRP BEGINNING WITH THE FY 2028 SNF QRP'' is corrected as follows:

TABLE 20: ESTIMATED BURDEN ASSOCIATED WITH OMB CONTROL NUMBER (CMS-10387) RELATED TO THE SNF QRP BEGINNING WITH THE FY 2028 SNF QRP

Requirement	Per SNF		All SNFs	
	Estimated Change in Annual Burden Hours	Estimate d Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Removal of the Patient/Resident COVID-19 Vaccine Status Measure (O0350)	-0.50	-$37.38	-7,426	-$556,727.22

d. Third column, third partial paragraph (under table 20), line 2,

(1) The figure ''$8,412,277.12'' is corrected to read ''$8,227,732.98''.

(2) The figure ''$564.81'' is corrected to read ''$552.42''.

e. Bottom of page, the table titled ''TABLE 21: ESTIMATED BURDEN ASSOCIATED WITH SNF QRP BEGINNING WITH THE FY 2028 SNF QRP'' is corrected as follows:

TABLE 21: ESTIMATED BURDEN ASSOCIATED WITH SNF QRP BEGINNING WITH THE FY 2028 SNF QRP

Requirement	Per SNF		All SNFs	
	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Removal of the HCP COVID-19 Vaccine Measure	-12.00	-$515.04	-178,728	-$7,671,005.76
Removal of the Patient/Resident COVID-19 Vaccine Status Measure (O0350)	-0.50	-$37.38	-7,426	-$556,727.22
Total Estimated Change in Burden Beginning with the FY 2028 SNF QRP	-12.50	-$552.42	-186,154	-$8,227,732.98

f. Bottom of page, first column, footnoted paragraph (footnote 46), the link ''*https://www.bls.gov/oes/current/oes_stru.htm*'' is corrected to read ''*https://www.bls.gov/oes/special-requests/oesm24nat.zip.*''

12. On page 48642,

a. Second column, second full paragraph,

(1) Line 15, the figure ''$78.16'' is corrected to read ''$74.97''.

(2) Line 19, the figure ''$61.68'' is corrected to read ''$59.94''.

(3) Line 20,

(a) The figure ''$94.64'' is corrected to read ''$90.00''.

(b) The figure ''$78.16'' is corrected to read ''$74.97''.

b. Third column, first full paragraph,

(1) Line 15, the figure ''$1,238,134.12'' is corrected to read ''$1,187,601.27''.

(2) Line 16,

(a) The figure ''$78.16'' is corrected to read ''$74.97''.

(b) The figure ''$83.13'' is corrected to read ''$79.74''.

(3) Line 17, the figure ''$1,238,134.12'' is corrected to read ''$1,187,601.27''

c. Third column, second full paragraph,

(1) Line 15, the figure ''$1,741,149.22'' is corrected to read ''$1,670,086.45''.

(2) Line 16,

(a) The figure ''$78.16'' is corrected to read ''$74.97''.

(b) The figure ''$116.90'' is corrected to read ''$112.13''.

(3) Line 17, the figure ''$1,741,149.22'' is corrected to read ''$1,670,086.45''.

d. Third column, third full paragraph,

(1) Line 13, the figure ''$2,979,283.34'' is corrected to read ''$2,857,687.72''.

(2) Line 14, the figure ''$1,238,134.12'' is corrected to read ''$1,187,601.27''.

(3) Line 15,

(a) The figure ''$1,741,149.22'' is corrected to read ''$1,670,086.45''.

(b) The figure ''$200.03'' is corrected to read ''$191.87''.

(4) Line 16, the figure ''$83.13'' is corrected to read ''$79.74''.

(5) Line 17, the figure ''$116.90'' is corrected to read ''$112.13''.

13. On page 48643,

a. Top of the page, the table titled ''TABLE 22: ESTIMATED BURDEN ASSOCIATED WITH OMB CONTROL NUMBER 0938–1140 (CMS–10387) RELATED TO THE SNF QRP BEGINNING WITH THE FY 2031 SNF QRP'' is corrected to read as follows:

TABLE 22: ESTIMATED BURDEN ASSOCIATED WITH OMB CONTROL NUMBER 0938-1140 (CMS-10387) RELATED TO THE SNF QRP BEGINNING WITH THE FY 2031 SNF QRP

Requirement	Per SNF		All SNFs	
	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Submission of two new MDS items at admission and three New MDS Items at discharge.	+2.56	+$191.87	+38,117.75	+$2,857,687.72

b. Third column, first partial paragraph,

(1) Line 17, the figure ''$88.28'' is corrected to read ''$86.68''.

(2) Line 18, the figure ''$61.68'' is corrected to read ''$59.94''.

(3) Line 19,

(a) The figure ''$94.46'' is corrected to read ''$94.56''.

(b) The figure ''$98.46'' is corrected to read ''$97.14''.

(4) Line 20, the figure ''$94.64'' is corrected to read ''$90.00''.

(5) Line 21,

(a) The figure ''$92.16'' is corrected to read ''$91.74''.

(b) The figure ''$88.28'' is corrected to read ''$86.68''.

c. Third column, second full paragraph,

(1) Line 3, the figure ''$85,066,753.66'' is corrected to read ''$83,524,991.02''.

(2) Line 4, the figure ''$88.28'' is corrected to read ''$86.68''

(3) Line 6,

(a) The figure ''$5,711.48'' is corrected to read ''$5,607.96''.

(b) The figure ''$85,066,753.66'' is corrected to read ''$83,524,991.02''.

14. On page 48644,

a. Top of the page, the table titled ''TABLE 23: ESTIMATED BURDEN ASSOCIATED WITH SUBMISSION OF MDS DATA ON ALL RESIDENTS ADMITTED FOR COVERED SKILLED CARE BEGINNING WITH THE FY 2031 SNF QRP'' is corrected to read as follows:

TABLE 23: ESTIMATED BURDEN ASSOCIATED WITH SUBMISSION OF MDS DATA ON ALL RESIDENTS ADMITTED FOR COVERED SKILLED CARE BEGINNING WITH THE FY 2031 SNF QRP

	Per SNF		All SNFs	
Requirement	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Submission of MDS Data on All Residents Admitted for Covered Skilled Care	+64.70	+ $5,607.96	+963,601.65	+$83,524,991.02

b. Third column, first partial paragraph under table 23,

(1) Line 2, the figure ''$88,046,037.00'' is corrected to read ''$86,382,678.74''.

(2) Line 3, the figure ''$5,911.51'' is corrected to read ''$5,799.83''.

c. Middle of the page, the table titled ''TABLE 24: ESTIMATED BURDEN ASSOCIATED WITH SNF QRP PROPOSALS BEGINNING WITH THE FY 2031 SNF QRP'' is corrected to read as follows:

TABLE 24: ESTIMATED BURDEN ASSOCIATED WITH SNF QRP PROPOSALS BEGINNING WITH THE FY 2031 SNF QRP

	Per SNF		All SNFs	
Requirement	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Collection of two new MDS items at Admission and three new MDS Items at Discharge	+2.56	+$191.87	+38,117.75	+$2,857,687.72
Submission of MDS Data on All Residents Admitted for Covered Skilled Care	+64.70	+$5,607.96	+963,601.65	+$ 83,524,991.02
Total Estimated Change in Burden Beginning with the FY 2031 SNF QRP	+67.26	+$5,799.83	+1,001,719.40	+$86,382,678.74

15. Page 48646,

a. Second column, first partial paragraph:

(1) Line 4, the figure ''$525.84'' is corrected to read ''$515.04''.

(2) Line 7, the figure ''$7,831,860.96'' is corrected to read ''$7,671,005.76''.

(3) Line 8, the figure ''$525.84'' is corrected to read ''$515.04''.

b. Second column, first full paragraph,

(1) Line 7, the figure ''$38.97'' is corrected to read ''$37.38''.

(2) Line 9, the figure ''$580,416.16'' is corrected to read ''$556,727.22''.

(3) Line 10, the figure ''$78.16'' is corrected to read ''$74.97''.

16. Page 48647,

a. First column, first full paragraph after the heading ''(1) Impacts for Submission of Three New MDS Items Beginning With the FY 2031 SNF QRP'',

(1) Line 5, ''$1,238,134.12'' is corrected to read ''$1,187,601.27''.

(2) Line 6, ''$78.16'' is corrected to read ''$74.97''.

b. Second column, first partial paragraph,

(1) Line 4, ''$83.13'' is corrected to read ''$79.74''.

(2) Line 9, ''$1,741,149.22'' is corrected to read ''$1,670,086.45''.

(3) Line 10, ''$78.16'' is corrected to read ''$74.97''.

(4) Line 13, ''$116.90'' is corrected to read ''$112.13''.

c. Second column, first full paragraph, line 6,

(1) The figure ''$2,979,283.34'' is corrected to read ''$2,857,687.72''.

(2) The figure ''$200.03'' is corrected to read ''$191.87''.

d. Third column, first partial paragraph,

(1) Line 5, ''$85,066,753.66'' is corrected to read ''$83,524,991.02''.

(2) Line 6, ''$88.28'' is corrected to read ''$86.68''.

(3) Line 9, ''$5,711.48'' is corrected to read ''$5,607.96''.

e. Middle of the page, the table titled ''TABLE 26: ESTIMATED IMPACTS FOR THE FY 2028 SNF QRP'' is corrected to read as follows:

TABLE 26: ESTIMATED IMPACTS FOR THE FY 2028 SNF QRP

	Per SNF		All SNFs	
Estimated Impacts for the FY2028 SNF QRP	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Estimated Decrease in Burden Associated with Removal of the HCP COVID-19 Vaccine Measure Beginning with the FY 2028 SNF QRP	-12.00	-$515.04	-178,728	-$7,671,005.76
Estimated Decrease in Burden Associated with Removal of the Patient/Resident COVID-19 Vaccine Measure Beginning with the FY 2028 SNF QRP	-0.50	-$37.38	-7,426	-$556,727.22
Total Estimated Decrease in Burden Beginning with the FY 2028 SNF QRP	-12.50	-$552.42	-186,154	-$8,227,732.98

f. Bottom of the page, the table titled ''TABLE 27: ESTIMATED IMPACTS FOR THE FY 2031 SNF QRP'' is corrected to read as follows:

TABLE 27: ESTIMATED IMPACTS FOR THE FY 2031 SNF QRP

Estimated Impacts for the FY2031 SNF QRP	Per SNF		All SNFs	
	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost	Estimated Change in Annual Burden Hours	Estimated Change in Annual Cost
Estimated Change in Burden Associated with Collection and Submission of Two MDS Items at Admission and Discharge and One MDS Item at Discharge Beginning with the FY 2031 SNF QRP	+2.56	+$191.87	+38,117.75	+$2,857,687.72
Estimated Change in Burden Associated with Proposed Collection and Submission of MDS Data on All Residents Admitted for Covered Skilled Care Beginning with the FY 2031 SNF QRP	+64.70	+$5,607.96	+963,601.65	+$83,524,991.02
Total Estimated Change in Burden Beginning with the FY 2031 SNF QRP	+67.26	+$5,799.83	+1,001,719.40	+$86,382,678.74

17. Page 48652, bottom of the page,

a. The table titled ''TABLE 32: ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED SAVINGS FOR THE CHANGES TO THE FY 2028 SNF QRP'' is corrected to read as follows:

TABLE 32: ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED SAVINGS FOR THE CHANGES TO THE FY 2028 SNF QRP

Category	Costs
Estimated Savings to SNFs for Proposed Changes to the FY 2028 QRP	-$8.2 million

b. The table titled ''TABLE 33: ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED EXPENDITURES FOR THE CHANGES TO THE FY 2031 SNF QRP'' is corrected to read as follows:

TABLE 33: ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED EXPENDITURES FOR THE CHANGES TO THE FY 2031 SNF QRP

Category	Costs
Estimated Costs to SNFs for Proposed Changes to the FY 2031 QRP	$86.0 million

Liesl I. Fowler,

Executive Secretary to the Department, Department of Health and Human Services.

[FR Doc. 2026–19959 Filed 9–29–26; 8:45 am]

BILLING CODE 4169–69–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 418

[CMS–1851–CN]

RIN 0938–AV78

Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule; correction.

SUMMARY: This document corrects technical errors in the final rule that appeared in the August 3, 2026 **Federal Register** titled ''Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements''.

DATES: This correction is effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT: For questions regarding the hospice wage index, contact Chantelle Caldwell, (410) 786–8743. For general questions about hospice payment policy, send your inquiry via email to: *hospicepolicy@cms.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026–15686 of August 3, 2026 (91 FR 49118), there were a number of technical errors that are identified and corrected in this correcting document. The provisions in this correction document are effective as

if they had been included in the final rule that appeared in the August 3, 2026 **Federal Register**. Accordingly, the corrections are effective October 1, 2026.

II. Summary of Errors

A. Summary of Errors in the Preamble

As discussed in the fiscal year (FY) 2027 hospice final rule (91 FR 49122 through 49123), in developing the hospice wage index, we used the FY 2027 Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) pre-floor, pre-reclassified wage index for hospital cost reporting periods beginning on or after October 1, 2022 and before October 1, 2023 (FY 2023 cost report data).

We made an inadvertent technical error when calculating the FY 2027 pre-floor, pre-reclassified IPPS wage index. Under our methodologies as finalized in the FY 2027 IPPS/Long Term Care Hospitals (LTCH) PPS final rule, we exclude rural emergency hospitals (REHs), including hospitals that subsequently became REHs after the period from which the data were taken, from certain data and calculations used in the IPPS rate setting, including the development of the Medicare Severity Diagnosis-Related Group (MS–DRG) relative weights for FY 2027 (91 FR 49672) and the calculation of the standardized amount (91 FR 50370). In addition, we stated that any hospital that is designated as an REH by 7 days prior to the publication of the preliminary wage index public use file is excluded from the calculation of the wage index (91 FR 49791). We inadvertently treated a current IPPS hospital (CMS Certification Number 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the MS–DRG relative weight calculation and the wage index. Therefore, we restored the applicable data for this hospital and recalculated the FY 2027 IPPS pre-floor, pre-reclassified hospital wage index.

As the result of this technical error that affected the FY 2027 IPPS pre-floor, pre-reclassified wage index, we have recalculated the FY 2027 hospice wage index values for all Core-Based Statistical Areas (CBSAs) and rural areas, the wage index standardization factors and subsequently the national payment rates for each level of hospice care as well as our impact analysis. Therefore, we made conforming changes to the following:

On page 49122, the wage index values listed for CBSA 25980, Hinesville, Georgia and rural North Dakota.

On page 49127, Tables 1 and 2 titled ''Final FY 2027 Hospice RHC Payment Rates'' and ''Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates''.

On page 49128, Tables 3 and 4 titled ''Final FY 2027 Hospice RHC Payment Rates for Hospices That *DO NOT* Submit the Required Quality Data'' and ''Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates for Hospices That *DO NOT* Submit the Required Quality Data''.

On page 49170, Table 22 titled ''Impact to Hospices for FY 2027''.

On page 49175, the impact percentage for hospices with greater than 20,000 RHC days.

B. Summary of Errors and Corrections Posted on the CMS website

As discussed in section II.A. of this document, a hospital was inadvertently omitted from the FY 2027 IPPS pre-floor, pre-reclassified hospital wage index which necessitated the recalculation of the FY 2027 hospice wage index. That error was subsequently included in the FY 2027 Hospice Wage Index file exclusively on the CMS website. Given the error, we have recalculated the FY 2027 final hospice wage index and are republishing the FY 2027 Hospice Wage Index file accordingly on the CMS website at *https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-wage-index* and *https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-regulations-and-notices/cms-1851-f.*

III. Waiver of Proposed Rulemaking and Delay in Effective Date

Section 1871(b)(1) of the Social Security Act (the Act) requires the Secretary to provide for notice of a proposed rule in the **Federal Register** and provide a period of not less than 60 days for public comment. In addition, section 1871(e)(1)(B)(i) of the Act mandates a 30-day delay in effective date after issuance or publication of a rule. Section 1871(b)(2)(C) of the Act provides an exception from the notice and 60-day comment period and delay in effective date requirements of the Act, under the good cause standard set forth in 5 U.S.C. 553(b)(B). Section 1871(e)(1)(B)(ii) of the Act provides an exception from the delay in effective date requirements of the Act as well. Section 553(b)(B) authorizes an agency to dispense with normal notice and comment rulemaking procedures for good cause if the agency makes a finding that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and includes a statement of the finding and the reasons for it in the rule. In addition, section 1871(e)(1)(B)(ii) of the Act allows the agency to avoid the 30-day delay in effective date where the waiver is necessary to comply with statutory requirements or such delay is contrary to the public interest and the agency includes in the rule a statement of the finding and the reasons for it.

In our view, this correcting document does not constitute a rulemaking that would be subject to these requirements. This document merely corrects technical errors in the FY 2027 hospice wage index that required updates to the preamble, payment rates, and tables included or referenced in the FY 2027 Hospice final rule. The corrections contained in this document are consistent with, and do not make substantive changes to, the policies and payment methodologies that were proposed, subject to notice and comment procedures, and adopted in the FY 2027 Hospice final rule. As a result, the corrections made through this document are intended to resolve inadvertent errors so that the FY 2027 Hospice final rule accurately reflects the policies adopted therein.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2027 Hospice final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply implementing correctly the methodologies and policies that we previously proposed, requested comment on, and subsequently finalized. This final rule correction is intended solely to ensure that the FY 2027 Hospice final rule accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors

In FR Doc. 2026–15686 of August 3, 2026 (91 FR 49118), make the following corrections:

1. On page 49122,

a. Second column, second full paragraph, last line, the figure ''0.8915'' is corrected to read ''0.8916''.

b. Third column, first partial paragraph, last line, the figure ''0.8297'' is corrected to read ''0.8298''.

2. On page 49127, middle of the page,

a. Table 1 titled ''Final FY 2027 Hospice RHC Payment Rates'' is corrected to read as follows:

TABLE 1—FINAL FY 2027 HOSPICE RHC PAYMENT RATES

Code	Description	FY 2026 payment rates	SIA budget neutrality factor	Wage index standardization factor	FY 2027 hospice payment update	FY 2027 payment rates
651	Routine Home Care (days 1–60)	$230.83	0.9999	1.0009	1.023	$236.33
651	Routine Home Care (days 61+)	181.94	0.9999	1.0012	1.023	186.33

b. Table 2 titled ''Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates'' is corrected to read as follows:

TABLE 2—FINAL FY 2027 HOSPICE, CHC, IRC, AND GIP PAYMENT RATES

Code	Description	FY 2026 payment rates	Wage index standardization factor	FY 2027 hospice payment update	FY 2027 payment rates
652	Continuous Home Care Full Rate = 24 hours of care.	$1,674.29	1.0078	1.023	$1,726.16 ($71.92 per hour).
655	Inpatient Respite Care	532.48	1.0022	1.023	$545.93.
656	General Inpatient Care	1,199.86	1.0033	1.023	$1,231.51.

3. On page 49128, middle of the page,

a. Table 3 titled ''Final FY 2027 Hospice RHC Payment Rates for Hospices That *DO NOT* Submit the Required Quality Data'' is corrected to read as follows:

TABLE 3—FINAL FY 2027 HOSPICE RHC PAYMENT RATES FOR HOSPICES THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA

Code	Description	FY 2026 Payment Rates	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2027 hospice payment update of 2.3% −4 percentage points = −1.7%	
651	Routine Home Care (days 1–60)	$230.83	0.9999	1.0009	0.983	$227.09
651	Routine Home Care (days 61+)	181.94	0.9999	1.0012	0.983	179.04

b. Table 4 titled ''Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates for Hospices That *DO NOT* Submit the Required Quality Data'' is corrected to read as follows:

TABLE 4—FINAL FY 2027 HOSPICE, CHC, IRC, AND GIP PAYMENT RATES FOR HOSPICES THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA

Code	Description	FY 2026 Payment Rates	Wage Index Standardization factor	FY 2027 hospice payment update of 2.3% −4 percentage points = −1.7%	FY 2027 payment rates
652	Continuous Home Care Full Rate = 24 hours of care.	$1,674.29	1.0078	0.983	$1,658.66 ($69.11 per hour).
655	Inpatient Respite Care	532.48	1.0022	0.983	524.58
656	General Inpatient Care	1,199.86	1.0033	0.983	1,183.35

4. On page 49170, Table 22 titled ''Impact to Hospices for FY 2027'' is corrected to read as follows:

TABLE 22—IMPACT TO HOSPICES FOR FY 2027

Hospice subgroup	Hospices	FY 2027 updated wage data (%)	FY 2027 hospice payment update (%)	Overall Total Impact for FY 2027 (%)
All Hospices	6,673	0.0	2.3	2.3
Hospice Type and Control:				
Freestanding/Non-Profit	782	0.0	2.3	2.3
Freestanding/For-Profit	4,856	0.0	2.3	2.3
Freestanding/Government	34	0.6	2.3	2.9
Freestanding/Other	0	0.0	2.3	2.3
Facility/HHA Based/Non-Profit	258	0.0	2.3	2.3
Facility/HHA Based/For-Profit	3	1.2	2.3	3.5
Facility/HHA Based/Government	94	1.0	2.3	3.3
Facility/HHA Based/Other	0	0.0	2.3	2.3
Subtotal: Freestanding Facility Type	5,672	0.0	2.3	2.3
Subtotal: Facility/HHA Based Facility Type	355	0.2	2.3	2.5
Subtotal: Non-Profit	1,050	0.0	2.3	2.3
Subtotal: For Profit	5,172	0.0	2.3	2.3
Subtotal: Government	128	0.9	2.3	3.2
Subtotal: Other	6	0.7	2.3	3.0
Hospice Type and Control: Rural:				
Freestanding/Non-Profit	203	0.9	2.3	3.2
Freestanding/For-Profit	408	0.4	2.3	2.7
Freestanding/Government	22	0.6	2.3	2.9
Freestanding/Other	0	0.0	2.3	2.3
Facility/HHA Based/Non-Profit	108	0.7	2.3	3.0
Facility/HHA Based/For-Profit	0	0.0	2.3	2.3
Facility/HHA Based/Government	68	1.1	2.3	3.4
Facility/HHA Based/Other	0	0.0	2.3	2.3
Hospice Type and Control: Urban:				
Freestanding/Non-Profit	579	−0.1	2.3	2.2
Freestanding/For-Profit	4,448	−0.1	2.3	2.2
Freestanding/Government	12	0.7	2.3	3.0
Freestanding/Other	0	0.0	2.3	2.3
Facility/HHA Based/Non-Profit	150	−0.1	2.3	2.2
Facility/HHA Based/For-Profit	3	1.2	2.3	3.5
Facility/HHA Based/Government	26	1.0	2.3	3.3
Facility/HHA Based/Other	0	0.0	2.3	2.3
Hospice Location: Urban or Rural:				
Rural	857	0.6	2.3	2.9
Urban	5,816	−0.1	2.3	2.2
Hospice Location: Region of the Country (Census Division):				
New England	162	0.8	2.3	3.1
Middle Atlantic	282	0.6	2.3	2.9
South Atlantic	653	−0.1	2.3	2.2
East North Central	661	−0.2	2.3	2.1
East South Central	252	−0.3	2.3	2.0
West North Central	446	0.4	2.3	2.7
West South Central	1,302	−0.4	2.3	1.9
Mountain	697	−0.2	2.3	2.1
Pacific	2,137	0.2	2.3	2.5
Outlying	81	1.1	2.3	3.4
Hospice Size:				
0–3,499 RHC Days (Small)	1,611	0.2	2.3	2.5
3,500–19,999 RHC Days (Medium)	2,984	0.2	2.3	2.5
20,000+ RHC Days (Large)	2,078	−0.1	2.3	2.2

5. On page 49175, first column, first paragraph, line 17, the figure ''2.3 percent'' is corrected to read ''2.2 percent''.

Liesl I. Fowler,

Executive Secretary to the Department, Department of Health and Human Services.

[FR Doc. 2026–20067 Filed 9–29–26; 8:45 am]

BILLING CODE 4169–69–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MB Docket No. 26–29; RM–12016; DA 26–1023; FR ID 370045]

Television Broadcasting Services Norwell, Massachusetts

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document amends the Table of TV Allotments (table) of the Federal Communications Commission's (Commission) rules by substituting channel 10 for channel 36 at Norwell, Massachusetts in response to a Petition for Rulemaking filed by RNN Boston License Co., LLC (RNN), the licensee of WWDP(TV) (WWDP or Station), Norwell, Massachusetts. In support of its channel substitution request, RNN filed comments reaffirming its interest in the proposed channel substitution and stating that it will promptly file an application seeking continued operation on channel 10 at Norwell. The staff engineering analysis finds that the proposal is in compliance with the Commission's principal community coverage and technical requirements, including the interference protection requirements. The substitution of channel 10 for channel 36 in the Table will allow the Station to continue to operate on its licensed channel and provide uninterrupted service to viewers.

DATES: Effective September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Emily Harrison, Media Bureau, at *Emily.Harrison@fcc.gov,* (202) 418–1665; or Mark Colombo, Media Bureau, at *Mark.Colombo@fcc.gov,* (202) 418–7611.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Report and Order,* MB Docket No. 26–29; RM–12016; DA 26–1023, adopted September 22, 2026, and released September 22, 2026. The proposed rule was published at 91 FR 5881 on February 10, 2026. The full text of this document is available online at *https://www.fcc.gov/edocs.*

This document does not contain information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104–13. In addition, therefore, it does not contain any proposed information collection burden ''for small business concerns with fewer than 25 employees,'' pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, *see* 44 U.S.C. 3506(c)(4). Provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to this proceeding.

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

List of Subjects in 47 CFR Part 73

Television.

Federal Communications Commission.

Thomas Horan,

Chief of Staff, Media Bureau.

Final Rule

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 73 as follows:

PART 73—RADIO BROADCAST SERVICES

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154, 155, 301, 303, 307, 309, 310, 334, 336, 339.

■ 2. In § 73.622, in the table in paragraph (j), under Massachusetts, revise the entry for ''Norwell'' to read as follows:

§ 73.622 Digital television table of allotments.

* * * * *

(j) * * *

Community	Channel No.
* * * * *	
Massachusetts	
* * * * *	
Norwell	10
* * * * *	

* * * * *

[FR Doc. 2026–20039 Filed 9–29–26; 8:45 am]

BILLING CODE 6712–01–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 260305–0066; RTID 0648–XF997]

Fisheries of the Exclusive Economic Zone Off Alaska; Groundfish Reserves in the Bering Sea and Aleutian Islands Management Area

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; apportionment of reserves; request for comments.

SUMMARY: NMFS apportions amounts of the non-specified reserve to the initial total allowable catch (ITAC) of Bering Sea (BS) Pacific ocean perch, Bering Sea and Aleutian Islands (BSAI) northern rockfish, and BSAI ''other flatfish.'' This action is necessary to allow the fisheries to continue operating. It is intended to promote the goals and objectives of the fishery management plan for the BSAI management area.

DATES: Effective October 30, 2026, through 2400 hours, Alaska local time, December 31, 2026. Comments must be received at the following address no later than 4:30 p.m., Alaska local time, October 15, 2026.

ADDRESSES: You may submit comments on this document, identified by docket number NOAA–NMFS–2025–1098, by any of the following methods:

Electronic Submission: Submit all electronic public comments via the Federal e- Rulemaking Portal. Visit *https://www.regulations.gov* and type NOAA–NMFS–2025–1098 in the Search box. Click on the ''Comment'' icon, complete the required fields, and enter or attach your comments.

Mail: Submit written comments to Gretchen Harrington, Assistant Regional Administrator, Sustainable Fisheries Division, Alaska Region NMFS. Mail comments to P.O. Box 21668, Juneau, AK 99802–1668.

Instructions: Comments sent by any other method, to any other address or individual, or received after the end of the comment period may not be considered by NMFS. All comments received are a part of the public record and will generally be posted for public viewing on *https://www.regulations.gov* without change. All personal identifying information (*e.g.,* name, address, *etc.*), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will

be publicly accessible. NMFS will accept anonymous comments (enter ''N/A'' in the required fields if you wish to remain anonymous).

FOR FURTHER INFORMATION CONTACT: Steve Whitney, 907–586–7228.

SUPPLEMENTARY INFORMATION: NMFS manages the groundfish fishery in the BSAI exclusive economic zone according to the Fishery Management Plan for Groundfish of the BSAI Management Area (FMP) prepared and recommended by the North Pacific Fishery Management Council under authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Regulations governing fishing by U.S. vessels in accordance with the FMP appear at 50 CFR part 679 and subpart H of 50 CFR part 600.

The 2026 ITAC of BS Pacific ocean perch was established as 8,419 metric tons (mt), the 2026 ITAC of BSAI northern rockfish was established as 10,200 mt, and the ITAC of BSAI ''other flatfish'' was established as 3,825 mt by the final 2026 and 2027 harvest specifications for groundfish in the BSAI (91 FR 11750, March 10, 2026). In the final 2026 and 2027 harvest specifications for groundfish in the BSAI, NMFS specified 15 percent of the total allowable catches (TACs) for each target species (except for pollock, fixed gear allocation of sablefish, and Amendment 80 species) in a nonspecified reserve, as required by § 679.20(b)(1)(i) (91 FR 11750, March 10, 2026). During a fishing year, NMFS may apportion any amount of that reserve to a target species that contributed to the reserve if the apportionments are consistent with § 679.20(a)(3) and do not result in overfishing (§ 679.20(b)(1)(i)).

In accordance with § 679.20(a)(3) and (b)(1)(i), the Regional Administrator, Alaska Region, NMFS has reviewed the most current available data and finds that the ITACs for BS Pacific ocean perch, BSAI northern rockfish, and BSAI ''other flatfish'' need to be supplemented from the non-specified reserve. This apportionment will promote efficiency in the utilization of fishery resources in the BSAI and allow fishing operations to continue.

Therefore, in accordance with § 679.20(b)(3), NMFS apportions from the non-specified reserve of groundfish to ITACs in the BSAI management area as follows: 1,486 mt to BS Pacific ocean perch, 1,800 mt to BSAI northern rockfish, and 675 mt to BSAI ''other flatfish.'' These apportionments are authorized by § 679.20(b)(1)(i) and consistent with § 679.20(a)(3) and do not result in overfishing of any target species because the revised ITACs and TACs are equal to or less than the specifications of the acceptable biological catch in the final 2026 and 2027 harvest specifications for groundfish in the BSAI (91 FR 11750, March 10, 2026).

The harvest specifications for the 2026 ITACs and TACs included in the final 2026 and 2027 harvest specifications for groundfish in the BSAI are revised as follows: 9,905 mt for BS Pacific ocean perch, 12,000 mt for BSAI northern rockfish, and 4,500 mt for BSAI ''other flatfish.''

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is authorized by 50 CFR part 679, which was issued pursuant to section 304(b) of the Magnuson-Stevens Act, and is exempt from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment would be impracticable and contrary to the public interest, as it would prevent NMFS from responding to the most recent fisheries data in a timely fashion and would delay the apportionment of the non-specified reserve of groundfish to BS Pacific ocean perch, BSAI northern rockfish, and BSAI ''other flatfish.'' This action is necessary for the efficient utilization of fishery resources in the BSAI and to allow the fisheries harvesting these groundfish to continue operating. NMFS was unable to publish a prior notice providing time for public comment because the most recent, relevant data on catch of BS Pacific ocean perch, BSAI northern rockfish, and BSAI ''other flatfish'' only became available as of September 22, 2026. Finally, NMFS provided notice and an opportunity for public comment on the proposed 2026 and 2027 harvest specifications for groundfish in the BSAI that included the amount of the proposed non-specified reserve from which NMFS can apportion to any target species that contributed to that reserve (90 FR 58204, December 16, 2025). The final 2026 and 2027 harvest specifications for groundfish in the BSAI explained that, during the fishing year, any amount of the non-specified reserve may be apportioned by NMFS to a target species that contributed to the non-specified reserve consistent with § 679.20(b)(1)(i) (91 FR 11750, March 10, 2026).

There is good cause under 5 U.S.C. 553(d)(3) to waive the 30-day delay in the effective date of this action. This finding is based upon the reasons provided above for waiver of prior notice and opportunity for public comment.

Under § 679.20(b)(3)(iii), interested persons are invited to submit written comments on this action (see **ADDRESSES** section) until October 15, 2026.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: September 25, 2026.

Shannon Bettridge,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026–20019 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–22–P

Proposed Rules

Federal Register
Vol. 91, No. 188
Wednesday, September 30, 2026

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

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11794; Project Identifier MCAI–2026–00242–A]

RIN 2120–AA64

Airworthiness Directives; Vulcanair S.p.A. 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 Vulcanair S.p.A. Model P.68 and P.68B airplanes. This proposed AD was prompted by a report of fuel starvation that resulted in an uncommanded in-flight engine shutdown. This proposed AD would require, for certain airplanes, modification of the fuel level indicator and, for all airplanes, calibration of the fuel level indicator, installation of new quantity and warning placards, and updating the aircraft flight manual (AFM) and the aircraft maintenance manual (AMM). The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 16, 2026.

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

- *Federal eRulemaking Portal:* Go to *regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11794; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For Vulcanair S.p.A. material identified in this proposed AD, contact Vulcanair S.p.A., via G. Pascoli, 7, 80026 Casoria (NA), Italy; phone: +39 081 5918135; email: *airworthiness@vulcanair.com;* website: *support.vulcanair.com.*
- You may view this material at the FAA, Airworthiness Products Section, 1100 Main, Kansas City, MO 64105. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Ari Tretiak, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (202) 267–7897; email: *ari.e.tretiak@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include ''Docket No. FAA–2026–11794; Project Identifier MCAI–2026–00242–A'' 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 Ari Tretiak, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The European Union Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2026–0051, dated March 12, 2026 (EASA AD 2026–0051) (also referred to as the MCAI), to correct an unsafe condition on certain Vulcanair S.p.A. Model P.68 and P.68B airplanes. The MCAI states that an uncommanded in-flight engine shutdown was reported on a Vulcanair S.p.A. Model P.68 airplane and that, in each fuel tank, the fuel quantity was low, but above the unusable fuel quantity; consequently, fuel starvation occurred on one engine. The MCAI also states that Vulcanair issued a service bulletin to change the minimum fuel level quantity for flight operation with new fuel level indicator placards and new quantity and warning placards.

This condition, if not corrected, could result in engine power loss, engine shutdown in flight, and reduced control of the airplane.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11794.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed the following service material:

- Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024. This material specifies procedures for modification of the airplane by replacing two analog resistive fuel level indicators with active digital fuel level indicators and one dual fuel level indicator with a new dual fuel level indicator.
- Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026. This material specifies procedures for modification of the fuel level indicator, calibration of the fuel level indicator, installation of new quantity and warning placards, and updating the AFM and AMM.

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

FAA's Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI and material referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require, for certain airplanes, modification of the fuel level indicator, and, for all airplanes, calibration of the fuel level indicator, installation of new quantity and warning placards, and updating the AFM and the AMM.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect four 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
Modify and calibrate fuel level indicator	1 work-hours × $85 per hour = $85	$271	$356	$1,424
Calibrate fuel level indicator	5 work-hours × 85 per hour = 425	0	425	1,700
Install quantity and warning placards	1 work-hour × 85 per hour = 85	157	242	968

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:

Vulcanair S.p.A.: Docket No. FAA–2026–11794; Project Identifier MCAI–2026–00242–A.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 16, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Vulcanair S.p.A. Model P.68 and P.68B airplanes, certificated in any category, serial numbers 1 through 182.

(d) Subject

Joint Aircraft System Component (JASC) Code 1100, Placards and Markings; 2841, Fuel Quantity Indicator.

(e) Unsafe Condition

This AD was prompted by a report of fuel starvation that resulted in an uncommanded in-flight engine shutdown. The FAA is issuing this AD to prevent fuel starvation. The unsafe condition, if not addressed, could result in engine power loss, engine shutdown in flight, and reduced control of the airplane.

(f) Compliance

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

(g) Definitions

(1) Group 1 airplanes are those having two main wing tanks (total fuel capacity 108 gallons) or two main wing tanks and two auxiliary wing tanks (total fuel capacity 153 gallons), and have not embodied Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024.

(2) Group 2 airplanes are those having two main wing tanks (total fuel capacity 108 gallons) or two main wing tanks and two

auxiliary wing tanks (total fuel capacity 153 gallons), that have embodied Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024.

(3) Group 3 airplanes are all other airplanes that are not in Group 1 or Group 2.

(4) Affected fuel level indicators are those having part number (P/N) NOR7.361–1, NOR7.1037–2, NOR7.361–3, or NOR7.1037–3.

(h) Required Actions

(1) For Group 1 airplanes, within 2 months after the effective date of this AD, perform the actions in either paragraph (h)(1)(i) or (ii) of this AD:

(i) Modify and calibrate each affected fuel level indicator in accordance with Part B of paragraph 2.1 of Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026; or

(ii) Modify each affected fuel level indicator in accordance with the Parts B, C, and D of paragraph 2 of Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024, and then calibrate each affected fuel level indicator in accordance with Part C of paragraph 2.1 of Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

(2) For Group 2 airplanes: Within 2 months after the effective date of this AD, calibrate the fuel level indicator in accordance with Part C of paragraph 2.1 of Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

(3) For Group 1 and Group 2 airplanes, before further flight after the actions specified in paragraphs (h)(1) and (2) of this AD:

(i) Install new quantity and warning placards in accordance with paragraph 2.2 of Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

(ii) Update the aircraft flight manual and aircraft maintenance manual in accordance with paragraph 2.2 of Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

(4) For Group 3 airplanes: Within 2 months after the effective date of this AD, do all necessary actions in accordance with a method approved by the Manager, International Validation Branch, FAA; or the European Aviation Safety Agency (EASA); or Vulcanair's EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(i) Parts Installation Limitations

(1) For Group 1 airplanes: As of the effective date of this AD, no person may install, on any airplane, an affected fuel level indicator, unless it has been modified and calibrated in accordance with the requirements of paragraph (h)(1)(i) or (ii) of this AD.

(2) For Group 2 airplanes: As of the effective date of this AD, no person may install, on any airplane, an affected fuel level indicator, unless it has been calibrated in accordance with the requirements of paragraph (h)(2) of this AD.

(3) For Group 2 airplanes: As of the effective date of this AD, no person may calibrate an affected fuel level indicator unless that calibration is accomplished in accordance with the requirements of paragraph (h)(2) of this AD.

(4) For Group 1 airplanes, as of the effective date of this AD, no airplane may be modified using the actions specified in Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024, unless the fuel level indicator is calibrated before further flight after that modification in accordance with Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

(j) Special Flight Permits

Special flight permits may be issued in accordance with 14 CFR 21.197 and 21.199 to operate the airplane to a location where the actions of this AD can be performed, provided that fuel quantity in any tank does not drop below one-quarter capacity, including during taxi.

(k) Alternative Methods of Compliance (AMOCs)

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

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

(l) Additional Information

For more information about this AD, contact Ari Tretiak, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (202) 267–7897; email: *ari.e.tretiak@faa.gov.*

(m) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) 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) Vulcanair S.p.A. P.68 Variants Service Bulletin No. 133 Rev. 2, dated March 27, 2024.

(ii) Vulcanair S.p.A. P.68 Variants Mandatory Service Bulletin No. 265 Rev. 0, dated January 8, 2026.

Note 1 to paragraph (m)(2): Only the first page of the documents in paragraphs (m)(2)(i) and (ii) of this AD contain the document date.

(3) For Vulcanair S.p.A. material identified in this AD, contact Vulcanair S.p.A., via G. Pascoli, 7, 80026 Casoria (NA), Italy; phone: +39 081 5918135; email: *airworthiness@vulcanair.com;* website: *support.vulcanair.com.*

(4) You may view this material at the FAA, Airworthiness Products Section, 1100 Main, Kansas City, MO 64105. For information on the availability of this material at the FAA, call (817) 222–5110.

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

Issued on September 25, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–19972 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11793; Project Identifier MCAI–2026–00215–T]

RIN 2120–AA64

Airworthiness Directives; Airbus SAS Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2025–17–06, which applies to certain Airbus SAS Model A330–200 series airplanes, A330–200 Freighter series airplanes, A330–300 series airplanes, A330–841 airplanes, and A330–941 airplanes. AD 2025–17–06 requires revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. Since the FAA issued AD 2025–17–06, the FAA has determined that new or more restrictive airworthiness limitations are necessary. This proposed AD would require revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. 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 16, 2026.

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

- *Federal eRulemaking Portal:* Go to *regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11793; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For European Union Aviation Safety Agency (EASA) material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email *ADs@easa.europa.eu.* You may find this material on the EASA website at *ad.easa.europa.eu.* It is also available at *regulations.gov* under Docket No. FAA–2026–11793.
- 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.

FOR FURTHER INFORMATION CONTACT: Taylor Stanley, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 407–852–7677; email: *taylor.stanley@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–2026–11793; Project Identifier MCAI–2026–00215–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 Taylor Stanley, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 407–852–7677; email: *taylor.stanley@faa.gov.* Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2025–17–06, Amendment 39–23116 (90 FR 41769, August 27, 2025) (AD 2025–17–06), for certain Airbus SAS Model A330–200 series airplanes, A330–200 Freighter series airplanes, A330–300 series airplanes, A330–841 airplanes, and A330–941 airplanes. AD 2025–17–06 was prompted by an MCAI originated by EASA, which is the Technical Agent for the Member States of the European Union. EASA issued AD 2024–0213, dated November 14, 2024 (EASA AD 2024–0213), (which corresponds to FAA AD 2025–17–06) to correct an unsafe condition.

AD 2025–17–06 requires revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. The FAA issued AD 2025–17–06 to address fatigue cracking, accidental damage, or corrosion in principal structural elements, and possible failure of certain life-limited parts, which could result in reduced structural integrity of the airplane.

Actions Since AD 2025–17–06 Was Issued

Since the FAA issued AD 2025–17–06, EASA superseded AD 2024–0213 and issued EASA AD 2026–0042, dated March 3, 2026 (EASA AD 2026–0042) (also referred to as the MCAI), for certain Airbus SAS Model A330–200 series airplanes, A330–200 Freighter series airplanes, A330–300 series airplanes, A330–841 airplanes, and A330–941 airplanes. The MCAI states that new or more restrictive airworthiness limitations have been developed.

Airplanes with an original airworthiness certificate or original export certificate of airworthiness issued after December 19, 2025, must comply with the airworthiness limitations specified as part of the approved type design and referenced on the type certificate data sheet; this proposed AD therefore does not include those airplanes in the applicability.

The FAA is proposing this AD to address fatigue cracking, accidental damage, or corrosion in principal structural elements, and possible failure of certain life-limited parts. The unsafe condition, if not addressed, could result in reduced structural integrity of the airplane. You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11793.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD–2026–0042. This material specifies new or more restrictive airworthiness limitations for airplane structures and safe life limits.

This proposed AD would also require EASA AD 2024–0213, which the Director of the Federal Register approved for incorporation by reference as of October 1, 2025 (90 FR 41769, August 27, 2025).

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

FAA's Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop in other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would retain certain requirements of AD 2025–17–06. This proposed AD would also require revising the existing maintenance or inspection program, as applicable, to incorporate additional new or more restrictive airworthiness limitations, which are specified in EASA AD 2026–0042 already described, as proposed for incorporation by reference. Any differences with EASA AD 2026–0042 are identified as exceptions in the regulatory text of this proposed AD.

This proposed AD would require revisions to certain operator maintenance documents to include new actions (*e.g.,* inspections). Compliance with these actions is required by 14 CFR 91.403(c). For airplanes that have been previously modified, altered, or repaired in the areas addressed by this proposed AD, the operator may not be able to accomplish the actions described in the revisions. In this situation, to comply with 14 CFR 91.403(c), the operator must request approval for an alternative method of compliance (AMOC) according to paragraph (m)(1) of this proposed AD.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some civil aviation authority (CAA) ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to retain the incorporation by reference (IBR) of EASA AD 2024–0213 and incorporate EASA AD 2026–0042 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2024–0213 and EASA AD 2026–0042 through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2024–0213 or EASA AD 2026–0042 does not mean that operators need to comply only with that section. For example, where the AD requirement refers to ''all required actions and compliance times,'' compliance with this proposed AD requirement is not limited to the section titled ''Required Action(s) and Compliance Time(s)'' in EASA AD 2024–0213 or EASA AD 2026–0042. Material required by EASA AD 2024–0213 is available at *regulations.gov* by searching for and locating Docket No. FAA–2025–0925 and material required by EASA AD 2026–0042 for compliance will be available at *regulations.gov* by searching for and locating Docket No. FAA–2026–11793 after the FAA final rule is published.

Airworthiness Limitation ADs Using the New Process

The FAA's process of incorporating by reference MCAI ADs as the primary source of information for compliance with corresponding FAA ADs has been limited to certain MCAI ADs (primarily those with service bulletins as the primary source of information for accomplishing the actions required by the FAA AD). However, the FAA is now expanding the process to include MCAI ADs that require a change to airworthiness limitation documents, such as airworthiness limitation sections.

For these ADs that incorporate by reference an MCAI AD that changes airworthiness limitations, the FAA requirements are unchanged. Operators must revise the existing maintenance or inspection program, as applicable, to incorporate the information specified in the new airworthiness limitation document. The airworthiness limitations must be followed according to 14 CFR 91.403(c) and 91.409(e).

The previous format of the airworthiness limitation ADs included a paragraph that specified that no alternative actions (*e.g.,* inspections) or intervals may be used unless the actions and intervals are approved as an AMOC in accordance with the procedures specified in the AMOCs paragraph under ''Additional AD Provisions.'' This new format includes a ''New Provisions for Alternative Actions and Intervals'' paragraph that does not specifically refer to AMOCs, but operators may still request an AMOC to use an alternative action or interval.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 140 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

The FAA estimates the total cost per operator for the retained actions from AD 2025–17–06 to be $7,650 (90 work-hours × $85 per work-hour).

The FAA has determined that revising the existing maintenance or inspection program takes an average of 90 work-hours per operator, although the agency recognizes that this number may vary from operator to operator. Since operators incorporate maintenance or inspection program changes for their affected fleet(s), the FAA has determined that a per-operator estimate is more accurate than a per-airplane estimate. Therefore, the FAA estimates the average total cost per operator for the newly proposed actions to be $7,650 (90 work-hours × $85 per work-hour).

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:

■ a. Removing Airworthiness Directive (AD) 2025–17–06, Amendment 39–23116 (90 FR 41769, August 27, 2025); and

■ b. Adding the following new AD:

Airbus SAS: Docket No. FAA–2026–11793; Project Identifier MCAI–2026–00215–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 16, 2026.

(b) Affected ADs

This AD replaces AD 2025–17–06, Amendment 39–23116 (90 FR 41769, August 27, 2025) (AD 2025–17–06).

(c) Applicability

This AD applies to Airbus SAS Model airplanes, identified in paragraphs (c)(1) through (5) of this AD, certificated in any category, with an original airworthiness certificate or original export certificate of airworthiness issued on or before December 19, 2025.

(1) Model A330–201, –202, –203, –223, and –243 airplanes.

(2) Model A330–223F and –243F airplanes.

(3) Model A330–301, –302, –303, –321, –322, –323, –341, –342, and –343 airplanes.

(4) Model A330–841 airplanes.

(5) Model A330–941 airplanes.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time limits/Maintenance checks.

(e) Unsafe Condition

This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. The FAA is issuing this AD to address fatigue cracking, accidental damage, or corrosion in principal structural elements, and possible failure of certain life-limited parts. The unsafe condition, if not addressed, could result in reduced structural integrity of the airplane.

(f) Compliance

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

(g) Retained Revision of the Existing Maintenance or Inspection Program, With a New Terminating Action

This paragraph restates the requirements of paragraph (1) of AD 2025–17–06, with a new terminating action. For airplanes with an original airworthiness certificate or original export certificate of airworthiness issued on or before October 1, 2024: Except as specified in paragraph (h) of this AD, comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2024–0213, dated November 14, 2024 (EASA AD 2024–0213). Accomplishing the revision of the existing maintenance or inspection program required by paragraph (j) of this AD terminates the requirements of this paragraph.

(h) Retained Exceptions to EASA AD 2024–0213, With No Changes

This paragraph restates the exceptions specified in paragraph (k) of AD 2025–17–06, with no changes.

(1) This AD does not adopt the requirements specified in paragraph (1) of EASA AD 2024–0213.

(2) Paragraph (2) of EASA AD 2024–0213 specifies revising ''the AMP'' within 12 months after its effective date, but this AD requires revising the existing maintenance or inspection program, as applicable, within 90 days after October 1, 2025 (the effective date of AD 2025–17–06).

(3) The initial compliance time for doing the tasks specified in paragraph (2) of EASA 2024–0213 is at the applicable ''limitations'' as incorporated by the requirements of paragraph (2) of EASA AD 2024–0213, or within 90 days after October 1, 2025 (the effective date of AD 2025–17–06), whichever occurs later.

(4) This AD does not adopt the provisions specified in paragraphs (3) and (4) of EASA AD 2024–0213.

(5) This AD does not adopt the ''Remarks'' section of EASA AD 2024–0213.

(i) Retained Restrictions on Alternative Actions and Intervals, With a New Exception

This paragraph restates the requirements of paragraph (l) of AD 2025–17–06, with a new exception. Except as required by paragraph (j) of this AD, after the existing maintenance or inspection program has been revised as required by paragraph (g) of this AD, no alternative actions (*e.g.,* inspections) and intervals are allowed unless they are approved as specified in the provisions of the ''Ref. Publications'' section of EASA AD 2024–0213.

(j) New Revision of the Existing Maintenance or Inspection Program

Except as specified in paragraph (k) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, EASA AD 2026–0042, dated March 3, 2026 (EASA AD 2026–0042). Accomplishing the revision of the existing maintenance or inspection program required by this paragraph terminates the requirements of paragraph (g) of this AD.

(k) Exceptions to EASA AD 2026–0042

(1) This AD does not adopt the requirements specified in paragraph (1) of EASA AD 2026–0042.

(2) Paragraph (2) of EASA AD 2026–0042 specifies revising the approved aircraft maintenance program (AMP) within 12 months after its effective date, but this AD requires revising the existing maintenance or inspection program, as applicable, within 90 days after the effective date of this AD.

(3) The initial compliance time for doing the tasks specified in paragraph (2) of EASA AD 2026–0042 is at the applicable limitations as incorporated by the requirements of paragraph (2) of EASA AD 2026–0042, or within 90 days after the effective date of this AD, whichever occurs later.

(4) This AD does not adopt the provisions specified in paragraphs (3) and (4) of EASA AD 2026–0042.

(5) This AD does not adopt the ''Remarks'' section of EASA AD 2026–0042.

(l) New Provisions for Alternative Actions and Intervals

After the existing maintenance or inspection program has been revised as required by paragraph (j) of this AD, no alternative actions (*e.g.,* inspections) and intervals are allowed unless they are approved as specified in the provisions of the ''Ref. Publications'' section of EASA AD 2026–0042.

(m) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* 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 (n) of this AD and email 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) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA; or EASA; or Airbus SAS's EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(n) Additional Information

For more information about this AD, contact Taylor Stanley, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 407–852–7677; email: *taylor.stanley@faa.gov.*

(o) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) 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 this AD specifies otherwise.

(3) The following material was approved for IBR on [DATE 35 DAYS AFTER PUBLICATION OF THE FINAL RULE].

(i) European Union Aviation Safety Agency (EASA) AD 2026–0042, dated March 3, 2026.

(ii) [Reserved]

(4) The following material was approved for IBR on October 1, 2025 (90 FR 41769, August 27, 2025).

(i) EASA AD 2024–0213, dated November 14, 2024.

(ii) [Reserved]

(5) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email *ADs@easa.europa.eu.* You may find this material on the EASA website at *ad.easa.europa.eu.*

(6) 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.

(7) 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 25, 2026.

Brian Knaup,

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

[FR Doc. 2026–19960 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11792; Project Identifier MCAI–2026–00135–R]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters Deutschland GmbH (AHD) Helicopters

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 Airbus Helicopters Deutschland GmbH (AHD) Model EC135P1, EC135P2, EC135P2+, EC135P3, EC135T1, EC135T2, EC135T2+, EC135T3, and EC635T2+ helicopters. This proposed AD was prompted by a report of a loss of the tail rotor controls due to a broken control rod of the yaw actuator. This proposed AD would require a one-time inspection of the ball pivot, yaw actuator assembly, and associated parts, and a repetitive inspection of the ball pivot. Depending on the inspection results, this proposed AD would require replacement of affected parts, further inspections, and application of new sealing compound. This proposed AD would also prohibit the installation of an affected part unless it is a serviceable part and certain requirements are met. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 16, 2026.

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

- *Federal eRulemaking Portal:* Go to *regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11792; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For European Union Aviation Safety Agency (EASA) material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Anthony Kenward, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (817) 222–5152; email: *anthony.b.kenward@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include ''Docket No. FAA–2026–11792; Project Identifier MCAI–2026–00135–R'' 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 Anthony Kenward, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

EASA, which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2026–0024, dated February 5, 2026 (EASA AD 2026–0024) (also referred to as the MCAI), to correct an unsafe condition on certain AHD Model EC135 P1, EC135 P2, EC135 P2+, EC135 P3, EC135 T1, EC135 T2, EC135 T2+, EC135 T3, EC635 P2+, EC635 T1, and EC635 T2+ helicopters. The MCAI states an occurrence was reported where the pilot lost the tail rotor controls after hearing a noise from the rear of the helicopter, and investigation revealed a broken control rod of the yaw actuator. The unsafe condition, if not addressed, could result in loss of tail rotor controls and loss of control of the helicopter.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11792.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2026–0024, which specifies procedures for a one-time inspection of the yaw actuator and ball pivot and, depending on the inspection results, corrective actions to include further inspections and the replacement of affected parts. EASA AD 2026–0024 also specifies procedures for a fluorescent penetrant inspection of the rod end, if applicable, the connecting part of the yaw actuator, replacement of the sealing compound on the rod end, and a check (inspection) of the freedom of movement of the tail rotor control. Depending on the inspection results, EASA AD 2026–0024 specifies procedures for corrective actions to include further inspections and the replacement of affected parts.

In addition, EASA AD 2026–0024 specifies procedures for repetitive inspection of the ball pivot, and depending on the results of the inspections, corrective actions. EASA AD 2026–0024 also prohibits installing a yaw actuator assembly part number (P/N) L672M2005107; and dual yaw actuator assembly P/N L221M1047101, L221M1047102, L221M1047103, L221M1047104, L221M1047105 and L221M1047106; or a certain part-numbered control rod or ball pivot on any helicopter unless certain requirements are met.

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

FAA's Determination

These products have been approved by the civil aviation authority (CAA) of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2026–0024, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See ''Differences Between this Proposed AD and the MCAI'' for a discussion of the general differences included in this proposed AD.

Differences Between This Proposed AD and the MCAI

The MCAI applies to Model EC635 P2+, and EC635 T1 helicopters, whereas this AD does not because those models do not have an FAA type certificate.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2026–0024 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2026–0024 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2026–0024 does not mean that operators need comply only with that section. For example, where the AD requirement refers to ''all required actions and compliance times,'' compliance with this AD requirement is not limited to the section titled ''Required Action(s) and Compliance Time(s)'' in EASA AD 2026–0024. Material required by EASA AD 2026–0024 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–11792 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 377 helicopters 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 ball pivot	2 work-hours × $85 per hour = $170.	$0	$170 per inspection	$64,090 per inspection.
Perform fluorescent penetrant inspection.	2 work-hours × $85 per hour = $170.	$0	$170	$64,090.
Inspect yaw actuator assembly, control rod, and interface connections.	2 work-hours × $85 per hour = $170.	$0	$170	$64,090.
Replace or inspect sealing compound.	1 work-hour × $85 per hour = $85.	nominal	$85	$32,045.
Inspect freedom of movement	1 work-hour × $85 per hour = $85.	$0	$85 per inspection	$32,045 per inspection.

The FAA estimates the following costs to do any replacements that would be required based on the results of the proposed inspection. The agency has no way of determining the number of helicopters that might need these replacements:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Replace adapter	1 work-hour × $85 per hour = $85	$803	$888

ON-CONDITION COSTS—Continued

Action	Labor cost	Parts cost	Cost per product
Replace ball pivot	1 work-hour × $85 per hour = $85	2,846	2,931
Replace close tolerance bolt	1 work-hour × $85 per hour = $85	42	127
Replace connector cover	1 work-hour × $85 per hour = $85	571	656
Replace control rod	1 work-hour × $85 per hour = $85	6,835	6,920
Replace input lever	2 work-hours × $85 per hour = $170	9,755	9,925
Replace rod end	1 work-hour × $85 per hour = $85	643	728

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:

Airbus Helicopters Deutschland GmbH (AHD): Docket No. FAA–2026–11792; Project Identifier MCAI–2026–00135–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 16, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Airbus Helicopters Deutschland GmbH (AHD) Model EC135P1, EC135P2, EC135P2+, EC135P3, EC135T1, EC135T2, EC135T2+, EC135T3, and EC635T2+ helicopters, certificated in any category, serial numbers 0005 through 1276.

Note 1 to paragraph (c): Helicopters with an EC135P3H designation are Model EC135P3 helicopters, and helicopters with an EC135T3H designation are Model EC135T3 helicopters.

(d) Subject

Joint Aircraft System Component (JASC) Code 6720, Tail rotor control system.

(e) Unsafe Condition

This AD was prompted by a report of a loss of tail rotor controls due to a broken control rod of the yaw actuator. The FAA is issuing this AD to detect and address damage to the ball bearing control system. The unsafe condition, if not addressed, could result in loss of tail rotor controls and loss of control of the helicopter.

(f) Compliance

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

(g) Required Actions

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with European Union Aviation Safety Agency AD 2026–0024, dated February 5, 2026 (EASA AD 2026–0024).

(h) Exceptions to EASA AD 2026–0024

(1) Where EASA AD 2026–0024 requires compliance in terms of flight hours, this AD requires using hours time-in-service.

(2) Where EASA AD 2026–0024 refers to its effective date, this AD requires using the effective date of this AD.

(3) Where the material referenced in EASA AD 2026–0024 specifies ''check'', this AD requires replacing that text with ''inspection''.

(4) Where the material referenced in EASA AD 2026–0024 specifies to examine the close-tolerance bolt, the input lever, the adapter, and the connector part of the control rod for wear and damage, for the purposes of this AD damage is defined as specified in paragraphs (h)(4)(i) through (iii) of this AD, as applicable.

(i) Damage for the close-tolerance bolt is defined as deformed or stripped, rounded head; bent, stripped, or missing threads; bent shank; grooves in the shank, corrosion or rust; and gouges.

(ii) Damage for the input lever is defined as deformation or elongated attachment hole; bent flange; gouges; corrosion; and cracks.

(iii) Damage for the adapter or connecting part is defined as deformation, elongated attachment holes, gouges, cracks, corrosion, and missing surface coating on the adapter or connecting part.

(5) Where the material referenced in EASA AD 2026–0024 specifies if the ball pivot shows rough stiffness, hard stops, corrosion, or damage, for the purposes of this AD damage is defined as deformation (bent flanges), gouges, areas of bare metal, or missing finish.

(6) This AD does not adopt the ''Remarks'' section of EASA AD 2026–0024.

(i) No Reporting or Returning of Parts Requirement

Although the material referenced in EASA AD 2026–0024 specifies to submit certain information or to return parts to the manufacturer, this AD does not require that action.

(j) Special Flight Permits

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

(k) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the

procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (l) of this AD and email to: *AMOC@faa.gov.*

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

(l) Additional Information

For more information about this AD, contact Anthony Kenward, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (817) 222–5152; email: *anthony.b.kenward@faa.gov.*

(m) Material Incorporated by Reference

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

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

(i) European Union Aviation Safety Agency (EASA) AD 2026–0024, dated February 5, 2026.

(ii) [Reserved]

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

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

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

Issued on September 25, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–19971 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11791; Project Identifier MCAI–2026–00491–R]

RIN 2120–AA64

Airworthiness Directives; Bell Textron Canada Limited Helicopters

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 Bell Textron Canada Limited (Bell) Model 505 helicopters. This proposed AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. This proposed AD would require revising the airworthiness limitation schedule (ALS) of the existing maintenance manual (MM) or instructions for continued airworthiness (ICA) and the existing approved maintenance or inspection program, as applicable. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 16, 2026.

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

- *Federal eRulemaking Portal:* Go to *regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11791; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference

- For Transport Canada material identified in this AD, contact Transport Canada, Transport Canada National Aircraft Certification, 159 Cleopatra Drive, Nepean, Ontario, K1A 0N5, Canada; phone: (888) 663–3639; email: *TC.AirworthinessDirectives-Consignesdenavigabilite.TC@tc.gc.ca.* You may find the Transport Canada material on the Transport Canada website at *tc.canada.ca/en/aviation.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Zakaria Abdi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4141; email: *zakaria.f.abdi@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include ''Docket No. FAA–2026–11791; Project Identifier MCAI–2026–00491–R'' 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 Zakaria Abdi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

Transport Canada, which is the aviation authority for Canada, has issued Transport Canada AD CF–2026–20R1, dated July 21, 2026 (Transport Canada AD CF–2026–20R1) (also referred to as the MCAI), to correct an unsafe condition on certain Bell Model 505 helicopters. Transport Canada AD CF–2026–20R1 supersedes Transport Canada AD CF–2026–20, dated May 7, 2026, to clarify the issue number of the Chapter 4 of the ALS referenced in the corrective actions. The MCAI states that Bell has introduced new or more restrictive airworthiness limitations due to revised fatigue assessments that revealed the need for new or more restrictive airworthiness limitations on certain life-limited components than were initially proposed. This condition, if not addressed, could result in failure of critical parts and primary structural components and loss of control of the helicopter.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11791.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Transport Canada AD CF–2026–20R1, which specifies procedures for replacing components before exceeding their life limits and accomplishing all applicable maintenance tasks within thresholds and intervals specified in the ALS as defined in Transport Canada AD CF–2026–20R1.

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 **ADDRESSES**.

FAA's Determination

These products have been approved by the civil aviation authority (CAA) of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in Transport Canada AD CF–2026–20R1, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See ''Differences Between this Proposed AD and the MCAI'' for a discussion of the general differences included in this proposed AD.

Differences Between This Proposed AD and the MCAI

Where Transport Canada AD CF–2026–20R1 specifies, within the discard times identified, completion of the new or more restrictive airworthiness limitations, this proposed AD would require revising the ALS of the existing MM or ICA and the existing approved maintenance or inspection program to incorporate the new or more restrictive airworthiness limitations, as applicable, within 30 days after the effective date of this proposed AD.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate Transport Canada AD CF–2026–20R1 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with Transport Canada AD CF–2026–20R1 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Material required by Transport Canada AD CF–2026–20R1 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–11791 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 191 helicopters 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
Revise the ALS	1 work-hour × $85 per hour = $85	$0	$85	$16,235

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:

Bell Textron Canada Limited: Docket No. FAA–2026–11791; Project Identifier MCAI–2026–00491–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 16, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Bell Textron Canada Limited (Bell) Model 505 helicopters, certified in any category, as identified in Transport Canada AD CF–2026–20R1, dated July 21, 2026 (Transport Canada AD CF–2026–20R1).

(d) Subject

Air Transport Association (ATA) of America Code 05, Time limits/maintenance checks.

(e) Unsafe Condition

This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. The FAA is issuing this AD to prevent failure of critical parts and primary structural components, which if not addressed could result in loss of control of the helicopter.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, Transport Canada AD CF–2026–20R1.

(h) Exceptions to Transport Canada AD CF–2026–20R1

Where Transport Canada AD CF–2026–20R1 specifies ''Within the discard times identified, complete the new or more restrictive AWLs'', this AD requires replacing that text with ''Within 30 days after the effective date of this AD, revise the airworthiness limitations section of the existing maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program to incorporate the new or more restrictive airworthiness limitations''.

(i) Provisions for Alternative Actions and Intervals

After the action required by paragraph (g) of this AD has been done, no alternative actions and associated thresholds and intervals, including life limits, are allowed unless they are approved as specified in Transport Canada AD CF–2026–20R1.

(j) Alternative Methods of Compliance (AMOCs):

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

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

(k) Additional Information

For more information about this AD, contact Zakaria Abdi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4141; email: *zakaria.f.abdi@faa.gov*.

(l) Material Incorporated by Reference

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

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

(i) Transport Canada AD CF–2026–20R1, dated July 21, 2026.

(ii) Reserved

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

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

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

Issued on September 25, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–19970 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11795; Project Identifier MCAI–2026–00539–R]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2026–10–16, which applies to all Airbus Helicopters Model AS355E, AS355F, AS355F1, AS355F2, AS355N, and AS355NP helicopters. AD 2026–10–16 requires revising the airworthiness limitations section (ALS) of the existing maintenance manual (MM) or instructions for continued airworthiness (ICA) and the existing approved maintenance or inspection program, as applicable. Since the FAA issued AD 2026–10–16, a determination was made that new or more restrictive airworthiness limitations and maintenance tasks are necessary. This proposed AD would require incorporating these airworthiness limitations into the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 16, 2026.

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

- *Federal eRulemaking Portal:* Go to *regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–

30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

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

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11795; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI) any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference

• For European Union Aviation Safety Agency (EASA) material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.*

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

FOR FURTHER INFORMATION CONTACT: Raymond Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–1490; email: *raymond.f.miller@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include ''Docket No. FAA–2026–11795; Project Identifier MCAI–2026–00539–R'' 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 the 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 Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2026–10–16, Amendment 39–23356 (91 FR 36086, June 16, 2026) (AD 2026–10–16), for all Airbus Helicopters Model AS355E, AS355F, AS355F1, AS355F2, AS355N, and AS355NP helicopters. AD 2026–10–16 was prompted by an MCAI originated by EASA, which is the Technical Agent for the Member States of the European Union. EASA issued EASA AD 2024–0134, dated July 10, 2024 (EASA AD 2024–0134).

AD 2026–10–16 requires revising the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable. The FAA issued AD 2026–10–16 to prevent failure of critical parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

Actions Since AD 2026–10–16 Was Issued

Since the FAA issued AD 2026–10–16, EASA superseded EASA AD 2024–0134 and issued EASA AD 2026–0103, dated May 26, 2026 (EASA AD 2026–0103) (also referred to as the MCAI). The MCAI states that new or more restrictive airworthiness limitations and requirements have been developed. Additionally, the MCAI states that the airworthiness limitations are identified as mandatory for continued airworthiness and that AH [Airbus Helicopters] has issued applicable ALS revisions to specify new and more restrictive life limits and maintenance tasks.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11795.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2026–0103, which specifies replacing components before exceeding their life limits and accomplishing all applicable maintenance tasks within thresholds and intervals specified in the ALS as defined in EASA AD 2026–0103. Depending on the results of the maintenance tasks, EASA AD 2026–0103 requires accomplishing corrective action(s) or contacting Airbus Helicopters for approved instructions and accomplishing those instructions.

Additionally, EASA AD 2026–0103 specifies revising the Aircraft Maintenance Programme (AMP) by incorporating the limitations, tasks, and associated thresholds and intervals described in the specified ALS, as applicable. Revising the AMP constitutes terminating action for the requirement to record accomplishment of the actions of replacing components before exceeding their life limits and accomplishing maintenance tasks within thresholds and intervals specified in the applicable ALS as specified in EASA AD 2026–0103 for demonstration of AD compliance on a continued basis.

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

FAA's Determination

These products have been approved by the civil aviation authority (CAA) of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2026–0103, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See ''Differences Between this Proposed AD

and the MCAI'' for a discussion of the general differences included in this proposed AD.

Differences Between This Proposed AD and the MCAI

Where EASA AD 2026–0103 specifies revising the approved AMP within 12 months after the effective date of EASA AD 2026–0103, this proposed AD would require revising the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable, within 30 days after the effective date of this proposed AD.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2026–0103 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2026–0103 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2026–0103 does not mean that operators need comply only with that section. For example, where the AD requirement refers to ''all required actions and compliance times,'' compliance with this AD requirement is not limited to the section titled ''Required Action(s) and Compliance Time(s)'' in EASA AD 2026–0103. Material required by EASA AD 2026–0103 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–11795 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 60 helicopters 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
Revise ALS	1 work-hour × $85 per hour = $85	$0	$85	$5,100

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 that the 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:

■ a. Removing Airworthiness Directive 2026–10–16, Amendment 39–23356 (91 FR 36086, June 16, 2026); and

■ b. Adding the following new airworthiness directive:

Airbus Helicopters: Docket No. FAA–2026–11795; Project Identifier MCAI–2026–00539–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 16, 2026.

(b) Affected ADs

This AD replaces AD 2026–10–16, Amendment 39–23356 (91 FR 36086, June 16, 2026).

(c) Applicability

This AD applies to all Airbus Helicopters Model AS355E, AS355F, AS355F1, AS355F2, AS355N, and AS355NP helicopters, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time limits/maintenance checks.

(e) Unsafe Condition

This AD was prompted by new or more restrictive airworthiness limitations. The FAA is issuing this AD to prevent failure of critical parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency AD 2026–0103, dated May 26, 2026 (EASA AD 2026–0103).

(h) Exceptions to EASA AD 2026–0103

(1) Where EASA AD 2026–0103 refers to its effective date, this AD requires using the effective date of this AD.

(2) This AD does not adopt paragraphs (1), (2), (4), and (5) of EASA AD 2026–0103.

(3) Where paragraph (3) of EASA AD 2026–0103 specifies ''Within 12 months after the

effective date of this AD, revise the approved AMP'', this AD requires replacing that text with ''Within 30 days after the effective date of this AD, revise the airworthiness limitations section of the existing maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program, as applicable''.

(4) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2026–0103 is on or before the applicable ''limitations'' and ''associated thresholds'' as incorporated by the requirements of paragraph (3) of EASA AD 2026–0103 or within 30 days after the effective date of this AD, whichever occurs later.

(5) This AD does not adopt the ''Remarks'' section of EASA AD 2026–0103.

(i) Provisions for Alternative Actions and Intervals

After the action required by paragraph (g) of this AD has been done, no alternative actions and associated thresholds and intervals, including life limits, are allowed unless they are approved as specified in the provisions of the ''Ref. Publications'' section of EASA AD 2026–0103.

(j) Alternative Methods of Compliance (AMOCs):

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

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

(k) Additional Information

For more information about this AD, contact Raymond Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–1490; email: *raymond.f.miller@faa.gov.*

(l) Material Incorporated by Reference

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

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

(i) European Union Aviation Safety Agency (EASA) AD 2026–0103, dated May 26, 2026.

(ii) [Reserved]

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

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

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

Issued on September 25, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–19987 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

FEDERAL TRADE COMMISSION

16 CFR Part 1

[File No. R607007]

Petition for Rulemaking of Malik Tony Singleton

AGENCY: Federal Trade Commission.

ACTION: Receipt of petition; request for comment.

SUMMARY: Please take notice that the Federal Trade Commission (''Commission'') received a petition for rulemaking from Malik Tony Singleton, and has published that petition online at *https://www.regulations.gov.* The Commission invites written comments concerning the petition. Publication of this petition is pursuant to the Commission's Rules of Practice and Procedure and does not affect the legal status of the petition or its final disposition.

DATES: Comments must identify the petition docket number and be filed by October 30, 2026.

ADDRESSES: You may view the petition, identified by docket number FTC–2026–1453, and submit written comments concerning its merits by using the Federal eRulemaking Portal at *https://www.regulations.gov.* Follow the online instructions for submitting comments. Do not submit sensitive or confidential information. You may read background documents or comments received at *https://www.regulations.gov* at any time.

FOR FURTHER INFORMATION CONTACT: Office of the Secretary (phone: 202–326–2514, email: *ElectronicFilings@ftc.gov*), Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to section 18(a)(1)(B) of the Federal Trade Commission Act, 15 U.S.C. 57a(1)(B), and FTC Rule 1.31(f), 16 CFR 1.31(f), notice is hereby given that the above-captioned petition has been filed with the Secretary of the Commission and placed on the public record for a period of 30 days. Any person may submit comments in support of or opposition to the petition. All timely and responsive comments submitted in connection with this petition will become part of the public record.

This petition requests the issuance of rules concerning unfair or deceptive practices involving material consumer decisions, explanations, automated decision systems, record preservation, and meaningful review. The Commission will not consider the petition's merits until after the comment period closes. It may grant or deny the petition in whole or in part, and it may deem the petition insufficient to warrant commencement of a rulemaking proceeding. The purpose of this document is to facilitate public comment on the petition to aid the Commission in determining what, if any, action to take regarding the request contained in the petition. This document is not intended to start, stop, cancel, or otherwise affect rulemaking proceedings in any way.

Because your comment will be placed on the publicly accessible website at *https://www.regulations.gov,* you are solely responsible for making sure your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other State identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any ''trade secret or any commercial or financial information which . . . is privileged or confidential''—as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2).

Authority: 15 U.S.C. 46; 15 U.S.C. 57a; 5 U.S.C. 601 note.

April J. Tabor,

Secretary.

[FR Doc. 2026–20078 Filed 9–29–26; 8:45 am]

BILLING CODE 6750–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[CC–00226466–26]

RIN 1545–BR91

Trump Accounts

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and withdrawal of proposed rulemaking.

SUMMARY: This document contains proposed regulations regarding general requirements for Trump accounts, the establishment of an initial Trump account (including automatic enrollment by the Secretary of the Treasury) and qualified general contributions (including qualified stock contributions), which are a special type of contribution made to Trump accounts. This document also withdraws a prior notice of proposed rulemaking (REG–117270–25) containing proposed regulations regarding the election to establish an initial Trump account and reproposes the regulations as CC–00226466–26. These proposed regulations would affect trustees of Trump accounts, account beneficiaries of Trump accounts, responsible parties of Trump accounts, and eligible donors who fund qualified general contributions.

DATES: Written or electronic comments and requests for a public hearing must be received by November 30, 2026.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at *https://www.regulations.gov* (indicate IRS and CC–00226466–26) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the ''Comments and Requests for a Public Hearing'' section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS's public docket. Send paper submissions to: CC:PA:01:PR (CC–00226466–26), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. A plain language summary of the proposed regulations will be made available at *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Isaac Stein of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) at (202) 317–6320 (not a toll-free number); concerning submissions of comments or requests for a public hearing, Publications and Regulations Section at (202) 317–6901 (not a toll-free number) or by email to *publichearings@irs.gov* (preferred).

SUPPLEMENTARY INFORMATION:

Authority

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) that would implement section 530A of the Internal Revenue Code (the Code). These proposed regulations are issued under several express delegations of authority. Section 530A(a) authorizes the Secretary of the Treasury or the Secretary's delegate (Secretary) to prescribe exceptions to the general rule that a Trump account shall be treated for purposes of the Code in the same manner as an individual retirement account (IRA) under section 408(a). Section 530A(b)(1)(A)(i) provides that an individual's first Trump account (initial Trump account) is to be created or organized by the Secretary. Section 530A(b)(1)(B) provides that a Trump account must be designated (in such manner as the Secretary shall prescribe) at the time of the establishment of the account as a Trump account. Section 530A(b)(2)(C)(i) authorizes the Secretary to make an election to establish an initial Trump account for an eligible individual.

Section 530A(b)(2)(C)(ii) authorizes the Secretary to prescribe rules regarding the time and manner for a person other than the Secretary to make an election to establish an initial Trump account for an eligible individual. Section 530A(f)(1)(A) defines a qualified general contribution as a contribution made by the Secretary pursuant to a general funding contribution. Section 530A(f)(3)(B) provides that a 'qualified geographic area' is any geographic area in which not less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area. Section 530A(i)(1) provides, in relevant part, that the trustee of a Trump account will make reports to the Secretary and to the beneficiary, at such time and in such manner as may be required by the Secretary, with respect to such matters as the Secretary may require. Section 408(a)(2) authorizes the Secretary to approve as a nonbank trustee for an IRA a person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of section 408. Section 7805(a) authorizes the Secretary to prescribe all needful rules and regulations for the enforcement of the Code, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.

Background and Explanation of Provisions

I. Overview

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** add §§ 1.530A–1T and 1.530A–7T to the Income Tax Regulations (26 CFR part 1) (temporary regulations). The temporary regulations address the establishment of an initial Trump account (including auto enrollment by the Secretary) and qualified general contributions (including qualified stock contributions), which are a special type of contribution made to Trump accounts. Except for the applicability provisions, the text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the background and amendments.

II. Prior § 1.530A–1 NPRM

On March 9, 2026, the Treasury Department and the IRS published a notice of proposed rulemaking (NPRM) (REG–117270–25) in the **Federal Register** (91 FR 11194) containing proposed regulations (§§ 1.530A–1 through 1.530A–6) that would provide guidance on making an election to establish a Trump account and reserve additional sections for further guidance on Trump accounts (prior § 1.530A–1 NPRM).

Under the prior § 1.530A–1 NPRM (91 FR at 11196), elections to establish an initial Trump account generally would be made by persons other than the Secretary pursuant to section 530A(b)(2)(C)(ii). Although the prior § 1.530A–1 NPRM acknowledged that section 530A(b)(2)(C)(i) authorizes the Secretary to make an election to establish an initial Trump account, those proposed regulations contemplated that the Secretary's exercise of that authority would be limited to instances in which the Secretary is deemed to have made an election when an election was submitted by a person who was not authorized to make the election (91 FR

at 11197). That proposed approach reflected the need to issue the proposed regulations promptly in order to implement Trump accounts by the July 4, 2026, date on which contributions could first be made. Given the limited time available, the Treasury Department and the IRS were unable to fully resolve the legal and administrative issues associated with implementing broad automatic enrollment, including the need to prevent the unauthorized disclosure of return information.

Many commenters expressed strong support for auto enrollment of initial Trump accounts. Commenters urged the Secretary to make an election for each individual who satisfies the statutory age and social security number requirements, using information available from tax returns, Social Security Administration records, and other authorized sources. Commenters stated that requiring an affirmative election by a person other than the Secretary would reduce participation, particularly among nonfilers, families unfamiliar with tax procedures, and families with limited time or resources to complete a separate enrollment process. Commenters also stated that an eligible individual should not lose the opportunity to receive contributions or investment growth merely because no adult completed an election.

Following the publication of the prior § 1.530A–1 NPRM, and after considering the public comments supporting automatic enrollment, the Treasury Department and the IRS further considered how to address the legal and operational issues identified in that NPRM. In coordination with the Treasury Department's financial agent and other governmental agencies, the Treasury Department and the IRS have identified an administrable structure under which the Secretary can make elections for eligible individuals while preserving separate IRA ownership and protecting return information from disclosure. This change in approach therefore reflects the development of a different administrative structure, rather than a change in the Treasury Department and the IRS's interpretation of the authority conferred by section 530A(b)(2)(C)(i).

Under this structure, a separate initial Trump account is established for each eligible individual pursuant to a separate written governing instrument, and separate account-level records are maintained for each account, which are referred to as auto accounts. Contributions are received and recorded by the individual auto account, and the assets attributable to auto accounts are invested collectively through a master group trust that is intended to satisfy the applicable requirements of Rev. Rul. 81–100, as modified. Each auto account holds an undivided proportionate beneficial interest in the investments held through the master group trust that are attributable to contributions allocated to qualified classes of which the account beneficiary was a member and any $1,000 pilot program contribution made to that account, and records maintained for the Trump accounts program identify the assets attributable to each auto account. The structure thus combines separate account ownership and account-level recordkeeping with collective investment and administration.

The master group trust addresses the concerns reflected in the prior § 1.530A–1 NPRM about disclosure of return information because investments are held and administered at the master-group-trust level. Thus, the trustee of the master group trust can execute transactions for the trust without receiving or disclosing account-identifying return information for each account beneficiary in connection with each transaction. Return information used to identify eligible individuals and establish auto accounts is retained in a safeguarded environment by the Secretary and his financial agent authorized to receive that information on the Secretary's behalf.

In addition, a person seeking to claim an auto account must independently submit the information required by the Secretary, authenticate the person's identity, establish the person's legal authority to act with respect to the account and to receive the account beneficiary's return information, and execute any consent required for disclosures necessary to process the claim and transfer the account balance. This process permits an authorized person to claim and control the account without disclosing protected account information before the person's legal authority to that information has been established.

Accordingly, after considering the comments and developing this new administrable structure, the Treasury Department and the IRS are withdrawing the prior § 1.530A–1 NPRM and issuing these proposed regulations.

III. Requests for Comments

A. Request for Comments Regarding Qualified ABLE Rollover Contributions From Auto Accounts

Under section 530A(d), the general prohibition on distributions from a Trump account during the growth period does not apply to qualified ABLE rollover contributions. Section 530A(d)(4) defines a qualified ABLE rollover contribution as an amount paid during the calendar year in which the account beneficiary attains age 17 in a direct trustee-to-trustee transfer from a Trump account maintained for the account beneficiary to an ABLE account under section 529A(e)(6) [1] maintained for the same account beneficiary. The transferred amount must equal the entire balance of the Trump account.

An auto account presents administrative issues in implementing section 530A(d)(4). Before an auto account is claimed, the Secretary is the responsible party for the account. The Secretary generally will not know whether the account beneficiary is eligible to establish an ABLE account, whether an ABLE account has been established for the account beneficiary, or who has authority to act with respect to that ABLE account. In addition, because the qualified ABLE rollover contribution must be completed during the calendar year in which the account beneficiary attains age 17, the process must allow sufficient time to verify the request, coordinate with the receiving qualified ABLE program, and complete the trustee-to-trustee transfer before the end of that calendar year.

The Treasury Department and the IRS are considering a procedure under which an account beneficiary who has legal capacity or another person with appropriate authority could request a qualified ABLE rollover contribution from an auto account. One possible approach would permit the request to be made as part of the process for claiming the auto account (whether by the person with signature authority over the account beneficiary's existing ABLE account or some other person), with the entire balance transferred directly from the auto account to an existing ABLE account during the calendar year in which an account beneficiary attains age 17. A second approach would require the auto account first to be claimed and the assets transferred to a claimed initial Trump account or rollover Trump account, after which the responsible party for that account could direct a qualified ABLE rollover contribution. Comments are requested on which approach would best facilitate the completion of a qualified ABLE rollover contribution within the statutory period while protecting the account beneficiary and permitting efficient administration.

[1] Section 529A was enacted by the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, which was enacted as part of the Tax Increase Prevention Act of 2014, Public Law 113–295 (128 Stat. 4010).

In particular, comments are requested on whether a direct transfer from an auto account to an existing ABLE account should be incorporated into the auto-account claim process or should be made available through a separate process.

Comments also are requested on who should be permitted to request the transfer and what evidence should be required to establish that person's authority, including whether qualified ABLE programs should have an affirmative obligation to develop policies and procedures to ensure that auto account assets are identified and rolled over to qualified ABLE accounts for auto account beneficiaries before the statutory deadline for a qualified ABLE rollover contribution has lapsed.

B. Request for Comments Regarding Qualified Geographic Areas

Section 530A(f)(1) requires, in part, that a contribution be made to the Trump account of an account beneficiary in a qualified class of account beneficiaries specified in the general funding contribution. Section 530A(f)(3)(A)(ii) defines a qualified class as including a class of all account beneficiaries who are in their growth period when the contribution is made, and who reside in one or more States or other qualified geographic areas specified by the terms of the general funding contribution. Section 530A(f)(3)(B) defines a qualified geographic area as any geographic area in which not less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area.

The Treasury Department and the IRS are considering how to designate qualified geographic areas using objective standards. Under the procedure being considered, a qualified geographic area must be constructed from United States Postal Service five-digit ZIP codes. An eligible donor would propose a geographic area by providing a list of one or more five-digit ZIP codes. A proposed geographic area would be designated as a qualified geographic area if at least 5,000 account beneficiaries in their growth period reside in the area and at least one of the following two conditions is met: (1) all included ZIP codes are contiguous and do not enclose excluded ZIP codes, or (2) all included ZIP codes correspond to ZIP Code Tabulation Areas that have a median household income below the threshold income for highly compensated employees in section 414(q), as indexed for inflation in the year of the contribution, according to the U.S. Census Bureau.

Comments are requested on all aspects of this procedure, as well as alternatives with administrable, objective criteria.

C. Request for Comments on Exceptions to the Minimum Holding Period Requirement

The Treasury Department and the IRS request comments on whether, and under what circumstances, narrowly tailored exceptions to the minimum holding period requirement should apply when continued ownership of Qualified Stock would create a legal or ethics conflict. Comments are requested on the certification and documentation that should be required to substantiate an exception and on appropriate safeguards to prevent avoidance of the minimum holding period requirement or other abuse.

D. Request for Comments Regarding Disclaimers of Trump Accounts

The Treasury Department and the IRS are considering providing a procedure under which an account beneficiary or a person authorized under applicable local law to make a disclaimer on behalf of the account beneficiary may be eligible to disclaim the account beneficiary's entire interest in an auto account in the form and manner prescribed by the Secretary in applicable instructions.

A disclaimer of an auto account would be permitted only if the auto account has not been claimed, the auto account has not received a $1,000 pilot program contribution under section 6434, and the account beneficiary has attained age 18. The Secretary must receive the disclaimer no later than nine months after the date the account beneficiary attains age 21, and the disclaimer must otherwise satisfy the requirements of a qualified disclaimer under section 2518.

Upon making an auto account disclaimer, the account beneficiary would no longer have any rights with respect to the auto account. Comments are requested on the disposition of the disclaimed interest, including how to ensure that the interest passes without direction by the disclaimant to a person other than the disclaimant, as required by section 2518(b)(4).

In addition, the Treasury Department and the IRS have considered whether this proposed disclaimer rule should be broadened also to apply to all Trump accounts, instead of only to unclaimed auto accounts. Comments are requested on this issue, and on what other issues would need to be addressed in the event of such an expansion of the proposed disclaimer rule (such as, for example, what would or would not be considered to be an acceptance of the account, and whether partial disclaimers would be permitted).

Comments also are requested on the notice, if any, that should be provided to the account beneficiary before any disclaimer period expires. Comments should address the appropriate method and timing of notice, the information that may be disclosed consistently with section 6103, and whether the notice should describe potential consequences under section 2518 and means-tested benefit programs without providing individualized legal advice.

Proposed Applicability Date

Proposed §§ 1.530A–1 and 1.530A–7 would apply to taxable years beginning on or after the date the Treasury decision adopting these regulations as final regulations is published in the **Federal Register**. Taxpayers may not rely on these proposed regulations. *See* §§ 1.530A–1T and 1.530A–7T.

Special Analyses

I. Regulatory Planning and Review

The Regulatory Planning and Review section in the Special Analyses part of the preamble to the temporary regulations provides the relevant discussion.

II. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) generally requires that a Federal agency obtain the approval of the Office of Management and Budget (OMB) before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collections of information in these proposed regulations contain reporting, third-party disclosure and recordkeeping requirements that are necessary for Trump account enrollment. These collections of information generally would be used by the Secretary to automatically enroll beneficiaries into Trump accounts.

The proposed regulations mention reporting requirements for making elections for Trump accounts by a person other than the Secretary, as detailed in 26 CFR 1.530A–1(d)(1)(ii). This reporting requirement is already approved by the OMB under OMB Control Number 1545–2336 and is not being revised by this proposed regulation.

The proposed regulations mention reporting requirements for filing a general funding contribution request and entering into a Treasury acceptance agreement, as detailed in 26 CFR 1.530A–7(c)(2). This reporting requirement is already approved by the OMB under OMB Control Number 1505–0285 and is not being revised by this proposed regulation.

The proposed regulations include reporting by account beneficiaries or responsible parties and third-party disclosures and associated recordkeeping requirements from trustees to account beneficiaries or responsible parties. These collections of information are necessary to allow account beneficiaries or responsible parties to claim accounts, and to inform account beneficiaries or responsible parties of any required sales and reinvestments related to qualified stock. IRS anticipates that the likely respondents are individuals, responsible parties, businesses, and for-profit organizations (trustees).

Table 1 provides a high-level description of the collection requirements created or changed within this regulation, and the regulatory sections that detail these requirements. Table 2 provides the estimated burden placed on respondents for each collection requirement. These collection requirements were approved by the OMB under OMB Control Number 1545–2336 pursuant to the emergency procedures in 5 CFR 1320.13.

TABLE 1—DESCRIPTION OF COLLECTIONS

OMB control No.	Collection type	New or revised collection	Description	Regulatory section with additional details
1545–2336	Third-party Disclosure and Recordkeeping.	New	Claiming an auto account	26 CFR 1.530A–1(f).
1545–2336	Third-party Disclosure and Recordkeeping.	New	Beneficiary disclosure when stock held in a Trump account is either de-listed from a national securities exchange or generates property that is not successor qualified stock.	26 CFR 1.530A–7(d)(5), (d)(6).

TABLE 2—ESTIMATED BURDEN

Collection	Estimated number of respondents	Estimated frequency of responses	Estimated average annual burden per response	Estimated total annual burden hours
26 CFR 1.530A–1(f)	63,360,000	1	6	6,336,000
26 CFR 1.530A–7(d)(5), (d)(6)	5	27,717	1	2,310

III. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) (RFA) imposes certain requirements with respect to Federal rules that are subject to the notice and comment requirements of section 553(b) of the Administrative Procedure Act (5 U.S.C. 551 *et seq.*) and that are likely to have a significant economic impact on a substantial number of small entities. Unless an agency determines that a proposal is not likely to have a significant economic impact on a substantial number of small entities, section 603 of the RFA requires the agency to present an initial regulatory flexibility analysis (IRFA) of the proposed rule. The Treasury Department and the IRS have not determined whether the proposed rule, when finalized, will likely have a significant economic impact on a substantial number of small entities. This determination requires further study. However, because there is a possibility of significant economic impact on a substantial number of small entities, an IRFA is provided in these proposed regulations. The Treasury Department and the IRS invite comments on both the number of entities affected and the economic impact on small entities.

Pursuant to section 7805(f), this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

1. Need for and Objectives of the Rule

The proposed regulations would provide greater access to Trump accounts under section 530A for children who are beneficiaries of Trump accounts; clarity to taxpayers that intend to take advantage of Trump accounts; and clarity to Trump account trustees regarding contributions to these accounts, including qualified general contributions and qualified stock contributions. The proposed regulations are necessary to implement both automatic enrollment of children into Trump accounts and a framework for private donors to make contributions to Trump accounts for a qualified class.

In particular, section 530A provides that a Trump account may be created or organized by the Secretary, and the proposed regulations implement the automatic enrollment of children into Trump accounts, which has been requested by both the Administration and outside stakeholders. These groups have also requested clarity on rules relating to qualified general contributions, so that eligible donors may fund these contributions for Trump accounts. Section 530A provides that qualified general contributions are contributions made by the Secretary pursuant to a general funding contribution, and the proposed regulations would provide rules on how qualified general contributions, including qualified stock contributions, may be made. The proposed regulations would also provide certainty regarding required trustee action, including disclosures to beneficiaries, when Trump accounts contain assets that are not eligible investments.

2. Affected Small Entities

The RFA directs agencies to provide a description of, and where feasible, an estimate of, the number of small entities that may be affected by the proposed rules, if adopted. The Small Business Administration's Office of Advocacy estimates in its 2023 Frequently Asked Questions that 99.9 percent of American businesses meet its definition of a small business. The applicability of these

proposed regulations does not depend on the size of the business, as defined by the Small Business Administration. These proposed regulations would affect small businesses that are trustees of Trump accounts. The Treasury Department and the IRS estimate that the total anticipated future number of Trump account trustees will be 4,600. Although there is uncertainty as to the exact number of small businesses within this group, the number is estimated to be 2,740.

The Treasury Department and the IRS expect to receive more information on the impact on small businesses through comments on this proposed rule and when taxpayers start to claim and administer Trump accounts using the guidance and procedures provided in these proposed regulations.

3. Impact of the Rules

The proposed regulations would provide definitions and rules regarding the election to open Trump accounts (including claiming auto accounts) and contributions to Trump accounts. Taxpayers that are trustees of Trump accounts will have administrative costs related to reading and understanding the rules as well as recordkeeping and reporting requirements. First, responsible parties claiming auto accounts will result in more Trump accounts managed by trustees, leading to higher administrative costs for the trustees. In addition, Trump account trustees must provide a disclosure to a beneficiary regarding the investment of assets when stock held in a Trump account is either de-listed from a national securities exchange or when a Trump account receives cash or other property that is not successor qualified stock. The costs associated with these notifications will vary across different-sized entities.

Although the Treasury Department and the IRS do not have sufficient data to determine precisely the likely extent of the increased costs of compliance, the estimated burden of complying with the recordkeeping and reporting requirements is described in the Paperwork Reduction Act section of the preamble.

4. Alternatives Considered

The Treasury Department and the IRS considered alternatives to the proposed regulations. For example, the Treasury Department and the IRS considered not enabling the automatic enrollment of children into Trump accounts and requiring that all elections to open Trump accounts be made by an election on Form 4547. However, the Treasury Department and the IRS decided that automatic enrollment of children into Trump accounts would result in a significant public benefit (that millions of children will have Trump accounts to receive contributions, including qualified general contributions), and is both administratively feasible and necessary to respond to demand for automatic enrollment from the public.

Comments are requested on the requirements in the proposed regulations, including qualified ABLE rollover contributions from auto accounts, qualified geographic areas (which are relevant to the requirements for qualified general contributions), and whether an account beneficiary should be allowed to disclaim an auto account.

5. Duplicative, Overlapping, or Conflicting Federal Rules

The proposed regulations would not duplicate, overlap, or conflict with any relevant Federal rules. The proposed regulations would merely provide procedures, definitions, and requirements to allow eligible Trump account beneficiaries to be enrolled automatically in Trump accounts, and for taxpayers to make contributions to these accounts.

IV. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of $100 million in 1995 dollars, updated annually for inflation. These proposed regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

V. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These proposed regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

VI. Small Business Administration

Pursuant to section 7805(f) of the Code, these proposed regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to comments that are submitted timely to the IRS as prescribed in the preamble under the **ADDRESSES** heading. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. Any comments will be made available at *https://www.regulations.gov* or upon request.

A public hearing will be scheduled if requested in writing by any person that timely submits electronic or written comments. Requests for a public hearing are encouraged to be made electronically. If a public hearing is scheduled, a notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Statement of Availability of IRS Documents

Revenue Rulings, Revenue Procedures, Notices, and other guidance cited in this document are published in the Internal Revenue Bulletin (or Cumulative Bulletin) and are available from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402, or by visiting the IRS website at *https://www.irs.gov.*

Drafting Information

The principal author of these proposed regulations is Isaac Stein of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). Other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes and reporting and recordkeeping requirements.

Withdrawal of Proposed Amendments to the Regulations

Under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking (REG–117270–25) that was published in the **Federal Register** on March 9, 2026 (91 FR 11194), is withdrawn.

Proposed Amendments to the Regulations

Accordingly, the Treasury Department and the IRS propose to amend 26 CFR part 1 as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding entries for §§ 1.530A–1 and 1.530A–7 in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

* * * * *

Section 1.530A–1 is also issued under 26 U.S.C. 408(a)(2), 530A(a), (b)(1)(A)(i), (b)(1)(B), (b)(2)(C)(i), and (b)(2)(C)(ii).

Section 1.530A–7 is also issued under 26 U.S.C. 530A(a), (f)(1)(A), and (f)(3)(B).

* * * * *

Par. 2. Section 1.530A–1 is added to read as follows:

§ 1.530A–1 Trump accounts; general requirements; establishment of an initial Trump account; auto enrollment and auto accounts.

(a)–(f) [The text of proposed § 1.530A–1(a) through (f) is the same as the text of § 1.530A–1T(a) through (f) in the temporary rule published elsewhere in this issue of the **Federal Register**.]

(g) *Applicability date.* This section applies to taxable years beginning on or after the date the Treasury decision adopting this section as a final regulation is published in the **Federal Register**.

§ 1.530A–2 [Added and Reserved]

Par. 3. Section 1.530A–2 is added and reserved.

§§ 1.530A–4 through 1.530A–6 [Added and Reserved]

Par. 4. Sections 1.530A–4 through 1.530A–6 are added and reserved.

Par. 5. Section 1.530A–7 is added to read as follows:

§ 1.530A–7 Qualified general contributions and qualified stock contributions.

(a)–(e) [The text of proposed § 1.530A–7(a) through (e) is the same as the text of § 1.530A–7T(a) through (e) in the temporary rule published elsewhere in this issue of the **Federal Register**.]

(f) *Applicability date.* This section applies to taxable years beginning on or after the date the Treasury decision adopting this section as a final regulation is published in the **Federal Register**.

Frank J. Bisignano,

Chief Executive Officer.

[FR Doc. 2026–20027 Filed 9–29–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–101355–26]

RIN 1545–BS19

Employer Contributions to Trump Accounts and Nondiscrimination Rules for Dependent Care Assistance Programs; Hearing

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notification of change to telephonic-only public hearing on a proposed rulemaking.

SUMMARY: This document announces that the public hearing scheduled for October 15, 2026, at 10 a.m. ET, for the notice of proposed rulemaking and notice of public hearing (REG–101355–26) published in the **Federal Register** on August 11, 2026, has been changed to a telephonic-only hearing. These proposed regulations would provide guidance with respect to employer contributions to Trump accounts, including applicable nondiscrimination rules, and the nondiscrimination rules for dependent care assistance programs.

DATES: The public hearing scheduled to be held on October 15, 2026, at 10 a.m. ET, has been changed to a telephonic-only hearing.

ADDRESSES: Public comments that have been submitted on the proposed regulations (REG–101355–26) are available on the Federal eRulemaking Portal at *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Jennifer Friedman at (202) 317–5500; concerning submissions of comments and the public hearing, the Publications and Regulations Section at (202) 317–6901 (not toll-free numbers) or by email at *publichearings@irs.gov* (preferred).

SUPPLEMENTARY INFORMATION: The subject of the public hearing is the notice of proposed rulemaking and notice of public hearing (REG–101355–26) published in the **Federal Register** on August 11, 2026 (91 FR 51611). This hearing will now be held in a telephonic-only format.

The rules of 26 CFR 601.601(a)(3) apply to the public hearing. Individuals who wished to present oral comments at the public hearing were required to submit an outline of the topics to be discussed as well as the time to be devoted to each topic by September 25, 2026. This due date for requests to testify has now passed. Individuals who made timely requests to testify either in-person or by telephone will receive the telephone number and access codes for the public hearing. A period of 10 minutes will be allotted to each person testifying.

Individuals who have already sent an email to *publichearings@irs.gov* to request to attend the hearing by telephone or in person do not need to make a second request to attend the hearing now being held by telephone only. The IRS will provide those individuals with a telephone number and access code for the rescheduled hearing by email.

Copies of the agenda will be available via the Federal eRulemaking Portal (*www.regulations.gov*) under the title of Supporting & Related Material.

Individuals who want to attend the public hearing by telephone without testifying must also send an email to *publichearings@irs.gov* to receive the telephone number and access code for the hearing. The subject line of the email must contain the regulation number (REG–101355–26) and the language ''ATTEND Hearing Telephonically.'' For example, the subject line may say: Request to ATTEND Hearing Telephonically for REG–101355–26. Requests to attend the hearing must be received by 5:00 p.m. ET on October 12, 2026.

Public hearings will be made accessible to people with disabilities. To request special assistance during a public hearing, please contact the Publications and Regulations Section of the Office of Associate Chief Counsel (Procedure and Administration) by sending an email to *publichearings@irs.gov* (preferred) or by telephone at (202) 317–6901 (not a toll-free number) by October 8, 2026.

Any additional questions regarding speaking at or attending the hearing may also be emailed to *publichearings@irs.gov.*

Aron L. Cosby,

Federal Register Liaison, Publications and Regulations Section, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2026–20021 Filed 9–29–26; 8:45 am]

BILLING CODE 4831–GV–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R08–OAR–2023–0495; FRL–13512–03–R8]

Air Plan Approval; Reconsideration and Repeal of Air Plan Partial Approval and Partial Disapproval of North Dakota's Regional Haze State Implementation Plan for the Second Implementation Period; Correction

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; reconsideration of final rule; correction.

SUMMARY: On September 9, 2026 the U.S. Environmental Protection Agency (EPA or Agency) proposed to repeal a final rule published in the **Federal Register** (FR) on December 2, 2024, partially approving and partially disapproving North Dakota's 2022 regional haze State Implementation Plan (SIP) submission for the second implementation period. The EPA proposed in the same action to approve the portions of North Dakota's 2022 SIP submission for the second implementation period that were disapproved in the EPA's 2024 partial approval/partial disapproval. The **ADDRESSES** section of the proposed rulemaking contained an incorrect Docket Identification Number (Docket ID No.) in the **Federal Register**. This document corrects an inadvertent typographical error in the **Federal Register**. This correction does not result in any substantive changes to the proposed rule.

DATES: Comments are still being accepted and must be received by October 9, 2026.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R08–OAR–2023–0495 to the Federal Rulemaking Portal: *https://www.regulations.gov.* Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *www.regulations.gov.* The EPA may publish any comment received to the Agency's public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.,* on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit *https://www.epa.gov/dockets/commenting-epa-dockets.*

Docket: All documents in the docket are listed in the *https://www.regulations.gov* index. Although listed in the index, some information is not publicly available, *e.g.,* CBI or other information the disclosure of which is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available electronically in *https://www.regulations.gov.* Please email or call the person listed in the **FOR FURTHER INFORMATION CONTACT** section if you need to make alternative arrangements for access to the docket.

FOR FURTHER INFORMATION CONTACT: For information about this proposed rule correction, contact Chelsea Cancino, Air and Radiation Division, EPA, Region 8, Mailcode 8ARD–IO, 1595 Wynkoop Street, Denver, Colorado, 80202–1129, telephone number: (303) 312–6276, email address: *cancino.chelsea@epa.gov.*

SUPPLEMENTARY INFORMATION: The EPA is correcting the proposed rulemaking, Air Plan Approval; Reconsideration and Repeal of Air Plan Partial Approval and Partial Disapproval of North Dakota's Regional Haze State Implementation Plan for the Second Implementation Period, which was published in the **Federal Register** at 91 FR 57302, September 9, 2026. Following the publication of this document, the EPA discovered there was an inadvertent typographical error in the docket number of the proposed rule.

The EPA is correcting the following error published in the **Federal Register** Document Number (FR Doc.) 2026–18290, which does not change the proposed rule to repeal a final rule published in the **Federal Register** (FR) on December 2, 2024. The EPA is correcting the Docket ID No. in the document preamble **ADDRESSES** section to Docket ID No. EPA–R08–OAR–2023–0495.

Correction

In the **Federal Register** of September 9, 2026, in FR Doc. 2026–18290, appearing at 91 FR 57302 on page 57303, in the first column, under **ADDRESSES** by correcting the Docket ID No. from ''Docket ID No. EPA–R08–OAR–2024–0001'' to ''Docket ID No. EPA–R08–OAR–2023–0495''.

Dated: September 22, 2026.

Mark A. Smith,

Deputy Regional Administrator, Region 8.

[FR Doc. 2026–20060 Filed 9–29–26; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MB Docket No. 26–266; RM–12027; DA 26–1018; FR ID 369623]

Television Broadcasting Services Savannah, Georgia

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend the Table of TV Allotments (Table) of the Federal Communications Commission's (Commission) rules in response to a petition for rulemaking filed by Georgia Public Telecommunications Commission (Georgia Public Broadcasting or Petitioner), the licensee of noncommercial educational television station WVAN–TV (WVAN–TV or Station), Savannah, Georgia (Savannah). The Petitioner requests the substitution of UHF channel *18 in place of its current VHF channel *8 at Savannah in the Table, with the technical parameters specified in the Petition. In support of its channel substitution request, the Petitioner asserts that allowing the Station to move to a UHF channel would serve the public interest by improving the community's access to WVAN–TV's locally produced programs. The Petitioner observes that the Commission has recognized that VHF channels have certain characteristics that have posed challenges for their use in providing digital television service, including propagation characteristics allowing undesired signals and noise to be receivable at relatively farther distances. Additionally, the Petitioner notes that the Commission has observed large variability in the performance of indoor antennas available to consumers, with most antennas receiving fairly well at UHF and the substantial majority not so well to very poor at high-VHF. An engineering statement provided by the Petitioner confirms that the proposed channel *18 contour would provide full principal community coverage to Savannah and that the proposed channel substitution contour would not cause impermissible interference to any

other licensed facilities. When taking into account the ability of viewers to obtain PBS programming from other nearby stations, the proposed channel substitution would not cause any loss of service.

DATES: Comments must be filed on or before October 30, 2026 and reply comments on or before November 16, 2026.

ADDRESSES: Federal Communications Commission, Office of the Secretary, 45 L Street NE, Washington, DC 20554. In addition to filing comments with the FCC, interested parties should serve counsel for the Petitioner as follows: Derek Teslik, Gray Miller Persh LLP, 2233 Wisconsin Avenue NW, Suite 226, Washington, DC 20007.

FOR FURTHER INFORMATION CONTACT: Emily Harrison at *Emily.Harrison@fcc.gov,* (202) 418–1665 or Mark Colombo at *Mark.Colombo@fcc.gov,* (202) 418–7611.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Notice of Proposed Rulemaking,* MB Docket No. 26–266; RM–12027; DA 26–1018, adopted September 22, 2026, and released September 22, 2026. The full text of this document is available online at *https://www.fcc.gov/edocs.*

This document does not contain information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104–13. In addition, therefore, it does not contain any proposed information collection burden ''for small business concerns with fewer than 25 employees,'' pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, *see* 44 U.S.C. 3506(c)(4). Provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to this proceeding.

Members of the public should note that all *ex parte* contacts are prohibited from the time a notice of proposed rulemaking is issued to the time the matter is no longer subject to Commission consideration or court review, *see* 47 CFR 1.1208. There are, however, exceptions to this prohibition, which can be found in § 1.1204(a) of the Commission's rules, 47 CFR 1.1204(a).

See §§ 1.415 and 1.420 of the Commission's rules for information regarding the proper filing procedures for comments, 47 CFR 1.415 and 1.420.

Providing Accountability Through Transparency Act: The Providing Accountability Through Transparency Act, Public Law 118–9, requires each agency, in providing notice of a rulemaking, to post online a brief plain-language summary of the proposed rule. The required summary of this notice of proposed rulemaking is available at *https://www.fcc.gov/proposed-rulemakings.*

List of Subjects in 47 CFR Part 73

Television.

Federal Communications Commission.

Thomas Horan,

Chief of Staff, Media Bureau.

Proposed Rule

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 73 as follows:

PART 73—RADIO BROADCAST SERVICES

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154, 155, 301, 303, 307, 309, 310, 334, 336, 339.

■ 2. In § 73.622, in the table in paragraph (j), under Georgia, revise the entry for ''Savannah'' to read as follows:

§ 73.622 Digital television table of allotments.

* * * * *

(j) * * *

Community	Channel No.
* * * * *	
Georgia	
* * * * *	
Savannah	16, *18, 22, 23.
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[FR Doc. 2026–20038 Filed 9–29–26; 8:45 am]

BILLING CODE 6712–01–P

Notices

Federal Register
Vol. 91, No. 188
Wednesday, September 30, 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

Rural Housing Service

[Docket No. RHS–26–MFH–0166]

Revised Fee Structure for Section 538 Guaranteed Rural Rental Housing Program Initial and Annual Guarantee Fees

AGENCY: Rural Housing Service, USDA.

ACTION: Notice; revision.

SUMMARY: The Rural Housing Service (RHS or the Agency), a Rural Development agency of the United States Department of Agriculture (USDA), is announcing a revision to the current fee structure for the Section 538 Guaranteed Rural Rental Housing Program (GRRHP) initial and annual guarantee fees.

DATES: The effective date of the revised fees is September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Tammy Daniels, Finance and Loan Analyst, Multifamily Housing Production and Preservation Division, Rural Housing Service, USDA, STOP 0781, 1400 Independence Avenue SW, Washington, DC 20250–0781, Telephone: (202) 720–0021 (this is not a toll-free number); email: *tammy.daniels@usda.gov.*

SUPPLEMENTARY INFORMATION:

Authority

The RHS administers the 538 Guaranteed Rural Rental Housing Program (GRRHP) loans under the authority of the Housing Act of 1949, as amended (42 U.S.C. 1490p–2) and operates under 7 CFR part 3565. As set forth in 7 CFR part 3565, the Agency will publish any changes to the fees in a Notice in the **Federal Register**.

Background

Under the GRRHP, RHS guarantees loans to develop housing and related facilities in rural areas. Section 538(g) authorizes the Secretary of Agriculture to charge lenders certain fees for loan guarantees (see, 42 U.S.C. 1490p–2(g)). The Agency uses these fees to offset the cost of loan guarantees under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 *et seq.*).

Revision

On March 3, 2022, the Agency announced four categories for initial and annual guarantee fees: a Standard Reduced Fee and further reduced fees for Workforce Housing; preservation of existing Section 515, 514/516 Rural Development Properties; and Section 538 New Construction/Substantial Rehabilitation with Green (87 FR 12077).

To align with Executive Order 14148, which revoked certain climate-related executive orders, Executive Order 14394, which promotes leveraging Opportunity Zones for construction, and current Administration priorities, the Agency is replacing the Section 538 ''New Construction/Substantial Rehabilitation with Green Category'' with Section 538 ''New Construction/Substantial Rehabilitation of Properties Located in Qualified Opportunity Zones.''

The Agency sets the fee structure for the Section 538 New Construction/Substantial Rehabilitation of Properties Located in Qualified Opportunity Zones at 60 basis points for the initial guarantee fee and 25 basis points for the annual guarantee fee.

A Qualified Opportunity Zone is an economically distressed community where new investments may qualify for preferential tax treatment if they meet certain conditions. Localities qualify as Qualified Opportunity Zones when the State nominates them, and the Internal Revenue Service certifies the nomination. Lenders must state and certify in the lender's narrative that the property will be located in a designated Qualified Opportunity Zone.

The revised fee structure is as follows:

	Initial guarantee fee (due prior to or at closing)	Annual guarantee fee (due each year or portion of the year the guarantee remains in effect) *
	Basis points	Basis points
Standard Fee Structure	65	35
Workforce Housing—Rents between 80%–115% AMI	60	25
Preservation of Existing Section 515, 514/516 Rural Development Properties	60	25
Section 538 New Construction/Substantial Rehabilitation of Properties Located in Qualified Opportunity Zones	60	25

* The Agency requires payment of the annual guarantee fee in advance. (Example: A loan that closes on December 31, 2025 will incur the annual fee for 2026)

The Agency will continue to apply the further reduced Green category fee to complete the applications that it approved and obligated before the effective date of the new fee category. Applications that were eligible but not obligated before the effective date will not qualify for this further reduced fee. However, the Agency will allow applicants who submitted applications before implementation of the new fee category, and whose applications the Agency has not yet obligated, to revise those applications to demonstrate that the property is located in a Qualified Opportunity Zone, if applicable. Lenders should contact the appropriate Multifamily Housing Production and Preservation, Processing and Report Review Branch processor for guidance on submitting a revised application to

obtain the further reduced fee for Section 538 New Construction/Substantial Rehabilitation in Qualified Opportunity Zones. Applications that do not meet the eligibility criteria for any further reduced fee will receive the standard reduced fee of 65 basis points for the initial guarantee fee and 35 basis points for the annual guarantee fee.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (*e.g.,* Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD–3027, found online at How to File a Program Discrimination Complaint (*https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint*) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632–9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Mail Stop 9410, Washington, DC 20250–9410; (2) fax: (202) 690–7442; or (3) email: *program.intake@usda.gov.*

George Kelly,

Administrator, Rural Housing Service.

[FR Doc. 2026–20022 Filed 9–29–26; 8:45 am]

BILLING CODE 3410–XV–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Five-Year Records Retention Requirement for Export Transactions and Boycott Actions

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on June 24, 2026, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: Bureau of Industry and Security, Commerce.

Title: Five-Year Records Retention Requirement for Export Transactions and Boycott

Actions.

OMB Control Number: 0694–0096.

Form Number(s): None.

Type of Request: Extension of a current information collection.

Number of Respondents: 100,000.

Average Hours per Response: 1 to 60 seconds.

Burden Hours: 23,383.

Needs and Uses: This collection is necessary under Sections 760 and 762.6(a) of the Export Administration Regulations (EAR). The five-year retention requirement corresponds with the statute of limitations for violations and is necessary to preserve potential evidence for investigations. All parties involved in the export, reexport, transshipment or diversion of items subject to the EAR and the U.S. party involved in the export transaction involving a reportable boycott request are required to maintain records of these activities for a period of five years. The frequency depends upon how often each entity is involved in an export transaction or one involving a reportable boycott request.

Affected Public: Business or other for-profit organizations.

Frequency: On Occasion.

Respondent's Obligation: Voluntary.

Legal Authority: 760 and 762.6(a) of the Export Administration Regulations (EAR).

This information collection request may be viewed at *www.reginfo.gov.* Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function and entering either the title of the collection or the OMB Control Number 0694–0096.

Sheleen Dumas,

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

[FR Doc. 2026–20058 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–808]

Certain Cut-to-Length Carbon Steel Plate From Ukraine: Final Results of the Expedited Fifth Sunset Review of the Agreement Suspending the Antidumping Investigation

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

SUMMARY: As a result of this sunset review, the U.S. Department of Commerce (Commerce) finds that termination of the Agreement Suspending the Antidumping Investigation of Certain Cut-to-Length Carbon Steel Plate from Ukraine (Agreement) and the suspended antidumping duty investigation would be likely to lead to continuation or recurrence of dumping at the levels indicated in the ''Final Results of Review'' section of this notice.

DATES: Applicable September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or Samantha Fino, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0162 or (202) 482–2861, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 1, 2026, Commerce published the notice of initiation of the sunset review of the suspended antidumping duty investigation of certain cut-to-length carbon steel plate (CTL plate) from Ukraine, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[1] Pursuant to 19 CFR 351.218(d)(1)(i), Commerce received timely and complete notices of intent to participate in the sunset review from SSAB Enterprises LLC (SSAB) on June 9, 2026,[2] and from Clevland-Cliffs Inc. (Cleveland Cliffs) [3] and Nucor Corporation (Nucor) [4] on June 16, 2026, respectively. On July 1, 2026, Commerce received an adequate substantive response from Nucor, Cleveland Cliffs, and SSAB (collectively, domestic interested parties) within the deadline specified in section 751(c)(2) of the Act and 19 CFR 351.218(d)(3)(i).[5] Commerce did not receive an adequate substantive response from any respondent interested party, nor was a hearing requested. As a result, Commerce conducted an expedited (120-day) sunset review, in accordance with 19 CFR 351.218(e)(1)(ii)(C)(2).

Scope of the Agreement

For purposes of this Agreement, the products covered are hot-rolled iron and non-alloy steel universal mill plates (*i.e.,* flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non-alloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in the Agreement are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.,* products which have been ''worked after rolling'')—for example, products which have been bevelled or rounded at the edges.

This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this Agreement is dispositive. Specifically, excluded from the subject merchandise within the scope of this Agreement is grade X–70 plate.

Analysis of Comments Received

All issues raised in this sunset review, including the likelihood of continuation or recurrence of dumping and the magnitude of the margin of dumping likely to prevail if the Agreement and suspended investigation were terminated, are addressed in the Issues and Decision Memorandum.[6] The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* A list of topics discussed in the Issues and Decision Memorandum is included as an appendix to this notice. A complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Final Results of Review

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, Commerce determines that termination of the Agreement and suspended investigation of CTL plate from Ukraine would likely lead to continuation or recurrence of dumping at weighted-average margin of up to 237.91 percent.

Notification Regarding Administrative Protective Orders

This notice also serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective 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

Commerce is issuing and publishing the final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 22, 2026.

Christian L. Bush,

Acting Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Agreement
IV. History of the Proceeding
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of Continuation or Recurrence of Dumping
  2. Magnitude of the Margin Likely to Prevail
VII. Final Results of the Expedited Review
VIII. Recommendation

[FR Doc. 2026–20041 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–902]

Utility Scale Wind Towers From the Republic of Korea: Preliminary Results and Rescission, in Part of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Dongkuk S&C Co., Ltd. (Dongkuk) did not make sales of subject merchandise at less than normal value (NV) during the period of review (POR), August 1, 2024, through July 31, 2025. In addition, we are rescinding the

[1] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[2] *See* SSAB's Letter, ''Notice of Intent to Participate in the Five-Year Review of the Antidumping Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate from Ukraine,'' dated June 9, 2026;

[3] *See* Cleveland-Cliffs' Letter, ''Notice Of Intent To Participate In Sunset Reviews,'' dated June 16, 2026.

[4] *See* Nucor's Letter, ''Notice of Intent to Participate in Review,'' dated June 16, 2026.

[5] *See* Domestic Interested Parties' Letter, ''Domestic Interested Parties' Substantive Response to Notice of Initiation of Five-Year (Sunset) Review,'' dated July 1, 2026.

[6] *See* Memorandum, ''Issues and Decision Memorandum for the Expedited Final Results of the Fifth Sunset Review of the Suspended Antidumping Duty Investigation on Certain Cut-to-Length Carbon Steel Plate from Ukraine,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

review with respect to eight companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Anne Entz, AD/CVD Operations, Office Ops IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3845.

SUPPLEMENTARY INFORMATION:

Background

On September 25, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on utility scale wind towers (wind towers) from the Republic of Korea (Korea).[1] Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days, and, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[2]

On November 18, 2025, Commerce selected Dongkuk as the mandatory respondent in this review.[3] On June 24, 2026, and July 28, 2026, respectively, we extended the deadline for these preliminary results, which is now no later than September 25, 2026.[4]

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 in Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Scope of the Order

The merchandise subject to the *Order* is wind towers from Korea. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an antidumping duty order where it concludes that there were no suspended entries of subject merchandise during the POR.[6] Normally, upon completion of an administrative review, the suspended entries are liquidated at the antidumping duty assessment rate for the review period.[7] Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the AD assessment rate calculated for the POR.[8] Commerce notified all interested parties of its intent to rescind the instant review regarding the companies listed in Appendix II because there were no reviewable, suspended entries of subject merchandise from these companies during the POR and invited interested parties to comment.[9] No party commented on this memorandum. In the absence of any suspended entries of subject merchandise from these companies during the POR, we are rescinding this administrative review for the companies listed in Appendix II, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period August 1, 2024, through July 31, 2025:]

Producer/exporter	Weighted-average dumping margin (percent)
Dongkuk S&C Co., Ltd	0.00

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.[10] 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.[11] Interested

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 46173 (September 25, 2025); *see also Utility Scale Wind Towers from Canada, Indonesia, the Republic of Korea, and the Socialist Republic of Vietnam: Antidumping Duty Orders,* 85 FR 52546, 52547 (August 26, 2020) (*Order*).

[2] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025; *see also* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[3] *See* Memorandum, ''Respondent Identification,'' dated November 18, 2025.

[4] *See* Memorandum, ''Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Duty Administrative Review,'' dated June 24, 2026; *see also* Memorandum, ''Second Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Duty Administrative Review,'' dated July 28, 2026.

[5] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Utility Scale Wind Towers from the Republic of Korea; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[6] *See, e.g., Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review; 2020–2021,* 88 FR 4154 (January 24, 2023).

[7] *See* 19 CFR 351.212(b)(1).

[8] *See, e.g., Shanghai Sunbeauty Trading Co.* v. *United States,* 380 F.Supp.3d 1328, 1337 (CIT 2019), at 12 (referring to section 751(a) of the Act, the U.S. Court of International Trade held that ''{w}hile the statute does not explicitly require that an entry be suspended as a prerequisite for establishing entitlement to a review, it does explicitly state the determined rate will be used as the liquidation rate for the reviewed entries. This result can only obtain if the liquidation of entries has been suspended;'' *see also Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019,* 86 FR 36102, and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of Rescission of Antidumping Duty Administrative Review,* 77 FR 65532 (October 29, 2012) (noting that ''for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate'').

[9] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated November 21, 2025.

[10] *See* 19 CFR 351.309.

[11] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in*

Continued

parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[12] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.[13] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[14]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[15]

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If Dongkuk's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.[16] To determine whether an importer-specific, per-unit assessment rate is *de minimis,* in accordance with 19 CFR 351.106(c)(2), we also will calculate an importer-specific *ad valorem* ratio based on estimated entered values. If Dongkuk's weighted-average dumping margin is zero or *de minimis* or where an importer-specific *ad valorem* assessment rate is zero or *de minimis,* we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[17]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by Dongkuk for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.[18]

For the companies listed in Appendix II for which the review is being rescinded, Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Antidumping duties shall be assessed at rates equal to the cash deposit rate for estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of publication of this notice in the **Federal Register**.

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

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 5.41 percent, the all-others rate established in the LTFV investigation.[19] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Antidumping and Countervailing Duty Proceedings, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[12] *See* 19 CFR 351.309(c)(2) and (d)(2).

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

[14] *See APO and Service Procedures.*

[15] *See* 19 CFR 351.310(d).

[16] *See* 19 CFR 351.212(b)(1).

[17] *See* 19 CFR 351.106(c)(2); *see also Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

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

[19] *See Order.*

Notification to Interested Parties

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

Dated: September 24, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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

Appendix II

Companies With No Reviewable Entries Rescinded From Review

1. CS Wind Corporation
2. Enercon Korea Inc.
3. Hyosung Heavy Industries
4. Nordex SE
5. Siemens Gamesa Renewable Energy
6. Unison Co., Ltd
7. Vestas Korea Wind Technology Ltd.
8. Win&P., Ltd.

[FR Doc. 2026–20024 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–948]

Large Diameter Graphite Electrodes From India: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, 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 large diameter graphite electrodes (large graphite electrodes) from India are being, or are likely to be, sold in the United States at less-than-fair-value (LTFV). The period of investigation (POI) is January 1, 2025, through December 31, 2025. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Patrick Barton or 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) 482–0012 or (202) 482–1216, respectively.

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 notice of initiation of this investigation on March 20, 2026.[1] On July 13, 2026, Commerce postponed the preliminary determination of this investigation; the revised deadline is now September 22, 2026.[2]

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.[3] 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 products covered by this investigation are large diameter graphite electrodes from India. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,[4] the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.,* scope).[5] Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice.* For a summary of the product coverage comments and rebuttal comments submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.[6] Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice. See* the revised scope in Appendix I to this notice.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act, and constructed export prices in accordance with section 772(b) of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying the 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 finds that critical circumstances exist for Graphite India Limited (GIL), HEG Limited (HEG), and all other producers and exporters of the subject merchandise. For a full description of the methodology and results of Commerce's critical circumstances analysis, *see* the Preliminary Decision Memorandum.

All-Others Rate

Sections 733(d)(1)(ii) and 735(c)(5)(A) of the Act provide that, in the preliminary determination, Commerce shall determine an estimated weighted-average dumping margin, *i.e.,* the all-others rate, for all exporters and producers not individually examined. This rate shall be 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 under section 776 of the Act.

In this investigation, Commerce calculated estimated weighted-average dumping margins for GIL and HEG that are not zero, *de minimis,* or based

[1] *See Large Diameter Graphite Electrodes from the People's Republic of China and India: Initiation of Less-Than-Fair-Value Investigations,* 91 FR 13581 (March 20, 2026) (*Initiation Notice*).

[2] *See Large Diameter Graphite Electrodes from India: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation,* 91 FR 42931 (July 13, 2026).

[3] *See* Memorandum, ''Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value and Preliminary Affirmative Determination of Critical Circumstances in the Investigation of Large Diameter Graphite Electrodes from India,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[4] *See Antidumping Duties; Countervailing Duties, Final Rule,* 62 FR 27296, 27323 (May 19, 1997).

[5] *See Initiation Notice,* 91 FR at 13581–82.

[6] *See* Memorandum, ''Less-Than-Fair-Value and Countervailing Duty Investigations of Large Diameter Graphite Electrodes from India and the People's Republic of China: Preliminary Scope Decision Memorandum,'' dated July 24, 2026 (Preliminary Scope Decision Memorandum).

entirely on facts otherwise available. Commerce calculated the all-others rate using a weighted average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged values for the merchandise under consideration.[7]

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Exporter/producer	Weighted-average dumping margin (percent)	Cash deposit rate (adjusted for subsidy offset(s)) (percent)
Graphite India Limited	12.22	9.88
HEG Limited	4.97	1.15
All Others	6.95	[8] 3.53

Suspension of Liquidation

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 subject 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 produced or exported by GIL, HEG, and all other producers/exporters of the subject merchandise. In accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of shipments of subject merchandise from the producers or exporters 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.

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 estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) The cash deposit rate for the respondents listed above will be equal to the company-specific estimated weighted-average dumping margins determined in this preliminary determination; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Commerce normally adjusts cash deposits for estimated antidumping duties by the amount of export subsidies countervailed in a companion countervailing duty (CVD) proceeding, when CVD provisional measures are in effect. Accordingly, where Commerce preliminarily made an affirmative determination for countervailable export subsidies, Commerce has offset the estimated weighted-average dumping margin by the appropriate CVD rate.[9] Any such adjusted cash deposit rate may be found in the ''Preliminary Determination'' section 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 estimated antidumping duty cash deposits unadjusted for countervailed export subsidies at the time that the provisional CVD measures expire.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

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

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation, unless the Secretary alters the time limit. A timeline for the submission of case briefs and written comments will be notified to interested parties at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case

[7] With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged U.S. sales values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part,* 75 FR 53661, 53662 (September 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1. As complete publicly ranged sales data were available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, *see* Memorandum, ''Preliminary Determination All-Others Rate Calculations,'' dated concurrently with this notice (All-Others Rate Calculation Memorandum).

[8] *See* Memorandum, ''Preliminary Calculation of Export Subsidy Offsets,'' dated concurrently with this notice.

[9] *See Large Diameter Graphite Electrodes from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination,* 91 FR 48081 (July 30, 2026), and accompanying Preliminary Decision Memorandum.

briefs.[10] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[11]

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[12] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[13]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, 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 the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and 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. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of Commerce's regulations requires that a request by exporters for postponement of the final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On September 8 and 15, 2026, respectively, pursuant to 19 CFR 351.210(e), Resonac Graphite America Inc. and Tokai Carbon GE LLC (the petitioners) and HEG requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.[14] In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporters accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination no later than 135 days after the date of publication 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. 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 days after the final determination whether these imports 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 22, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The merchandise covered by the investigation includes all large diameter graphite electrodes of any length, whether or not finished, of a kind used in furnaces, with a nominal or actual diameter exceeding 425 millimeters (16.7 inches), and whether or not attached to a graphite pin joining system or any other type of joining system or hardware. The merchandise covered by the investigation also includes graphite pin joining systems (commonly referred to as pins or nipples) for large diameter graphite electrodes, of any length, and with a minimum diameter of 228.6 mm (9 inches) at its widest transverse cross-section, whether or not finished, of a kind used in furnaces, and whether or not the graphite pin joining system is attached to, sold with, or sold separately from, the large diameter graphite electrode. Unfinished large diameter graphite electrodes are graphitized electrodes that have not undergone final machining. For purposes of the investigation, the country of origin is determined by the country of graphitization.

Excluded from the scope of the investigation are large diameter graphite electrodes that are subject to the existing antidumping duty order on Small Diameter Graphite Electrodes from the People's Republic of China. *See Antidumping Duty Order: Small Diameter Graphite Electrodes from the People's Republic of China,* 74 FR 8775 (February 26, 2009) (*SDGE China AD Order*) due to an affirmative determination of circumvention that imports of graphite electrodes from the People's Republic of China, produced and/or exported by Sinosteel Jilin Carbon Co., Ltd. and Jilin Carbon Import & Export Company (collectively, Jilin Carbon), with an actual or nominal diameter of 17 inches and otherwise meeting the description of the scope of the *SDGE China AD Order* constitute merchandise subject to the *SDGE China AD Order. See Small Diameter Graphite Electrodes from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order and Rescission of Later-Developed Merchandise Anticircumvention Inquiry,* 78 FR 56864 (September 16, 2013). In the case of graphite electrodes entering the United States determined to be subject to the *SDGE China AD Order,* such order controls. In the case of graphite electrodes entering the United States meeting the scope definition of the investigation and not covered by the scope of the *SDGE China AD Order,* the scope of the investigation controls.

Large diameter graphite electrodes and graphite pin joining systems for large diameter graphite electrodes that are covered by the investigation are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8545.11.0020. Merchandise covered

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

[11] *See* 19 CFR 351.309(c)(2) and (d)(2).

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

[13] *See APO and Service Procedures.*

[14] *See* Petitioners' Letter, ''Petitioners' Request to Postpone the Final Determination,'' dated September 8, 2026; *see also* HEG's Letter, ''Request to Postpone the Deadline for Final Determination,'' dated September 15, 2026.

by the investigation may also enter under HTSUS statistical reporting numbers 3801.10.5090 or 3801.90.0050. The HTSUS numbers are provided for convenience and customs purposes, but the written description of the scope is dispositive.

Excluded from the scope of the investigation are certain thermal energy storage (TES) graphite blocks. The excluded TES graphite blocks are machine-milled, non-cylindrical graphite blocks, which have: a coefficient of thermal expansion of 1.5 μm/(m·K) or greater, and an apparent (also known as bulk) density below 1.74 g/cm^3, and which have an actual length of between 228.6 mm (9.0 inches) and 3010 mm (118.5 inches), an actual width between 228.6 mm (9.0 inches) and 560 mm (22.0 inches), an actual height between 228.6 mm (9.0 inches) and 560 mm (22.0 inches), and which have been machined to include two or more holes of at least 150 mm (5.9 inches) in depth and at least 35 mm (1.4 inches) in diameter.

The two or more 150 mm deep holes must be located: (i) along the longest centerline of the longest side of the block, each located on the same side of the block, (ii) spaced at intervals of no greater than 1000 mm (39.4 inches) apart as measured from the outer edge of the holes, and (iii) with the hole closest to each end of the longest centerline located within 1000 mm of the corresponding end of the block. Blocks may contain any number of additional holes, channels, or grooves in any configuration or location, provided that at least two or more holes of at least 150 mm depth are present as described above.

Further excluded from the scope of the investigation are certain TES graphite blocks, anchors, and pins, regardless of shape, which have a coefficient of thermal expansion of 1.5 μm/(m·K) or greater, and an apparent (also known as bulk) density below 1.74 g/cm^3, with actual dimensions such that any one or more of the length, width, or height is less than 228.6 mm (9.0 inches).

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. Currency Conversion
VII. Adjustments to Cash Deposit Rates for Export Subsidies in the Companion Countervailing Duty Investigation
VIII. Recommendation

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–220]

Large Diameter Graphite Electrodes From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that large diameter graphite electrodes (LDGE) 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 July 1, 2025, through December 31, 2025. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Deborah Cohen, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4521.

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 notice of initiation of this investigation on March 20, 2026.[1] On June 23, 2026, Commerce postponed the preliminary determination of this investigation; the revised deadline is now September 22, 2026.[2]

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.[3] 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 found at *https://access.trade.gov/frnotices.*

Scope of the Investigation

The products covered by this investigation are large diameter graphite electrodes 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,[4] the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.,* scope).[5] Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice.* For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.[6] Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice. See* the revised scope in Appendix I to this notice.

Methodology

Commerce is conducting this investigation in accordance with sections 731 and 733(b) of the Act. Pursuant to sections 776(a) and (b) of the Act, we have preliminarily relied upon facts otherwise available with adverse inferences (AFA) for the China-wide entity, which includes the companies listed that did not respond to Commerce's request for information pertaining to quantity and value, did not submit a separate rate application, or did not submit a response to Commerce's initial questionnaire. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

[1] *See Large Diameter Graphite Electrodes from the People's Republic of China and India: Initiation of Less-Than-Fair Value Investigations,* 91 FR 13581 (March 20, 2026) (*Initiation Notice*).

[2] *See Large Diameter Graphite Electrodes from the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation,* 91 FR 38668 (June 26, 2026).

[3] *See* Memorandum, ''Decision Memorandum for the Preliminary Affirmative Determination in the Less-Than-Fair-Value Investigation of Large Diameter Graphite Electrodes from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[4] *See Antidumping Duties; Countervailing Duties, Final Rule,* 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

[5] *See Initiation Notice,* 91 FR at 13581–13582.

[6] *See* Memorandum, ''Less-Than-Fair-Value and Countervailing Duty Investigations of Large Diameter Graphite Electrodes from India and the People's Republic of China: Preliminary Scope Decision Memorandum,'' dated July 24, 2026 (Preliminary Scope 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 LDGEs from China from 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,*[7] 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.[8] 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 nonmarket 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 preliminarily determine that that no firms demonstrated eligibility 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 margin exists:

Producer/ Exporter	Weighted-Average dumping margin (percent)	Cash deposit rate (Adjusted for subsidy offsets) (percent)
China-Wide Entity	98.79*	95.61

*Rate based on facts available with adverse inferences.

Suspension of Liquidation

In accordance with section 733(d)(2) and (e)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date 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 all Chinese producers/exporters of subject merchandise, which are treated as part of the China-wide entity because they have not established eligibility for a separate rate, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (2) for all third-country exporters of subject merchandise not listed in the table above, the cash deposit rate is the cash deposit rate applicable to 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.[9] 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 China-wide entity that were entered, or withdrawn from warehouse, for consumption on or after the date that is 90 days before the publication of this notice in the **Federal Register**.

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 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 applied AFA to the China-wide entity in this investigation in accordance with section 776 of the Act, and the applied AFA rate is based solely on the Petition, there are no calculations to disclose.

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the

[7] *See Initiation Notice,* 91 FR at 13585.

[8] *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.*

[9] *See* Preliminary Decision Memorandum.

preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

Because we have preliminarily determined that all producers/exporters are part of the China-wide entity, verification will not be conducted.

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 this preliminary determination in the **Federal Register**. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[10] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[11]

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[12] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[13]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, 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 the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and 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 days after the date of this preliminary determination or 45 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 22, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation includes all large diameter graphite electrodes of any length, whether or not finished, of a kind used in furnaces, with a nominal or actual diameter exceeding 425 millimeters (16.7 inches), and whether or not attached to a graphite pin joining system or any other type of joining system or hardware. The merchandise covered by the investigation also includes graphite pin joining systems (commonly referred to as pins or nipples) for large diameter graphite electrodes, of any length, and with a minimum diameter of 228.6 mm (9 inches) at its widest transverse cross-section, whether or not finished, of a kind used in furnaces, and whether or not the graphite pin joining system is attached to, sold with, or sold separately from, the large diameter graphite electrode. Unfinished large diameter graphite electrodes are graphitized electrodes that have not undergone final machining. For purposes of the investigation, the country of origin is determined by the country of graphitization.

Excluded from the scope of the investigation are large diameter graphite electrodes that are subject to the existing antidumping duty order on Small Diameter Graphite Electrodes from the People's Republic of China. *See Antidumping Duty Order: Small Diameter Graphite Electrodes from the People's Republic of China,* 74 FR 8775 (February 26, 2009) (*SDGE China AD Order*) due to an affirmative determination of circumvention that imports of graphite electrodes from the People's Republic of China, produced and/or exported by Sinosteel Jilin Carbon Co., Ltd. and Jilin Carbon Import & Export Company (collectively, Jilin Carbon), with an actual or nominal diameter of 17 inches and otherwise meeting the description of the scope of the *SDGE China AD Order* constitute merchandise subject to the *SDGE China AD Order. See Small Diameter Graphite Electrodes from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order and Rescission of Later-Developed Merchandise Anticircumvention Inquiry,* 78 FR 56864 (September 16, 2013). In the case of graphite electrodes entering the United States determined to be subject to the *SDGE China AD Order,* such order controls. In the case of graphite electrodes entering the United States meeting the scope definition of the investigation and not covered by the scope of the *SDGE China AD Order,* the scope of the investigation controls.

Large diameter graphite electrodes and graphite pin joining systems for large diameter graphite electrodes that are covered by the investigation are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8545.11.0020. Merchandise covered by the investigation may also enter under HTSUS statistical reporting numbers 3801.10.5090 or 3801.90.0050. The HTSUS numbers are provided for convenience and customs purposes, but the written description of the scope is dispositive.

Excluded from the scope of the investigation are certain thermal energy storage (TES) graphite blocks. The excluded TES graphite blocks are machine-milled, non-cylindrical graphite blocks, which have: a coefficient of thermal expansion of 1.5 μm/(m·K) or greater, and an apparent (also known as bulk) density below 1.74 g/cm^3, and which have an actual length of between 228.6 mm (9.0 inches) and 3010 mm (118.5 inches), an actual width between 228.6 mm (9.0 inches) and 560 mm (22.0 inches), an actual height between 228.6 mm (9.0 inches) and 560 mm (22.0 inches), and which have been machined to include two or more holes of at least 150 mm (5.9 inches) in depth and at least 35 mm (1.4 inches) in diameter.

The two or more 150 mm deep holes must be located: (i) along the longest centerline of the longest side of the block, each located on the same side of the block, (ii) spaced at intervals of no greater than 1000 mm (39.4 inches) apart as measured from the outer edge of the holes, and (iii) with the hole closest to each end of the longest centerline

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

[11] *See* 19 351.309(c)(2) and (d)(2).

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

[13] *See APO and Service Final Rule.*

located within 1000 mm of the corresponding end of the block. Blocks may contain any number of additional holes, channels, or grooves in any configuration or location, provided that at least two or more holes of at least 150 mm depth are present as described above.

Further excluded from the scope of the investigation are certain TES graphite blocks, anchors, and pins, regardless of shape, which have a coefficient of thermal expansion of 1.5 µm/(m·K) or greater, and an apparent (also known as bulk) density below 1.74 g/cm^3, with actual dimensions such that any one or more of the length, width, or height is less than 228.6 mm (9.0 inches).

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. Adjustments to Cash Deposit Rates for Export Subsidies in the Companion Countervailing Duty Investigation
VII. Recommendation
VIII.

[FR Doc. 2026–20030 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–836]

Light-Walled Rectangular Pipe and Tube From Mexico: Notice of Court Decision Not in Harmony With the Results of Antidumping Duty Administrative Review; Notice of Amended Final Results

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

SUMMARY: On September 14, 2026, the U.S. Court of International Trade (CIT) issued a final judgment in *Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V. and Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court no. 23–00091, sustaining the U.S. Department of Commerce (Commerce)'s second remand results pertaining to the administrative review of the antidumping duty (AD) order on light-walled rectangular pipe and tube (LWRPT) from Mexico covering the period August 1, 2020 through July 31, 2021. Commerce is notifying the public that the CIT's final judgment is not in harmony with Commerce's final results of the administrative review, and that Commerce is amending the final results with respect to the dumping margin assigned to Maquilacero S.A. de C.V. (Maquilacero) and Tecnicas de Fluidos S.A. de C.V. (TEFLU), which were reviewed as a single, individually-examined, collapsed entity, (collectively, Maquilacero/TEFLU). As a result, Commerce is also amending the final results with respect to the dumping margin assigned to the non-selected companies Perfiles L.M., S.A. de C.V. (Perfiles) and Productos Laminados de Monterrey S.A. de C.V. (Productos Laminados).

DATES: Applicable September 24, 2026.

FOR FURTHER INFORMATION CONTACT: Charles Doss, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4474.

SUPPLEMENTARY INFORMATION:

Background

On March 14, 2023, Commerce published its *Final Results* in the 2020–2021 AD administrative review of LWRPT from Mexico.[1] As discussed in the *20–21 Final Results,* Commerce applied the Cohen's *d* test as part of its differential pricing analysis.[2] The Court issued a prior order on October 4, 2024, remanding Commerce to review: (1) its determination that TEFLU's further processed products are in-scope, and (2) its determination that the products produced by Maquilacero and TEFLU are similar or identical in its collapsing analysis and to treat Maquilacero/TEFLU[3] as a single entity, while deferring judgement on: (1) its rejection of the manufacturing code and the further processing variable in its model match methodology, (2) its determination to treat TEFLU's sales made through the IMMEX program as home market sales, and (3) its determination to rely on the Cohen's *d* test to conduct its differential pricing analysis.[4]

In its standalone order remanding Commerce's final results prior to ruling on the issues in its prior remand, the Court instructed Commerce to conform its results with *Marmen,* which found use of the Cohen's *d* test was unreasonable when the data groups being compared are small, not normally distributed, and have disparate variances (*i.e.,* the statistical assumptions are not satisfied).[5]

On January 9, 2026, Commerce released its Draft Redetermination to interested parties.[6] On January 14, 2026, Commerce received comments from the petitioner.[7] Additionally, on January 16, 2026, Commerce received comments from Maquilacero/TEFLU and Perfiles.[8]

On March 17, 2026, Commerce released its *Final Redetermination* to interested parties.[9] After considering the comments raised by interested parties, Commerce made no changes to the Draft Redetermination with regard to its revised differential pricing analysis for these final results of redetermination. As a result, the estimated weighted-average dumping margin for Maquilacero/TEFLU during the period

[1] *See Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value,* 73 FR 45403 (August 5, 2008) (*Order*); *see also Light-Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review; 2020–2021,* 88 FR 15665 (March 14, 2023) (*20–21 Final Results*), and accompanying Issues and Decision Memorandum (IDM), amended in *Light-Walled Rectangular Pipe and Tube from Mexico: Amended Final Results of Antidumping Duty Administrative Review; 2020–2021,* 88 FR 30123 (May 12, 2023).

[2] *See 20–21 Final Results* IDM at Comment 6.

[3] Commerce has previously found that Maquilacero S.A. de C.V. (Maquilacero) and Tecnicas de Fluidos S.A. de C.V. (TEFLU) (collectively, Maquilacero/TEFLU) should be treated as a single entity. *See Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2018–2019,* 85 FR 83886 (December 23, 2020), and accompanying Preliminary Decision Memorandum (PDM) at 6, unchanged in *Light Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review: 2018–2019,* 86 FR 33646 (June 25, 2021) (*18–19 Final Results*), and accompanying IDM.

[4] *See Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V., Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court No. 23–00091, Slip Op. 24–107 (CIT October 4, 2024).

[5] *See Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V., Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court No. 23–00091, ECF No. 78 (June 17, 2025) (*Remand Order*) (citing *Marmen Inc., et al.* v. *United States,* 134 F.4th 1334 (Fed. Cir. 2025) (*Marmen*)).

[6] *See* Draft Results of Redetermination Pursuant to Court Remand, *Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V. and Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court No. 23–00091 (CIT June 17, 2025), dated January 9, 2026 (Draft Redetermination).

[7] The petitioner in this proceeding is Nucor Tubular Products Inc. (Nucor). *See* Nucor's Letter, ''Nucor Tubular's Comments on Draft Remand Redetermination,'' dated January 14, 2026 (Nucor's Draft Redetermination Comments).

[8] *See* Maquilacero/TEFLU's Letter, ''Maquilacero S.A. de C.V.'s Comments on the Draft Results of Redetermination Pursuant to the Remand Order in Court No. 23–00091,'' dated January 16, 2026 (Maquilacero/TEFLU's Draft Redetermination Comments); *see also* Perfiles' Letter, ''Comments of Perfiles LM S.A. de C.V. on the Draft Redetermination on Remand,'' dated January 16, 2026 (Perfiles' Draft Redetermination Comments).

[9] *See Final Results of Redetermination Pursuant to Court Remand, Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V. and Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court No. 23–00091 (CIT June 17, 2025), dated March 17, 2026 (*Final Redetermination*).

of review (POR) is 10.67 percent.[10] Additionally, the estimated weighted-average dumping margin for the two companies not selected for individual examination, Perfiles and Productos Laminados, assigned for the POR is 6.06 percent.[11] On September 14, 2026, the CIT sustained the *Final Redetermination.*[12]

Timken Notice

In its decision in *Timken,*[13] as clarified by *Diamond Sawblades,*[14] the U.S. Court of Appeals for the Federal Circuit held that, pursuant to sections 516A(c) and (e) of the Tariff Act of 1930, as amended (the Act), Commerce must publish a notice of court decision that is not ''in harmony'' with a Commerce determination and must suspend liquidation of entries pending a ''conclusive'' court decision. The CIT's September 14, 2026, judgment constitutes a final decision of the CIT that is not in harmony with Commerce's *Final Results.* Thus, this notice is published in fulfillment of the publication requirements of *Timken.*

Amended Final Results

Because there is now a final court judgment, Commerce is amending its *Final Results* with respect to the below companies as follows:

Producer or exporter	Weighted-average dumping margin (percent)
Maquilacero S.A. de C.V./ Tecnicas de Fluidos S.A. de C.V.	10.67
Perfiles LM, S.A. de C.V.	6.06
Productos Laminados de Monterrey S.A. de C.V.	6.06

Cash Deposit Requirements

Because Maquilacero/TEFLU, Perfiles, and Productos Laminados, have superseding cash deposit rates, *i.e.,* there have been final results published in a subsequent administrative review, we will not issue revised cash deposit instructions to U.S. Customs and Border Protection (CBP). This notice will not affect the current cash deposit rate for that exporter/producer.

Liquidation of Suspended Entries

At this time, Commerce remains enjoined by CIT order from liquidating entries that: were produced and exported by Maquilacero S.A. de C.V. or Tecnicas de Fluidos S.A. de C.V.; produced and/or exported by Perfiles LM, S.A. de C.V.; and were entered, or withdrawn from warehouse, for consumption during the period August 1, 2020, through July 31, 2021. These entries will remain enjoined pursuant to the terms of the injunction during the pendency of any reconsideration or appeals process.

In the event the CIT's ruling is not reconsidered, appealed, or, if appealed, upheld by a final and conclusive court decision, Commerce intends to instruct CBP to assess antidumping duties on unliquidated entries of subject merchandise produced and exported by Maquilacero S.A. de C.V. or Tecnicas de Fluidos S.A. de C.V.; produced and/or exported by Perfiles LM, S.A. de C.V., in accordance with 19 CFR 351.212(b). We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific *ad valorem* assessment rate is not zero or *de minimis.* Where an import-specific *ad valorem* assessment rate is zero or *de minimis,* we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(c) and (e) and 777(i)(1) of the Act.

Dated: September 24, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–19930 Filed 9–29–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–876]

Welded Line Pipe From the Republic of Korea: Notice of Court Decision Not in Harmony With the Less-Than-Fair-Value Amended Final Determination; Notice of Amended Final Determination and Notice of Amended Antidumping Duty Order

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

SUMMARY: On September 15, 2026, the U.S. Court of International Trade (CIT) issued its final judgment in *Stupp Corp.* v. *United States,* Court no. 15–00334, sustaining the U.S. Department of Commerce (Commerce)'s fourth final results of redetermination pursuant to remand pertaining to the less-than-fair-value (LTFV) investigation of welded line pipe from the Republic of Korea (Korea) covering the period of investigation October 1, 2013 through September 30, 2014. Commerce is notifying the public that the CIT's final judgment is not in harmony with Commerce's amended final determination in that investigation, and that Commerce is amending the final determination and the resulting antidumping duty order with respect to the estimated weighted-average dumping margin assigned to SeAH Steel Corporation (SeAH) and to all other producers and exporters.

DATES: Applicable September 25, 2026.

FOR FURTHER INFORMATION CONTACT: Caroline Carroll, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4948.

SUPPLEMENTARY INFORMATION:

Background

On October 13, 2015, Commerce published its *Final Determination* in the LTFV investigation of welded line pipe from Korea.[1] Subsequently, on November 10, 2015, Commerce published its *Amended Final Determination,* correcting errors in the calculation of the estimated weighted-average dumping margin calculated for one mandatory respondent, as well as the resulting estimated weighted-average dumping margin for all other producers and exporters.[2] On December 1, 2015, Commerce published the *Order* on welded line pipe from Korea.[3]

Hyundai HYSCO Co. Ltd. (Hyundai HYSCO), SeAH, and thepetitioners [4] appealed Commerce's *Final*

[10] *See* Memorandum, ''Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V. Draft Remand Analysis Memorandum,'' dated January 9, 2026 (Maquilacero/TEFLU Draft Redetermination Analysis).

[11] *Id.*

[12] *See Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V., Perfiles LM, S.A. de C.V.* v. *United States,* Consol. Court No. 23–00091, Slip Op. 26–111 (CIT September 17, 2026).

[13] *See Timken Co.* v. *United States,* 893 F.2d 337 (Fed. Cir. 1990) (*Timken*).

[14] *See Diamond Sawblades Manufacturers Coalition* v. United States, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

[1] *See Welded Line Pipe from the Republic of Korea: Final Determination of Sales at Less Than Fair Value,* 80 FR 61366 (October 13, 2015) (*Final Determination*), and accompanying Issues and Decision Memorandum (IDM).

[2] *See Welded Line Pipe from the Republic of Korea: Amended Final Determination of Sales at Less Than Fair Value,* 80 FR 69637 (November 10, 2015) (*Amended Final Determination*).

[3] *See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders,* 80 FR 75056 (December 1, 2015) (*Order*).

[4] The petitioners are: Stupp Corporation, a division of Stupp Bros., Inc., TMK IPSCO, Welspun Tubular LLC USA, and Maverick Tube Corporation (Maverick).

Determination, as amended by the *Amended Final Determination.* In *Stupp I,* CIT affirmed several aspects of Commerce's *Amended Final Determination* including Commerce's differential pricing analysis.[5] The CIT remanded to Commerce issues related Hyundai HYSCO twice, and the CIT ultimately sustained Commerce's second final results of redetermination.[6] On April 7, 2020, because Hyundai HYSCO's estimated weighted-average dumping margin changed as a result of the reclassification of certain of Hyundai HYSCO's local sales, Commerce issued a notice not in harmony with the *Amended Final Determination* in accordance with *Timken,*[7] as clarified by *Diamond Sawblades.*[8] Upon appeal by SeAH, in *Stupp II* the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) affirmed each part of *Stupp I* except for Commerce's use of the Cohen's *d* test as part of the differential pricing analysis, which the Federal Circuit vacated and remanded to Commerce for further explanation of whether the application of the Cohen's *d* test is reasonable.[9] On October 8, 2021, the CIT remanded *Stupp II* to Commerce.

In its third final results of redetermination pursuant to *Stupp II,* Commerce explained how its application of the Cohen's *d* test as part of its differential pricing analysis is reasonable.[10] In *Stupp III,* the CIT affirmed Commerce's explanation.[11] Subsequently, on appeal, the Federal Circuit in *Stupp IV* held that Commerce failed to demonstrate that SeAH's U.S. pricing data satisfied certain statistical criteria identified by SeAH as necessary to permit a reasonable application of the Cohen's *d* test.[12] Thus, the Federal Circuit directed Commerce to perform a differential pricing analysis consistent with the Federal Circuit's precedential opinion in *Marmen.*[13]

In its fourth final results of redetermination, issued in March 2026, Commerce discontinued the use of Cohen's *d* test as part of its differential pricing analysis, adopted the ''price difference test'' to determine whether prices differ significantly, and also discontinued use of the mixed method as an alternative comparison methodology.[14] The CIT has sustained Commerce's fourth final results of redetermination.[15]

Amended Final Determination and Amended Antidumping Duty Order

Because there is now a final court judgment, Commerce is amending its *Amended Final Determination* and its antidumping duty *Order* with respect to SeAH and all other producers and exporters. The revised estimated weighted-average dumping margins are as follows:

Exporter or producer	Weighted-average dumping margin (percent)
SeAH	4.55
All Others	5.39

Cash Deposit Requirements

Because SeAH has a superseding cash deposit rate, *i.e.,* there have been final results published in a subsequent administrative review, this notice will not affect the current cash deposit rate for SeAH. However, because the rate for all other producers and exporters has changed, Commerce will issue revised cash deposit instructions to U.S. Customs and Border Protection regarding the cash deposit requirements for all other producers and exporters. These cash deposit requirements will remain in effect until further notice.

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(c) and (e) and 777(i)(1) of the Act.

Dated: September 24, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–19932 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–908, A–583–869, A–549–842]

Passenger Vehicle and Light Truck Tires From the Republic of Korea, Taiwan, and Thailand: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders

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

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) orders on passenger vehicle and light truck tires (PVLT) from the People's Republic of China (China), Taiwan, and Thailand would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the ''Final Results of Sunset Reviews'' section of this notice.

DATES: Applicable September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Myrna Lobo, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–2371.

SUPPLEMENTARY INFORMATION:

Background

On July 19, 2021, Commerce published the *Orders* in the **Federal Register**.[1] On June 1, 2026, Commerce published the notice of initiation of this first sunset review of the *Order,* pursuant to section 751(c) of the Act.[2]

On June 10, 2026, Commerce received a timely and complete notice of intent to participate in the sunset review for domestic interested party within the deadline specified in the 19 CFR 351.218(d)(1)(i).[3] The domestic

[5] *See Stupp Corp.* v. *United States,* 359 F. Supp. 3d 1293, 1297 (CIT January 8, 2019) (*Stupp I*).

[6] The CIT sustained Commerce's reversal of its rejection of Maverick's supplemental case brief in *Stupp Corporation et al.* v. *United States,* 413 F. Supp. 3d 1326 (CIT October 21, 2019). The CIT remanded Commerce's decision regarding Hyundai HYSCO, which Commerce further explained and the CIT sustained in *Stupp Corp.* v. *United States,* 435 F. Supp. 3d 1307 (CIT March 24, 2020).

[7] *See Timken Co.* v. *United States,* 893 F.2d 337 (Fed. Cir. 1990) (*Timken*).

[8] *See Diamond Sawblades Manufacturers Coalition* v. *United States,* 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

[9] *See Stupp Corp.* v. *United States,* 5 F.4th 1341 (Fed. Cir. 2021) (*Stupp II*).

[10] *See Final Results of Redetermination Pursuant to Court Remand, Stupp Corp.* v. *United States,* Court No. 15 00334 (CIT October 8, 2021), dated April 4, 2022, available at *https://access.trade.gov/FinalRemandRedetermination.*

[11] *See Stupp Corp.* v. *United States,* 619 F.Supp.3d 1314, 1328 (CIT February 24, 2023) (*Stupp III*).

[12] *See Stupp Corp.* v. *United States,* No. 2023–1663, 2025 WL 1178392 (Fed. Cir. April 23, 2025) (*Stupp IV*), at *2.

[13] *See Stupp IV,* No. 2023–1663, 2025 WL 1178392 at *2 *(Marmen Inc.* v. *United States,* 134 F.4th 1334 (Fed. Cir. 2025) (*Marmen*)).

[14] *See Final Results of Redetermination Pursuant to Court Remand, Stupp Corp.* v. *United States,* Court No. 15–00334 (CIT June 16, 2025), dated March 16, 2026, available at *https://access.trade.gov/FinalRemandRedetermination.*

[15] *See Stupp Corp.* v. *United States,* Consol. Court No. 15–00334, Slip Op. 26–113 (CIT September 15, 2026).

[1] *See Passenger Vehicle and Light Truck Tires from the Republic of Korea, Taiwan, and Thailand: Antidumping Duty Orders and Amended Final Affirmative Antidumping Duty Determination for Thailand,* 86 FR 38011 (July 19, 2021) (*Korea Order, Taiwan Order, Thailand Order*) (collectively, *Orders*)

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[3] *See* Domestic Interested Party's Letter, ''Notice of Intent to Participate in the First Five-Year Review

Continued

interested party claimed the interested party status within the meaning of section 771(9)(D) of the Act as certified union representative of an industry engaged in the manufacture, production, or wholesale in the United States of PVLT.[4] On June 22, 2026, Commerce notified the U.S. International Trade Commission (ITC) that it had received a notice of intent to participate from the domestic interested parties.[5]

On June 30, 2026, pursuant to 19 CFR 351.218(d)(3)(i), domestic interested parties filed a timely and adequate substantive response.[6] Commerce did not receive a substantive response from any respondent interested party. On July 27, 2026, Commerce notified the ITC that it did not receive substantive response from any respondent interested parties.[7] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting an expedited (120-day) sunset review of the *Orders.*

Scope of the Orders

The product covered by these *Orders* is PVLT from China, Taiwan, and Thailand. For the full description of the scope of the *Orders, see* the Issues and Decisions Memorandum.[8]

Analysis of Comments Received

A complete discussion of all issues raised in these sunset reviews, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Orders* and the magnitude of the margins likely to prevail if the *Orders* were to be revoked, is provided in the accompanying Issues and Decision Memorandum.[9] A list of the topics discussed in the Issues and Decision Memorandum is attached in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be directly accessed at *https://access.trade.gov/frnotices.*

Final Results of Sunset Reviews

Pursuant to sections 751(c)(1), 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 27.05 percent for Korea, 101.84 percent for Taiwan, and 21.09 percent for Thailand.

Notification Regarding Administrative Protective Orders

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

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 24, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Orders*
IV. History of the *Orders*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Sunset Reviews
VIII. Recommendation

[FR Doc. 2026–19931 Filed 9–29–26; 8:45 am]

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of the Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from Korea,'' dated June 10, 2026; ''Notice of Intent to Participate in the First Five-Year Review of the Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from Taiwan,'' dated June 10, 2026; and ''Notice of Intent to Participate in the First Five-Year Review of the Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from Thailand,'' dated June 10, 2026

[4] *Id.*

[5] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated June 22, 2026

[6] *See* Domestic Interested Party's Letter, ''Passenger Vehicle and Light Truck Tires from Korea: Petitioner's Substantive Response to Notice of Initiation,'' dated June 30, 2026 (Substantive Response—Korea); ''Five-Year (''Sunset'') Review of the Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from Taiwan: Petitioner's Substantive Response,'' dated June 30, 2026 (Substantive Response—Taiwan); and ''Passenger Vehicle and Light Truck Tires from Thailand: Petitioner's Substantive Response to Notice of Initiation,'' dated June 30, 2026 (Substantive Response—Thailand).

[7] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026'' dated July 27, 2026.

[8] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders on Passenger Vehicle and Light Truck Tires from the Republic of Korea, Taiwan, and Thailand,'' dated concurrently with, and hereby adopted by, this notice.

[9] *Id.*

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XG044]

Fall Meeting of the Advisory Committee to the U.S. Section to the International Commission for the Conservation of Atlantic Tunas

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of the advisory committee 2026 fall meeting

SUMMARY: The Advisory Committee to the U.S. Section to the International Commission for the Conservation of Atlantic Tunas (ICCAT) announces its annual fall meeting, to be held in person October 14–15, 2026.

DATES: The open session of the Committee meeting will be held on October 14, 2026, 8:45 a.m. to approximately 12:30 p.m. The remainder of the meeting will be closed to the public and is expected to end by 1:30 p.m. on October 15. All times are Eastern Daylight time. Interested members of the public may present their views during the public comment session on October 14, 2026, or submit written comments by October 7, 2026 (see **ADDRESSES**).

ADDRESSES: The Advisory Committee is holding this meeting at the DoubleTree by Hilton located at 8777 Georgia Ave, Silver Spring, MD 20910. Written comments should be sent via email to *bryan.keller@noaa.gov.* Comments may also be sent via mail to Bryan Keller at NMFS, Office of International Affairs, Trade, and Commerce, 1315 East–West Highway, Silver Spring, MD 20910.

FOR FURTHER INFORMATION CONTACT: Bryan Keller, Office of International Affairs, Trade, and Commerce; email: *bryan.keller@noaa.gov;* phone: 301–427–7725.

SUPPLEMENTARY INFORMATION: The Advisory Committee to the U.S. Section to ICCAT will meet October 14–15, 2026, first in an open session to consider information on the status of

Atlantic highly migratory species and other scientific matters and then in a closed session to discuss sensitive matters related to their conservation and management. The open session will be from 8:45 a.m. to 12:30 p.m. on October 14, 2026, including an opportunity for public comment beginning at approximately 11:45 a.m. Comments may also be submitted in writing for the Advisory Committee's consideration. Interested members of the public can submit comments by mail or email; use of email is encouraged. All written comments must be received by October 7, 2026 (see **ADDRESSES**). NMFS expects members of the public to conduct themselves appropriately at the open session of the Advisory Committee meeting. At the beginning of the public comment session, an explanation of the ground rules will be provided (*e.g.,* alcohol in the meeting room is prohibited, speakers will be called to give their comments in the order in which they registered to speak, each speaker will have an equal amount of time to speak and speakers should not interrupt one another). The session will be structured so that all attending members of the public are able to comment, if they so choose, regardless of the degree of controversy of the subject(s). Those not respecting the ground rules will be asked to leave the meeting. After the open session, the Advisory Committee will meet in closed session to discuss sensitive information relating to upcoming international negotiations on the conservation and management of Atlantic highly migratory species and related matters.

The meeting location is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Bryan Keller at *bryan.keller@noaa.gov* at least 5 days prior to the meeting date.

Dated: September 28, 2026.

Alexa Cole,

Director, Office of International Affairs, Trade, and Commerce, National Marine Fisheries Service.

[FR Doc. 2026–20034 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Technical Information Service

[Docket No.: 260924–0004]

Request for Information (RFI) Regarding the Digitization and Modernization of the National Technical Reports Library (NTRL) and the Leveraging of Scientific, Technical and Engineering Information (STEI) Stored in the NTRL

AGENCY: National Technical Information Service (NTIS), U.S. Department of Commerce.

ACTION: Notice; request for information.

SUMMARY: The National Technical Information Service (NTIS) is seeking general information, feedback, suggestions, and experiential and technical insights from stakeholders to inform NTIS's goal of fully digitizing, modernizing, and enhancing the utility of the National Technical Reports Library (NTRL). NTIS has historically collected, indexed, abstracted, and stored U.S. Government-sponsored technical reports and made them available to the public through the NTRL. To further unlock the NTRL's intrinsic value, NTIS aims to digitize records that are part of the NTRL but currently exist only in physical formats. Leveraging the information archived within the NTRL may include making the data more accessible to AI and advanced computing applications. NTIS seeks to understand the opportunities, challenges, and priorities that may attend NTRL's efforts to modernize and make any resultant high-quality technical federal data sets publicly available.

DATES: Comments must be received by 11:59 p.m. Eastern Time on November 16, 2026. Submissions received after that date may not be considered.

ADDRESSES: Comments must be submitted electronically via the Federal e-Rulemaking Portal *(regulations.gov)*:

- To submit electronic public comments via the Federal e-Rulemaking Portal.

1. Go to *www.regulations.gov* and enter NIST–2026–0166 in the search field.

2. Click the ''Comment Now!'' icon and complete the required fields.

3. Enter or attach your comments.

Comments containing references, studies, research, and other empirical data that are not widely published should include copies of the referenced materials. All submissions, including comments, attachments and other supporting materials, will become part of the public record and subject to public disclosure. Relevant comments will generally be available on the Federal e-Rulemaking Portal at *www.regulations.gov.* NTIS will not accept comments accompanied by a request that part or all of the material be treated confidentially because of its business proprietary nature or for any other reason. Therefore, do not submit confidential business information or otherwise sensitive, protected, or personal information, such as account numbers, Social Security numbers, or names of other individuals.

NTIS will not accept comments for this notice by postal mail, fax, or email. To ensure that NTIS does not receive duplicate copies, please submit your comments only once.

Additional information on the use of *regulations.gov*, including instructions for accessing agency documents, submitting comments, and viewing the docket is available at: *www.regulations.gov/faq*.

FOR FURTHER INFORMATION CONTACT: For questions about this notice please contact: Bobby Khondker via email at *bobby.khondker@nist.gov* and *ntrl@nist.gov,* or by phone at (301) 873–2127.

SUPPLEMENTARY INFORMATION: NTIS operates the NTRL as a clearinghouse for the collection and dissemination of federally-funded scientific, technical, and engineering information (STEI). The NTRL hosts the largest collection of U.S. government-sponsored technical reports, and historically has collected, authenticated, indexed, preserved, and made available to the public technical information generated through federal research, contracts, grants, laboratories, and other government-sponsored activities—including material that may never be published in conventional academic journals.

Reports in the NTRL include detailed results of federally funded research and development (R&D), which can contain technical details that are often omitted from journal publications, such as: experimental configurations and methods; performance characteristics and failure modes; material properties and measurement results; prototype designs; field-test results; engineering tolerances and assumptions; cost, reliability, and manufacturability assessments; negative or inconclusive results; contractor-developed methods and tools; and recommendations for follow-on R&D. For technology developers, the detailed results found in the reports can help establish the existing state of the art, identify prior government investment, reproduce earlier experiments, locate promising

but unfinished technology, and avoid repeating approaches that federal research has already shown to be impractical.

Other available and valuable data in the NRTL include emerging-technology assessments and horizon scanning (for example, the NTRL has the Army's *Emerging Science and Technology Trends: 2017–2047,* which examines artificial intelligence, quantum computing, additive manufacturing, materials science, renewable energy, biotechnology, and other emerging areas to inform strategic dialogue and future R&D investments); technology-feasibility and technology-limitation studies; materials science and advanced-manufacturing information; energy technology and energy-infrastructure research; transportation, aviation, and infrastructure engineering; computing, communications, sensing, and control systems; health, environmental, and occupational-safety research; standards, measurement, testing, and evaluation; and historical technical baselines.

Currently the NTRL houses nearly 3 million records dating back to the late 1920s and spanning more than 350 subject areas, from public health and industrial medicine to aeronautics. Approximately 2 million of these records were collected by NTIS prior to the widespread adoption of the internet and related technologies and exist only in non-digital formats, such as paper print, microform, tape, CDs and DVDs. Due to budgetary constraints, NTIS has been unable to convert many of these non-digital records into digital form. Bibliographic information of all records contained within the NTRL and copies of the reports that exist in digital format are available to the public free of charge at: *https://ntrl.ntis.gov/NTRL/.*

To advance its mission to make federally-funded STEI more accessible to the public and unlock the maximum potential value of the non-digitized records, NTIS is seeking input from the public on processes and procedures for modernizing the NTRL, with a focus on digitization.

NTIS is also seeking input on the various ways in which the digitized NTRL and its technical data might be leveraged by the private sector and scientific community to advance U.S. innovation, strengthen America's cyber resilience, and spur economic growth.

This insight may inform NTIS' actions on increasing the efficiency, scalability, automation, interoperability, and utility of the NTRL.

Respondents may choose to provide information on the topics below. NTIS has provided the following non-exhaustive list of topics and accompanying questions to guide respondents, and the submission of any relevant information germane to the subject but that is not included in the list of topics below is also encouraged. The inclusion of the topics in this Notice is not intended to indicate a particular relationship between them, nor are they intended to limit the topics that may be addressed by the public. Respondents need not address all questions in this Notice, though all responses should specify which questions are being answered. All relevant responses that comply with the requirements listed in the **DATES** and **ADDRESSES** sections of this Notice will be considered.

I. Digitization Best Practices

A. General Logistics

1. When digitizing physical records, what chain-of-custody frameworks or procedures might be utilized? How might the end-to-end movement of physical records be managed in the travel from pickup, transport to digitization site, digitization, quality verification, and final destruction? What auditing or tracking procedures are helpful in preventing loss, identifying poor digitization, and ensuring regulation-compliant final destruction?

B. Physical Records (paper, microform, magnetic film, other legacy media)

2. With regards to physical records that exist in the form of paper documents, what technologies and processes might be utilized in the digitization of a large-scale collection containing documents of various ages? What factors inform the estimated cost of such an endeavor, and at what speed might digitization occur?

a. What about in the case of microform (microfilm and microfiche) records? How might these records differ from paper records in terms of cost, throughput, and output quality?

b. What about for recovering data from legacy ½-inch, 9-track open-reel magnetic tapes? What are the primary risks of data loss or degradation specific to this media type, and how should NTIS prioritize recovery before further deterioration occurs?

3. What preparation steps might be necessary before digitizing paper records of various ages? Are there certain preparation steps that are necessary for documents from a particular era but not others? How might these preparations steps, including deacidification, de-stapling, and flattening, inform a project's overall cost and timeline?

a. In the case of microfilm, given variations in microfilm quality over decades, what specialized pre-processing or image-enhancement techniques are necessary to ensure high-accuracy OCR text extraction from older or degraded film stock?

4. In dots per square inch (DPI), what image resolution settings are recommended for paper documents, keeping in mind the balance between file size, storage costs, and machine readability? Are preferred image resolution settings different for documents intended for AI training versus human readability?

5. When utilizing Optical Character Recognition (OCR) engines, which document layout analysis tools or approaches have you found most useful, and why? Are preferred tools and approaches different for technical and scientific documents, such as those with mathematical notation, chemical formulas, engineering diagrams, tables, headers, footnotes, and multi-column layouts? What OCR confidence thresholds are reasonable when digitizing paper records that are up to 60 plus years old?

6. What tools and approaches are most useful when digitizing documents containing complex technical diagrams, schematics, chemical structures, or mathematical formulas, particularly with regard to capturing both textual and visual elements? What are examples of the practice of extracting tables and figures from such documents as separate metadata objects, and under what circumstances is this practice being utilized?

7. When digitizing a paper dataset for use in AI training, which digital file formats have been found to be best-suited, and why?

8. Once data is recovered from magnetic tapes, what normalization and conversion steps are typically required to make the content usable within a modern document management or AI accessibility?

9. What key performance benchmarks have proven most useful or are most often overlooked when evaluating vendor proposals for paper digitization?

a. What about in the case of microform records? What performance benchmarks are most useful to evaluate vendor proposals for microform digitization at scale?

b. What about for magnetic tape formats? What performance benchmarks or success metrics are most reliable?

10. Beyond paper, microfilm, microfiche, and magnetic tape, are there other legacy media formats NTIS should anticipate encountering in a collection

of this age and scope, and how should they be addressed?

II. General Digitization Infrastructure

11. What cloud storage architectures, on-premises solutions, or hybrid approaches should NTIS consider for housing a collection of this size, and what are the tradeoffs in terms of cost, security, access speed, and long-term sustainability?

12. What quality assurance and quality control (QA/QC) frameworks—including automated and human-in-the-loop review—should be applied to ensure the accuracy and completeness of digitized records across all media types?

13. What metadata schemas and standards (*e.g.,* Dublin Core, MARC, MODS, JATS XML) should be applied during digitization to maximize interoperability, discoverability, and long-term preservation value, as well as compatibility with existing AI data pipelines?

14. What strategies can be employed to harmonize legacy datasets created under older metadata standards with newly digitized collections that use more contemporary metadata schemas?

15. What hurdles to success commonly or surprisingly appear in large-scale digitization projects, and how can they be minimized or avoided?

III. Dataset Curation, Structuring & Preparation for Use

16. What data cleaning, normalization, and enrichment steps are necessary to transform a raw digitized corpus of scientific and technical documents into a useful tool for future scientific and technical applications?

17. When encountering documents with low OCR confidence scores, missing metadata, or damaged and illegible pages, is there value in maintaining such documents as part of the NTRL? What thresholds or remediation strategies are recommended?

18. What strategies might NTIS consider for handling multimodal content (*e.g.,* figures, charts, engineering diagrams, tables, and equations) for both archival purposes and providing the highest utility to the current research community?

19. What deduplication strategies are effective for identifying multiple copies or versions of a document, including copies and versions that may exist in multiple formats (*e.g.,* paper, microfiche, magnetic tape, digital)?

20. Are there recommended automated filtering or screening mechanisms that can be deployed during digitization to ensure that no restricted, export-controlled (*e.g.,* ITAR/EAR), sensitive, or personally identifiable information (PII) is inadvertently exposed, given that the collection consists primarily of public, federally-funded research?

21. What governance structures should NTIS establish to oversee ongoing dataset curation, quality control, update cycles, and stakeholder engagement after initial digitization is complete?

22. How might a fully digitized version of the NTRL be structured and formatted (*e.g.,* JSONL, Parquet, Markdown, raw text with metadata sidecars) to maximize its usability across a range of CETs, including AI training pipelines and frameworks?

23. What approaches to versioning and provenance tracking have proven effective in large-scale digitization projects? When considering the importance of reproducibility in AI research and compliance with emerging AI transparency requirements, do different approaches suggest themselves?

24. What existing mechanisms for distributing and accessing large-scale data repositories (*e.g.,* bulk download via cloud object storage, streaming APIs, vector databases) offer the greatest advantages in terms of efficiency, useability, and interoperability? How can interoperability with existing data repositories be maximized?

IV. Value of a Fully Digitized NTRL for Furthering Future U.S. Innovation

25. What characteristics of a fully digitized NTRL would be of the greatest value in furthering US innovation?

26. How would a fully digitized NTRL compare in value for the development of CETs, including AI models and tools, to other commonly used scientific text databases? What unique gaps might the NTRL fill?

27. Are there specific technical domains within the NTRL (*e.g.,* aeronautics, public health, materials science, energy, defense) that if more accessible could produce outsized scientific or economic value? Please identify priority domains and explain your reasoning.

28. To what extent could an AI model trained or fine-tuned on the NTRL corpus help researchers, engineers, and scientists surface insights, connections, and findings buried in decades of forgotten or hard-to-search government research—including potentially identifying overlooked scientific breakthroughs or cross-disciplinary connections?

V. Access Models, Licensing & Public Benefit

29. What data distribution and pricing framework (access model)—encompassing technical delivery methods (*e.g.,* bulk cloud downloads, APIs), licensing terms (*e.g.,* open source, commercial), and fee structures (*e.g.,* freemium, cost-recovery fees for high-volume commercial users)—would best balance maximizing public benefit, supporting U.S. competitiveness, and enabling NTIS to recover costs (or eliminate government costs), while ensuring individual public users and non-commercial researchers retain free access?

30. How should NTIS structure access to ensure that small businesses, academic institutions, and non-profit researchers can meaningfully participate alongside large companies?

31. Are there precedents from other government data release efforts (*e.g.,* NIH data sharing policies, NASA open data initiatives, the Pile dataset) that NTIS should study when designing its access and licensing framework?

VI. Partnerships & Implementation Models

32. Are there existing federal data infrastructure programs, university consortia, or national laboratory networks that NTIS should partner with to accelerate digitization and dataset curation?

33. What measures should NTIS take to ensure that tools, including AI tools built on the NTRL dataset, are accessible and useful to a broad range of users, including those without advanced technical expertise?

34. How should NTIS approach transparency and documentation of the dataset—for example, through dataset datasheets or model cards—to support responsible AI development practices consistent with current federal AI policy?

35. How can NTIS ensure that the NTRL dataset remains current and continues to grow in value over time as new federally-funded STEI is produced?

36. Are there international counterparts or foreign government initiatives to digitize and make available large scientific and technical corpora for AI development that NTIS should study or seek to distinguish the NTRL from in terms of strategic positioning?

Authority: 15 U.S.C. 1151–1157, 3704b, 3704b–1, 3704b–2.

Alicia Chambers,

NIST Executive Secretariat.

[FR Doc. 2026–20023 Filed 9–29–26; 8:45 am]

BILLING CODE 3510–04–P

CONSUMER FINANCIAL PROTECTION BUREAU

[Docket No. CFPB–2026–0021]

Agency Information Collection Activities: Comment Request.

AGENCY: Consumer Financial Protection Bureau

ACTION: Notice and request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Consumer Financial Protection Bureau (Bureau or CFPB) requests the revision of the Office of Management and Budget's (OMB's) approval of an existing information collection titled ''Report of Terms of Credit Card Plans (Form FR 2572) and Consumer and College Credit Card Agreements'' approved under OMB Number 3170–0001.

DATES: Written comments are encouraged and must be received on or before October 30, 2026 to be assured of 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. In general, all comments received will become public records, including any personal information provided. Sensitive personal information, such as account numbers or Social Security numbers, should not be included.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Anthony May, Paperwork Reduction Act Officer, at (202) 435–7278, or email: *CFPB_PRA@cfpb.gov.* If you require this document in an alternative electronic format, please contact *CFPB_Accessibility@cfpb.gov.* Please do not submit comments to these email boxes.

SUPPLEMENTARY INFORMATION:

Title of Collection: Report of Terms of Credit Card Plans (Form FR 2572) and Consumer and College Credit Card Agreements.

OMB Control Number: 3170–0001.

Type of Review: Revision of a currently approved collection.

Affected Public: Private sector.

Estimated Number of Respondents: 520.

Estimated Total Annual Burden Hours: 987.

Abstract: The Bureau intakes different forms of credit card data from credit card issuers, as required by the Truth in Lending Act (TILA), 15 U.S.C. 1601 *et seq.,* and implementing regulations.

Information Collection

The Bureau implements three credit card data information collections:

(a) *Terms of Credit Card Plans Survey:* TILA section 136(b) requires the Bureau to collect data on credit card pricing and availability from a broad sample of at least 150 issuers, including the 25 largest issuers of credit cards and not less than 125 additional financial institutions selected by the Bureau.[1]

(b) *Credit Card Quarterly Agreement Submission:* section 204 of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), amending TILA,[2] and 12 CFR 1026.58 requires card issuers with 10,000 or more open accounts to submit to the Bureau agreements between the issuer and a consumer under a credit card account for an open-end consumer credit plan.

(c) *College Credit Card Annual Agreement Submission:* section 305 of the CARD Act, amending TILA,[3] and 12 CFR 1026.57(d) require card issuers to submit to the Bureau any college credit card agreements to which the issuer is a party and certain additional information regarding those agreements.

The data collections enable the Bureau to provide Congress and the public with a centralized and searchable repository for terms of credit card plans, consumer credit card agreements, college credit card agreements, and information regarding the arrangements between financial institutions and institutions of higher education.

Request for Comments: The Bureau published a 60-day **Federal Register** notice on February 6, 2026 (91 FR 5436) under Docket Number CFPB–2026–0006. The Bureau is publishing this notice and soliciting comments on: (a) whether the collection of information is necessary for the proper performance of the functions of the Bureau, including whether the information will have practical utility; (b) the accuracy of the Bureau's estimate of the burden of the collection of information, including the validity of the methods and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Comments submitted in response to this notice will be reviewed by OMB as part of its review of this request. All comments will become a matter of public record.

Anthony May,

Paperwork Reduction Act Officer, Consumer Financial Protection Bureau.

[FR Doc. 2026–19955 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AM–P

[1] 15 U.S.C. 1646(b).

[2] 15 U.S.C. 1632(d).

[3] 15 U.S.C. 1637(r)(2).

DEPARTMENT OF DEFENSE

Department of the Air Force

Notice of Federal Advisory Committee Meeting

AGENCY: Department of the Air Force, Department of Defense

ACTION: Notice of partially closed Federal advisory committee meeting.

SUMMARY: The Department of Defense is publishing this notice to announce that the following Federal advisory committee meeting of the Board of Visitors of the U.S. Air Force Academy (BoV AFA) will take place.

DATES: Open to the public Friday, October 16, 2026 from approximately 12 p.m. to 2:45 p.m. Mountain Time Zone (MT). Closed to the public from approximately 11 a.m. to 11:30 a.m. MT. Those wishing to attend in person are requested to submit their name, affiliation, and phone number to *USAFA.HQ.BOV@us.af.mil* by October 11, 2026.

ADDRESSES: The meeting will be held at the Falcon Club, 3120 Academy Dr., Air Force Academy, CO 80840. The meeting is also accessible to the public via the link found at: *https://www.usafa.edu/about/bov/.* This link will be active approximately thirty minutes before the start of the meeting.

FOR FURTHER INFORMATION CONTACT:

Designated Federal Officer: Dr. Raquel Rimpola, *USAFA.HQ.BOV@us.af.mil,* 703–693–2767, 1660 Air Force Pentagon, Washington, DC 20330–1660.

Alternate Designated Federal Officer: Ms. Blaire Brush, *USAFA.HQ.BOV@us.af.mil,* 2304 Cadet Drive, Suite 3200, USAF Academy, CO 80840–5025.

USAFA BoV Website: https://www.usafa.edu/about/bov/. Contains information on the Board of Visitors, link to the virtual meeting, and approved meeting agenda.

SUPPLEMENTARY INFORMATION: This meeting is being held under the provisions of the Federal Advisory Committee Act (FACA) (5 U.S.C. 1001 *et seq.*), the Government in the Sunshine Act (5 U.S.C. 552b), and 41 CFR 102–

3.140 and 102–3.150. A completed background check and government issued Real ID are required to access the meeting location. All members of the public are subject to security screening. Seating is available on a first come, first served basis.

Pursuant to 41 CFR 102–3.140d, the committee is not obligated to allow a member of the public to speak or otherwise address the committee during the meeting and members of the public attending the committee meeting will not be permitted to present questions from the floor or speak to any issue under consideration of the committee.

Purpose of the Meeting: In accordance with 10 U.S.C. 9455(e)(1), the BoV AFA provides independent advice and recommendations to the Secretary of War, through the Secretary of the Air Force, on matters relating to the U.S. Air Force Academy (USAFA), including morale, discipline, and social climate, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the USAFA that the BoV AFA decides to consider. This is a 2027 Organizational Meeting of the BoV AFA.

The closed meeting from 11:00 a.m. to 11:30 a.m. MT on October 16, 2026, will consist of discussions of actions that are pre-decisional in nature of which premature disclosure may significantly impact the implementation of a proposed action. For this reason, a portion of this meeting will be closed to the public, as the discussion of such information cannot be adequately segregated from other topics, which precludes opening the closed meeting to the public. The Administrative Assistant for the Office of the Secretary of the Air Force (SAF/AA), in consultation with the Office of General Counsel, has determined in writing that the meeting shall be partially closed to the public because the discussions during the closed meeting will be concerned with matters protected under section 552b(c)(9) of title 5, U.S.C.

Authority: 5 U.S.C. 552b.

Written Statements: Pursuant to 41 CFR 102–3.105(j) and section 102–3.140 and section 1009(a)(3) of FACA, any member of the public wishing to provide input to the BoV AFA may submit a written statement. The public or interested organizations may submit written comments or statements to the Board about its mission and/or the topics to be addressed in the open sessions of this public meeting. Written comments or statements should be submitted to the Alternate Designated Federal Officer via electronic mail, at the email address listed in the **FOR FURTHER INFORMATION CONTACT** section in the following formats: Adobe Acrobat and/or Microsoft Word. The comment or statement must include the author's name, title, affiliation, address, and daytime telephone number. Written comments or statements being submitted in response to the agenda set forth in this notice must be received at least five (5) business days prior to the meeting so they may be made available to the BoV Chairman for consideration prior to the meeting. Written comments or statements received after October 11, 2026, may not be provided to the BoV until its next meeting. Please note that because the BoV operates under FACA, all written comments will be treated as public documents and will be made available for public inspection.

Disability and Language Accommodations: Please direct any requests for disability or language accommodations to the Alternate Designated Federal Officer in the **FOR FURTHER INFORMATION CONTACT** section above.

Authority: 10 U.S.C. 9455; 41 CFR 102–3

Crystle C. Poge,

Air Force Federal Register Liaison Officer.

[FR Doc. 2026–19980 Filed 9–29–26; 8:45 am]

BILLING CODE 3911–44–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CD26–5–000]

Breaker Water & Energy Park, LLC; Notice of Preliminary Determination of a Qualifying Conduit Hydropower Facility and Soliciting Comments and Motions To Intervene

On September 21, 2026, and supplemented on September 25, 2026, Breaker Water & Energy Park, LLC, filed a notice of intent to construct a qualifying conduit hydropower facility, pursuant to section 30 of the Federal Power Act (FPA). The proposed Buckeye Hydrokinetic Project would have an installed capacity of 8 kilowatts (kW) and would be located along the Buckeye Water Conservation and Drainage District's Buckeye Main Canal, near Buckeye, Maricopa County, Arizona.

Applicant Contact: Ryan Cook, 1115 Howell Mill Rd. NW, Atlanta, Georgia 30318, 614–619–0038, *ryan.cook@emrgy.com.*

FERC Contact: Christopher Chaney, 202–502–6778, *christopher.chaney@ferc.gov.*

Qualifying Conduit Hydropower Facility Description: The project would consist of: (1) one 8-kW modular hydrokinetic turbine, and (2) and appurtenant facilities.

A qualifying conduit hydropower facility is one that is determined or deemed to meet all the criteria shown in the table below.

TABLE 1—CRITERIA FOR QUALIFYING CONDUIT HYDROPOWER FACILITY

Statutory provision	Description	Satisfies (Y/N)
FPA 30(a)(3)(A)	The conduit the facility uses is a tunnel, canal, pipeline, aqueduct, flume, ditch, or similar man-made water conveyance that is operated for the distribution of water for agricultural, municipal, or industrial consumption and not primarily for the generation of electricity.	Y
FPA 30(a)(3)(C)(i)	The facility is constructed, operated, or maintained for the generation of electric power and uses for such generation only the hydroelectric potential of a non-federally owned conduit.	Y
FPA 30(a)(3)(C)(ii)	The facility has an installed capacity that does not exceed 40 megawatts	Y
FPA 30(a)(3)(C)(iii)	On or before August 9, 2013, the facility is not licensed, or exempted from the licensing requirements of Part I of the FPA.	Y

Preliminary Determination: The proposed Buckeye Hydrokinetic Project will not alter the primary purpose of the conduit, which is for agricultural consumption. Therefore, based upon the above criteria, Commission staff

preliminarily determines that the operation of the project described above satisfies the requirements for a qualifying conduit hydropower facility, which is not required to be licensed or exempted from licensing.

Comments and Motions to Intervene: Deadline for filing comments, comments contesting whether the facility meets the qualifying criteria, and motions to intervene: October 26, 2026, 5:00 p.m. Eastern Time.

Anyone may submit comments or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210 and 385.214. Any motions to intervene must be received on or before the specified deadline date for the particular proceeding.

Filing and Service of Responsive Documents: All filings must (1) bear in all capital letters the ''COMMENTS,'' ''COMMENTS CONTESTING QUALIFICATION FOR A CONDUIT HYDROPOWER FACILITY,'' or ''MOTION TO INTERVENE,'' as applicable; (2) state in the heading the name of the applicant and the project number of the application to which the filing responds; (3) state the name, address, and telephone number of the person filing; and (4) otherwise comply with the requirements of sections 385.2001 through 385.2005 of the Commission's regulations.[1] All comments contesting Commission staff's preliminary determination that the facility meets the qualifying criteria must set forth their evidentiary basis.

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.*

The Commission strongly encourages electronic filing. Please file motions to intervene and comments using the Commission's eFiling system at *http://www.ferc.gov/docs-filing/efiling.asp.* You must include your name and contact information at the end of your comments. 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 send a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852. 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 385.2010.

Locations of Notice of Intent: The Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's website at *http://www.ferc.gov/docs-filing/elibrary.asp.* Enter the docket number (*i.e.,* CD26–5) 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. Copies of the notice of intent can be obtained directly from the applicant. For assistance, call toll-free 1–866–208–3676 or email *FERCOnlineSupport@ferc.gov.* For TTY, call (202) 502–8659.

(Authority: 18 CFR 2.1)

Dated: September 25, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19981 Filed 9–29–26; 8:45 am]

BILLING CODE 6717–01–P

[1] 18 CFR 385.2001–2005 (2025).

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following Electric Rate filings:

Docket Numbers: ER14–1400–002.
Applicants: Seneca Generation, LLC.
Description: Refund Report: Refund Report to be effective N/A.
Filed Date: 9/25/26.
Accession Number: 20260925–5145
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER20–1424–003
Applicants: Yards Creek Energy, LLC
Description: Refund Report: Refund Report to be effective N/A.
Filed Date: 9/25/26.
Accession Number: 20260925–5152.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER20–1776–003.
Applicants: Yards Creek Energy, LLC.
Description: Refund Report: Refund Report to be effective N/A.
Filed Date: 9/25/26.
Accession Number: 20260925–5154.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER24–2166–000.
Applicants: Invenergy Nelson Expansion LLC.
Description: Refund Report: Refund Report to be effective N/A.
Filed Date: 9/25/26.
Accession Number: 20260925–5087.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–2847–002.
Applicants: American Transmission Systems, Incorporated.
Description: Tariff Amendment: Amendment Filing to ER26–2847—SA No. 7681 to be effective 8/16/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5028.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3337–001.
Applicants: Midcontinent Independent System Operator, Inc., American Transmission Company LLC.
Description: Tariff Amendment: Midcontinent Independent System Operator, Inc. submits tariff filing per 35.17(b): 2026–09–25_SA 4224 ATC–WPSC Substitute 1st Rev PCA to be effective 7/31/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5147.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3369–001.
Applicants: Portland General Electric Company.
Description: Tariff Amendment: Response to Deficiency Network Operating Agreement to be effective 9/29/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5100.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3420–001.
Applicants: Tri-State Generation and Transmission Association, Inc.
Description: Tariff Amendment: Amendment to Northwest Rural Public Power District Withdrawal Agreement to be effective 10/5/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5157.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3457–001.
Applicants: Stellar Wright BESS LLC.
Description: Tariff Amendment: Stellar Wright BESS LLC MBR Supplement to be effective 9/15/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5156.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3575–001.
Applicants: Mid-Atlantic Interstate Transmission, LLC.
Description: Tariff Amendment: Errata to Filing of SA No. 7497—ER26–3575 to be effective 10/21/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5023.
Comment Date: 5 p.m. ET 10/16/26.

Docket Numbers: ER26–3629–001.
Applicants: American Transmission Systems, Incorporated.

Description: Tariff Amendment: Amendment Filing of SA No. 7685—ER26–3629 to be effective 10/27/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5027.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3754–000.
Applicants: Westminster Reliability Project LLC.
Description: Report Filing: Westminster Reliability Project LLC errata to Sept. 11, 2026 MBR application to be effective N/A.
Filed Date: 9/21/26.
Accession Number: 20260921–5184.
Comment Date: 5 p.m. ET 10/1/26.
Docket Numbers: ER26–3846–000.
Applicants: CenterPoint Energy Houston Electric, LLC.
Description: 205(d) Rate Filing: TFO Tariff Interim Rate Revision to Conform with PUCT to be effective 9/23/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5000.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3847–000.
Applicants: American Transmission Systems, Incorporated.
Description: 205(d) Rate Filing: ATSI submits a new Construction Agmt—SA No. 7277 to be effective 11/25/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5018.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3848–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Amendment to ISA, SA No. 6947, and ICSA, SA No. 6948; Queue No. AD2–066 to be effective 11/25/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5034.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3849–000.
Applicants: Tri-State Generation and Transmission Association, Inc.
Description: 205(d) Rate Filing: Amendment to Rate Schedule FERC No. 27 to be effective 11/25/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5038.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3850–000.
Applicants: Tri-State Generation and Transmission Association, Inc.
Description: 205(d) Rate Filing: Initial Filing of Rate Schedule FERC No. 444 to be effective 11/25/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5047.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3851–000.
Applicants: PJM Interconnection, L.L.C.
Description: Tariff Amendment: Cancellation of GIA SA No. 7513; Project Identifier No. AE2–136 to be effective 8/28/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5058.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3852–000.
Applicants: Southern California Edison Company.
Description: 205(d) Rate Filing: Amended GIA, Santa Ana River 1 Powerhouse (WDT11021/SA No. 1421) to be effective 9/26/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5072.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3853–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Original GIA, SA No. 8060; Project Identifier No. AA2–141/AH1–719 to be effective 8/26/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5075.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3854–000.
Applicants: PJM Interconnection, L.L.C.
Description: Tariff Amendment: Cancellation of GIA SA No. 7376; Project Identifier No. AF1–208 to be effective 11/24/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5076.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3855–000.
Applicants: Southern California Edison Company.
Description: 205(d) Rate Filing: Amended GIA, Santa Ana River 3 Powerhouse (WDT11022/SA No. 1419) to be effective 9/26/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5085.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3856–000.
Applicants: Black Hills Colorado Electric, LLC.
Description: 205(d) Rate Filing: Filing of Standard LGIA with Honors Energy, LLC to be effective 9/18/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5110.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3857–000.
Applicants: Black Hills Power, Inc.
Description: 205(d) Rate Filing: Filing of Large Generator IA with Vedauwoo Holdings Black Hills 1, LLC to be effective 9/21/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5114.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3859–000.
Applicants: Pacific Gas and Electric Company.
Description: 205(d) Rate Filing: TO: Balancing Accounts Update 2027 (TRBAA, RSBAA, ECRBAA) to be effective 11/25/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5116.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3860–000.
Applicants: Alabama Power Company, Georgia Power Company, Mississippi Power Company.
Description: 205(d) Rate Filing: Alabama Power Company submits tariff filing per 35.13(a)(2)(iii: VESI 28 (Thrasher Solar and Storage) LGIA Filing to be effective 9/15/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5117.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3861–000.
Applicants: Inspire Energy Holdings, LLC.
Description: 205(d) Rate Filing: Market-Based Rate Tariff Revisions to be effective 9/26/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5139.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3862–000.
Applicants: Duke Energy Carolinas, LLC.
Description: 205(d) Rate Filing: DEC-Haywood Amended and Restated Rate Schedule No. 335 to be effective 12/31/9998.
Filed Date: 9/25/26.
Accession Number: 20260925–5160.
Comment Date: 5 p.m. ET 10/16/26.
Docket Numbers: ER26–3863–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: GIA, Service Agreement No. 8059; AG2–049 to be effective 8/26/2026.
Filed Date: 9/25/26.
Accession Number: 20260925–5163.
Comment Date: 5 p.m. ET 10/16/26.

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 25, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19982 Filed 9–29–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26–580–000]

Florida Gas Transmission Company, LLC; Notice of Request Under Blanket Authorization and Establishing Intervention and Protest Deadline

Take notice that on September 15, 2026, Florida Gas Transmission Company, LLC (FGT), 1300 Main St., P.O. Box 4967, Houston, Texas 77210–4967, filed in the above referenced docket, a prior notice request pursuant to sections 157.205 and 157.208 of the Commission's regulations under the Natural Gas Act (NGA), and FGT's blanket certificate issued in Docket No. CP82–553–000, for authorization to reduce the permanent maximum allowable operating pressure on a section of 36-inch-diameter mainline loop located between compressor stations 13 and 14. All of the above facilities are located in Calhoun and Liberty Counties, Florida (FLMED1314 MAOP Reduction Project). The project will allow FGT to maintain compliance with Pipeline and Hazardous Materials Safety Administration regulations and provide more efficient operations, all as more fully set forth in the request which is on file with the Commission and open to public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (*http://www.ferc.gov*). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

Any questions concerning this request should be directed to Iain Russell, Sr. Manager—Certificates, Florida Gas Transmission Company, LLC, 1300 Main St., P.O. Box 4967, Houston, Texas 77210–4967, by phone at (713) 989–2615, or by email at *iain.russell@energytransfer.com.*

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file a protest to the project, you can file a motion to intervene in the proceeding, and you can file comments on the project. There is no fee or cost for filing protests, motions to intervene, or comments. The deadline for filing protests, motions to intervene, and comments is 5:00 p.m. Eastern Time on November 24, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502–6595 or *OPP@ferc.gov.*

Protests

Pursuant to section 157.205 of the Commission's regulations under the NGA,[1] any person [2] or the Commission's staff may file a protest to the request. If no protest is filed within the time allowed or if a protest is filed and then withdrawn within 30 days after the allowed time for filing a protest, the proposed activity shall be deemed to be authorized effective the day after the time allowed for protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request for authorization will be considered by the Commission.

Protests must comply with the requirements specified in section 157.205(e) of the Commission's regulations,[3] and must be submitted by the protest deadline, which is 5:00 p.m. Eastern Time on November 24, 2026. Filings that do not meet requirements of 18 CFR 157.205(e)(2) [4] will not be considered protests by the Commission.[5] A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

Interventions

Any person has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure [6] and the regulations under the NGA [7] by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on November 24, 2026. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at *https://www.ferc.gov/resources/guides/how-to/intervene.asp.*

All timely, unopposed motions to intervene are automatically granted by operation of Rule 214(c)(1). Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations. A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Comments

Any person wishing to comment on the project may do so. The Commission considers all comments received about the project in determining the

[1] 18 CFR 157.205.

[2] Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

[3] 18 CFR 157.205(e).

[4] 18 CFR 157.205(e)(2).

[5] *Cheniere Creole Trail Pipeline, L.P.,* 195 FERC ¶ 61,208, at P 8 n.16 (2026).

[6] 18 CFR 385.214.

[7] 18 CFR 157.10.

appropriate action to be taken. To ensure that your comments are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on November 24, 2026. The filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding.

How To File Protests, Interventions, and Comments

There are two ways to submit protests, motions to intervene, and comments. In both instances, please reference the Project docket number CP26–580–000 in your submission.

(1) You may file your protest, motion to intervene, and comments by using the Commission's eFiling feature, which is located on the Commission's website (*www.ferc.gov)* under the link to Documents and Filings. New eFiling users must first create an account by clicking on ''eRegister.'' You will be asked to select the type of filing you are making; first select ''General'' and then select ''Protest'', ''Intervention'', or ''Comment on a Filing''; or [8]

(2) You can file a paper copy of your submission by mailing it to the address below. Your submission must reference the Project docket number CP26–580–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other method: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of submissions (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or *FercOnlineSupport@ferc.gov.*

Protests and motions to intervene must be served on the applicant either by mail at: Iain Russell, Sr. Manager—Certificates, Florida Gas Transmission Company, LLC, 1300 Main St., P.O. Box 4967, Houston, Texas 77210–4967, or by email (with a link to the document) at *iain.russell@energytransfer.com.* Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–6595 or on the FERC website at *www.ferc.gov* using the ''eLibrary'' link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to *www.ferc.gov/docs-filing/esubscription.asp.*

(Authority: 18 CFR 2.1)

Dated: September 25, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19984 Filed 9–29–26; 8:45 am]

BILLING CODE 6717–01–P

[8] Additionally, you may file your comments electronically by using the eComment feature, which is located on the Commission's website at *www.ferc.gov* under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2512–089]

Hawks Nest Hydro, LLC; Notice of Availability of Environmental Assessment

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission or FERC) regulations, 18 CFR part 380, Commission staff reviewed Hawks Nest Hydro, LLC's, application for a non-capacity amendment of license for the Hawks Nest Project No. 2512, and have prepared an Environmental Assessment (EA) for the project.[1] The licensee proposes to modernize the project to allow for the sale of power directly to the regional electric grid. The project is located on the New River in Fayette County, West Virginia, and does not occupy any federal lands.

The EA contains Commission staff's analysis of the potential environmental effects of the proposed modernization, alternatives to the proposed action, and concludes that the proposed modernization would not constitute a major federal action that would significantly affect the quality of the human environment.

The EA may be viewed on the Commission's website at *http://www.ferc.gov* using the ''eLibrary'' link. Enter the docket number (P–2512–089) in the docket number field to access the document. For assistance, contact FERC Online Support at *FERCOnlineSupport@ferc.gov* or toll-free at 1–866–208–3676, or for TTY, (202) 502–8659.

You may also register online at *http://www.ferc.gov/docs-filing/esubscription.asp* to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

All comments must be filed by October 26, 2026, 5:00 p.m. Eastern Time.

The Commission strongly encourages electronic filing. Please file comments using the Commission's eFiling system at *http://www.ferc.gov/docs-filing/efiling.asp.* Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at *http://www.ferc.gov/docs-filing/ecomment.asp.* For assistance, please contact FERC Online Support. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852. The first page of any filing should include docket number P–2512–089.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

For further information, contact Chris Chaney at (202) 502–6778 or *christopher.chaney@ferc.gov.*

(Authority: 18 CFR 2.1)

Dated: September 25, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19985 Filed 9–29–26; 8:45 am]

BILLING CODE 6717–01–P

[1] The unique identification number for documents relating to this environmental review is EAXX–019–20–000–1779792711.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP24–75–001; Docket No. CP25–505–000; Docket No. CP25–506–000]

Sabine Pass Liquefaction, LLC, Sabine Pass Liquefaction Stage V, LLC, Sabine Crossing Pipeline, LLC, Cheniere Creole Trail Pipeline, L.P.; Notice of Availability of the Final Environmental Impact Statement for the Proposed Sabine Pass Stage 5 Expansion Project

The staff of the Federal Energy Regulatory Commission (Commission) have prepared a final environmental impact statement (EIS) for the Sabine Pass Stage 5 Expansion Project (Project), proposed by Sabine Pass Liquefaction, LLC; Sabine Pass Liquefaction Stage V, LLC; Sabine Crossing Pipeline, LLC; and Cheniere Creole Trail Pipeline, L.P. (collectively, the Applicants).[1] The Applicants propose to expand the existing Sabine Pass Liquefied Natural Gas (SPLNG) Terminal facility in Cameron Parish, Louisiana by adding three new liquefaction trains and appurtenant facilities; construct and operate the Sabine Crossing Pipeline (SCPL), a new, 48-inch-diameter, 55.6-mile-long natural gas pipeline as well as one new compressor station, six new meter stations, and other new appurtenant facilities in Liberty, Chambers, and Jefferson Counties, Texas and Cameron Parish, Louisiana; and construct and operate the new greenfield Tarpon Compressor Station in Cameron Parish, Louisiana, expand the existing Gillis Compressor Station in Beauregard Parish, Louisiana, and modify an existing delivery meter station in Cameron Parish, Louisiana, all along the existing Creole Trail Pipeline System (CTPL).

FERC is the lead federal agency for authorizing interstate natural gas transmission facilities under the Natural Gas Act of 1938 (NGA) and the lead federal agency for preparation of the final EIS. The final EIS assesses the potential environmental effects of the construction and operation of the SPLNG Terminal Expansion, SCPL and SCPL Aboveground Facilities, and CTPL Aboveground Facilities (collectively referred to as ''the Project'') in accordance with the requirements of the National Environmental Policy Act (NEPA)[2] and the Commission's implementing regulations.[3] The principal purposes of the final EIS are to: identify and assess the potential effects on the natural and human environment; describe and evaluate reasonable alternatives; identify and recommend mitigation measures; and facilitate public involvement in the environmental review process. The EIS concludes that for most resources, the construction and operation of the Project would result in limited environmental effects. Most environmental effects would be temporary or short-term during construction, but some long-term and permanent environmental effects would occur in wetlands, forested lands, visual resources, and on air quality. This determination is based on our review of the information provided by the Applicants and further developed from environmental information requests; scoping; literature research; consideration of potential alternatives; contacts with federal, state, and local agencies; and other stakeholders. We conclude that effects would be less than significant with implementation of the Applicants' proposed avoidance, minimization, and mitigation measures as well as the environmental and engineering conditions we recommend the Commission include in any Project authorization it may issue. In addition, based on a preliminary engineering and technical review of the SPLNG Terminal Expansion design, we conclude there are acceptable layers of protection or safeguards that would reduce the risk of a potentially hazardous scenario from developing into an event that could impact the offsite public.

Two districts of the U.S. Army Corps of Engineers, the U.S. Department of Transportation, the U.S. Coast Guard, the National Oceanic and Atmospheric Administration—National Marine Fisheries Service, and the U.S. Department of Energy participated as cooperating agencies in the preparation of the final EIS. Cooperating agencies have jurisdiction by law or special expertise with respect to resources potentially affected by the proposal and participate in the NEPA analysis. Although the cooperating agencies provided input towards the conclusions and recommendations presented in the final EIS, the agencies will present their own conclusions and recommendations in their respective records of decision (where applicable) for the Projects.

The final EIS addresses the potential environmental effects of construction and operation in Texas and Louisiana of the following facilities:

- SPLNG Terminal Expansion:
  - Three new Liquefaction Trains (Trains 7, 8 and 9) and appurtenant facilities.
- SCPL:
  - Approximately 55.6 miles of 48-inch-diameter pipeline.
  - SCPL Aboveground Facilities:
    - Four 52,500-horsepower (hp) modular compressor packages and appurtenant facilities at the new Hamshire Compressor Station along the pipeline route;
    - Six new meter stations (*i.e.,* Moss Bluff, two at Winnie, Kinder Morgan Tejas, Hamshire, SCPL Delivery) along the pipeline route; and
    - Four new pig traps[4] and three new mainline valves (MLV) along the pipeline route.
- CTPL Aboveground Facilities:
  - Two 23,470-hp compressor packages and appurtenant facilities at the existing Gillis Compressor Station along the existing pipeline system;
  - One 52,500-hp modular compressor package and appurtenant facilities at the new Tarpon Compressor Station along the existing pipeline system; and
  - One new 16-inch-diameter meter and flow control run and one new filter at an existing meter station within the SPLNG Terminal.

The Commission mailed a copy of the *Notice of Availability* of the final EIS to federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American tribes; potentially affected landowners and other interested individuals and groups; and newspapers and libraries in the project area. The final EIS is only available in electronic format. It may be viewed and downloaded from the FERC's website (*www.ferc.gov*), on the natural gas environmental documents page (*https://www.ferc.gov/industries-data/natural-gas/environment/environmental-documents*). In addition, the final EIS may be accessed by using the eLibrary link on the FERC's website. Click on the eLibrary link (*https://elibrary.ferc.gov/eLibrary/search*) select ''General Search'' and enter the docket

[1] For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is FERC/EISX–019–20–000–1751972136.

[2] National Environmental Policy Act of 1969, as amended (Public Law [Pub. L.] 91–190. 42 U.S.C. 4321–4347, as amended by Pub. L. 94–52, July 3, 1975; Pub. L. 94–83, August 9, 1975; Pub. L. 97–258, 4(b), September 13, 1982; Pub. L. 118–5, June 3, 2023; Pub. L. 119–21, July 4, 2025).

[3] 18 Code of Federal Regulations (CFR) 380.

[4] A ''pig'' is a tool that the pipeline company inserts into and pushes through the pipeline for cleaning the pipeline, conducting internal inspections, or other purposes. A pig trap is an ancillary item of pipeline equipment, with associated pipework and valves, for introducing a pig into a pipeline or removing a pig from a pipeline.

number in the ''Docket Number'' field, excluding the last three digits (*i.e.,* CP24–75, CP25–505 or CP25–506). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at *FercOnlineSupport@ferc.gov* or toll free at (866) 208–3676, or for TTY, contact (202) 502–8659.

The final EIS is not a decision document. It presents Commission staff's independent analysis of the environmental issues for the Commission to consider when addressing the merits of all issues in this proceeding. Under Section 3 of the NGA, the FERC considers as part of its decision to authorize natural gas facilities, all factors bearing on the public interest. Specifically, regarding whether to authorize natural gas facilities used for importation or exportation, the FERC shall authorize the proposal unless it finds that the proposed facilities will not be consistent with the public interest. Under section 7(c) of the NGA, the Commission determines whether interstate natural gas transportation facilities are in the public convenience and necessity and, if so, grants a Certificate of Public Convenience and Necessity to construct and operate them. The Commission bases its decisions on both economic issues, including need, and environmental effects.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.* Additional information about the project is available from the FERC website (*www.ferc.gov*) using the eLibrary link. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription that allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to *https://www.ferc.gov/ferc-online/overview* to register for eSubscription.

(Authority: 18 CFR 2.1)

Dated: September 25, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19983 Filed 9–29–26; 8:45 am]

BILLING CODE 6717–01–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OAR–2026–4358; FRL–13657–01–OMS]

Agency Information Collection Activities; Proposed Information Collection Request; Comment Request; Renewable Fuel Standard (RFS) Program: Standards for 2023–2025 and Other Changes (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR), Renewable Fuel Standard (RFS) Program: Standards for 2023–2025 and Other Changes (EPA ICR Number 2722.03, OMB Control Number 2060–0749), to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act. This is a proposed extension of the ICR, which is currently approved through September 30, 2026. This notice allows for an additional 30 days for public comments.

DATES: Comments may be submitted on or before October 30, 2026.

ADDRESSES: Submit your comments, referencing Docket ID Number- EPA–HQ–OAR–2026–4358, to EPA online using *www.regulations.gov* (our preferred method), by email to *a/and/r/docket@epa.gov,* or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 6406J, 1200 Pennsylvania Ave. NW, Washington, DC 20460.

EPA's policy is that all comments received will be included in the public docket without change including any personal information provided, unless the comment includes profanity, threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Submit written comments and recommendations to OMB for the proposed information collection 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: Crystal Biddle, Implementation, Analysis and Compliance Division, Office of Transportation and Air Quality, Mail Code 22821T, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: 202–564–5199; fax number: 202–555–1212; email address: *biddle.crystal@epa.gov.*

SUPPLEMENTARY INFORMATION: This is a proposed extension of the ICR, which is currently approved through September 30, 2026. 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.

Public comments were previously requested via the **Federal Register** on June 26, 2026 (91 FR 39095) during a 60-day comment period. This notice allows for an additional 30 days for public comments. Supporting documents, which explain in detail the information that the EPA will be collecting, are available in the public docket for this ICR. The docket can be viewed online at *www.regulations.gov* or in person at the EPA Docket Center, WJC West, Room 3334, 1301 Constitution Ave. NW, Washington, DC. The telephone number for the Docket Center is 202–566–1744. For additional information about EPA's public docket, visit *http://www.epa.gov/dockets.*

Abstract: This ICR is for certain provisions of the RFS program which is required by the Clean Air Act and implementing regulations in 40 CFR parts 80 and 1090. The following provisions established in the RFS Standards for 2023–2025 and Other Changes final rule are most relevant to this information collection:

- Biogas-derived renewable fuel requirements to ensure that biogas is produced from renewable biomass and used as a transportation fuel and to allow for the use of biogas as a biointermediate (''biogas regulatory reform'')
- Requirements for third parties pertaining to engineering reviews, the RFS quality assurance program, and annual attest engagements
- Recordkeeping requirements for waste feedstocks, including separated food waste (SFW) The RFS program relies upon marketable credits (Renewable Identification Numbers or RINs) to function, which necessitates registration, recordkeeping and reporting requirements for the type and number of RINs generated, sold, retired, etc. EPA provides the secure systems that respondents use to register, submit compliance reports, and transact RINs, which removes a burden from industry. EPA uses the information to monitor compliance with the RFS and to ensure the integrity of the RIN market.

Form Numbers: RFS0107 (5900–631), RFS1700 (5900–362), RFS2000 (5900–357), RFS2100 (5900–358), RFS2200

(5900–359), RFS2300 (5900–360), RFS2400 (5900–361), RFS4000 (5900–529), RFS4800 (5900–638), RFS4900 (5900–639), RFS5000 (5900–640), RFS5200 (5900–642), RFS5400 (5900–644).

Respondents/affected entities: Biogas Producers, RNG Producers, RNG Importers, SFW Feedstock Suppliers or Aggregators, Biogas Closed Distribution System RIN Generators, QAP Providers, RNG RIN Separators, Third Parties, and Producers of Renewable Fuel from Biogas.

Respondent's obligation to respond: Mandatory under 40 CFR parts 80 and 1090.

Estimated number of respondents: 11,057 (total).

Frequency of response: on occasion, quarterly, and annually.

Total estimated burden: 152,679 hours (per year). Burden is defined at 5 CFR 1320.03(b).

Total estimated cost: $24,527,843 (per year), which includes $10,699,875 annualized capital or operation & maintenance costs.

Changes in the Estimates: There is an increase of 69,286 hours in the total estimated respondent burden compared with the ICR currently approved by OMB. This increase is due primarily to increases in participating respondents and their responses.

Courtney Kerwin,

Deputy Director, Data and Enterprise Programs Division.

[FR Doc. 2026–20053 Filed 9–29–26; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[FRL–13627–01–OA]

Public Meeting of the Science Advisory Board

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA), Science Advisory Board (SAB) Branch is announcing a public meeting of the Science Advisory Board. The purpose of the meeting is to conduct a quality review of the draft report titled, ''SAB review of the EPA's Draft Sixth Contaminant Candidate List; discuss the EPA's Unregulated Contaminant Monitoring Rule; discuss the EPA's Draft Guidance for Reducing Risk from Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonic Acid (PFOS) in Biosolids; and hear public comments.

DATES: *Public meeting:* The Science Advisory Board will meet on October 19, 2026, from 11:00 a.m. to 3:00 p.m. Eastern Time.

Comments: See the section titled ''Procedures for providing public input'' under **SUPPLEMENTARY INFORMATION** for instructions and deadlines.

ADDRESSES: The October 19, 2026, meeting will be conducted virtually. Registration is required to participate in the meeting. Please refer to the Science Advisory Board website at *https://sab.epa.gov* for additional information including how to register.

FOR FURTHER INFORMATION CONTACT: Any member of the public who wants further information concerning this document may contact Dr. Shaunta Hill-Hammond, Designated Federal Officer (DFO), via telephone at (202) 564–3343, or email at *hill-hammond.shaunta@epa.gov.* General information about the SAB, as well as any updates concerning this meeting, can be found on the SAB website at *https://sab.epa.gov.*

SUPPLEMENTARY INFORMATION:

Background: The SAB was established pursuant to the Environmental Research, Development, and Demonstration Authorization Act (ERDDAA), codified at 42 U.S.C. 4365, to provide independent scientific and technical advice to the EPA Administrator on the scientific and technical basis for agency positions and regulations. The SAB is a Federal Advisory Committee chartered under the Federal Advisory Committee Act (FACA), 5 U.S. Code 10. The SAB will comply with the provisions of FACA and all appropriate SAB Staff Office procedural policies. Pursuant to FACA and EPA policy, notice is hereby given that the Science Advisory Board will hold a public meeting to: 1. conduct a quality review of the draft report titled, ''SAB review of the EPA's Draft Sixth Contaminant Candidate List; 2. discuss the EPA's Unregulated Contaminant Monitoring Rule; 3. discuss the EPA's Draft Guidance for Reducing Risk from Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonic Acid (PFOS) in Biosolids; and 4. hear public comments

Availability of meeting materials: All meeting materials, including the agenda, will be available on the SAB web page at *https://sab.epa.gov.*

Procedures for providing public input: Public comment for consideration by EPA's federal advisory committees and panels has a different purpose from public comment provided to EPA program offices. Therefore, the process for submitting comments to a federal advisory committee is different from the process used to submit comments to an EPA program office. Federal advisory committees and panels, including scientific advisory committees, provide independent advice to the EPA. Members of the public can submit relevant comments pertaining to the committee's charge or meeting materials. Input from the public to the SAB will have the most impact if it provides specific scientific or technical information or analysis for the SAB to consider or if it relates to the clarity or accuracy of the technical information. Members of the public wishing to provide comments should follow the instruction below to submit comments.

Oral statements: In general, individuals or groups requesting an oral presentation at a meeting conducted virtually will be limited to three minutes. Each person making an oral statement should consider providing written comments as well as their oral statement so that the points presented orally can be expanded upon in writing. Persons interested in providing oral statements should contact the DFO, in writing (preferably via email) at the contact information noted under **FOR FURTHER INFORMATION CONTACT**, by October 12, 2026, for the October 19 meeting, to be placed on the list of registered speakers.

Written statements: Written statements will be accepted throughout the advisory process; however, for timely consideration by SAB members, statements should be submitted to the DFO by October 12, 2026, for consideration at the October 19 meeting. Written statements should be supplied to the DFO at the contact information above via email. Submitters are requested to provide an unsigned version of each document because the SAB Staff Office does not publish documents with signatures on its websites. Members of the public should be aware that their personal contact information, if included in any written comments, may be posted to the SAB website. Copyrighted material will not be posted without the explicit permission of the copyright holder.

Accessibility: For information on access or services for individuals with disabilities, please contact the DFO, at the contact information noted above, preferably at least ten days before the meeting, to give the EPA as much time as possible to process your request.

V. Khanna Johnston,

Branch Chief, Science Advisory Board Branch.

[FR Doc. 2026–20057 Filed 9–29–26; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[FRL–13492–01–Region 5]

Public Water System Supervision Program Approval for the State of Illinois

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of tentative approval.

SUMMARY: Notice is hereby given that the Environmental Protection Agency (EPA) has approved the State of Illinois' revisions to the State's Public Water System Supervision (PWSS) Program under the federal Safe Drinking Water Act for adoption of the federal Per- and Polyfluoroalkyl Substances (PFAS) Rule. The EPA has determined that the State of Illinois' PWSS program regulations and the revisions thereto are no less stringent than the above corresponding federal regulations and thus give the Illinois Environmental Protection Agency (IEPA) primary enforcement responsibility for the PFAS Rule. This determination on the State's request for approval of such primacy enforcement responsibility shall take effect in accordance with procedures described below, subject to timely substantial requests for public hearing. This approval action does not extend to public water systems in Indian Country. By approving this revision, the EPA does not intend to affect the rights of federally recognized Indian Tribes in Illinois, nor does it intend to limit existing rights of the State of Illinois.

DATES: Any interested party may request a public hearing on this determination. A request for a public hearing must be submitted by October 30, 2026. The EPA Region 5 Administrator (Regional Administrator) may deny frivolous or insubstantial requests for a hearing. If a substantial request for a public hearing is made by October 30, 2026, EPA Region 5 will hold a public hearing, and a notice of such hearing will be published in the **Federal Register** and a newspaper of general circulation. Any request for a public hearing shall include the following information: The name, address, and telephone number of the individual, organization, or other entity requesting a hearing; a brief statement of the requesting person's interest in the Regional Administrator's determination; a brief statement of the information that the requesting person intends to submit at such hearing; and the signature of the individual making the request, or, if the request is made on behalf of an organization or other entity, the signature of a responsible official of the organization or other entity.

If EPA Region 5 does not receive a timely and appropriate request for a hearing and the Regional Administrator does not elect to hold a hearing upon her own motion, this determination shall become final and effective on October 30, 2026 and no further public notice will be issued.

ADDRESSES: To receive copies of documents related to this determination, please contact Stacy Meyers at email address: *meyers.stacy@epa.gov* or telephone number: (312) 886–0880. Documents relating to the determination regarding Illinois are available for inspection at the following locations during normal business hours and when the offices are open: Illinois Environmental Protection Agency, Division of Legal Counsel, 2520 W Iles Ave. Springfield, Illinois 62794–9276; and the U.S. Environmental Protection Agency Region 5, Ground Water and Drinking Water Branch (WG–15J), 77 W Jackson Blvd., Chicago, IL 60604.

FOR FURTHER INFORMATION CONTACT: Stacy Meyers, EPA Region 5, Ground Water and Drinking Water Branch, at the address given above, by telephone at (312) 886–0880, or at *meyers.stacy@epa.gov.*

Authority: Section 1413 of the Safe Drinking Water Act, 42 U.S.C. 300g–2, and the federal regulations implementing Section 1413 of the Act set forth at 40 CFR part 142.

Dated: September 16, 2026.

Anne Vogel,

Regional Administrator, Region 5.

[FR Doc. 2026–19976 Filed 9–29–26; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

[DA 26–733; FR ID 369224]

Renewal of the Consumer Protection and Accessibility Advisory Committee

AGENCY: Federal Communications Commission.

ACTION: Notice of renewal.

SUMMARY: The Federal Communications Commission (FCC or Commission) is publishing this notice to announce the renewal of the Consumer Protection and Accessibility Advisory Committee (CPAAC). The Commission has determined that the renewal of the CPAAC is necessary and in the public's interest.

FOR FURTHER INFORMATION CONTACT: David M. Pérez or Joshua Mendelsohn, Designated Federal Officers, Federal Communications Commission, via email at *CPAAC@fcc.gov.*

SUPPLEMENTARY INFORMATION: In accordance with section 9(a)(2) of the Federal Advisory Committee Act (FACA), 5 U.S.C. 1008, and 41 CFR 102–3.65, the FCC is announcing the CPAAC's renewal and providing herein the Commission-approved public interest determination.

The CPAAC's objectives and scope of activities, as described in its charter, include providing the Commission with advice and recommendations on issues concerning consumer protection, disability access, developments in communications technology, and the impact of emerging technologies and services on consumers—including individuals with disabilities. The CPAAC will operate for two years from the date of renewal unless the Commission directs that the Committee terminate at an earlier date. A copy of the renewal charter will be posted on the CPAAC's website at *www.fcc.gov/cpaac.*

Public Interest Determination

Pursuant to 41 U.S.C. 102–3.60(a), to establish, renew, reestablish, or merge a discretionary (agency discretion) advisory committee, an agency must first consult with the General Services Administration's Committee Management Secretariat (the Secretariat) and, as part of the consultation, provide a written public interest determination approved by the head of the agency to the Secretariat with a copy to the Office of Management and Budget. In addition, pursuant to 41 U.S.C. 102–3.35, an agency shall follow the same consultation process and document in writing the same determination of need before creating a subcommittee under a discretionary committee that is not made up entirely of members of a parent advisory committee.

Information on the following factors for the committee is provided to the Secretariat to demonstrate that renewing the committee is in the public interest:

1. *Annual budget:* The estimated annual operating cost for supporting the CPAAC is $372,154.00.

a. *Federal personnel on a full-time equivalent (FTE) basis:* 2.8 FTE.

b. *Other Federal internal costs:* $20,000.

c. *Proposed payments to members:* The FCC does not compensate CPAAC members for their services.

d. *Proposed number of members:* Approximately 35.

e. *Reimbursable costs:* $0.

2. *If applicable, the total dollar value of grants expected to be recommended during the fiscal year:* $0.

3. *Criteria for selecting members to ensure the committee has the necessary*

expertise and fairly balanced membership: Members selected will represent a wide variety of interests, including consumers, individuals with disabilities, community and/or other non-profit or governmental organizations, regulators, and industry or, if serving as Special Government Employees in their personal capacity, will have significant expertise in the issues to be addressed by the Committee.

Members will represent a wide variety of entities with interests in consumer or disability access issues within the Federal Communications Commission's purview, including: consumer or community organizations, which may include people who are blind or visually impaired, people who are deaf or hard of hearing, people with cognitive disabilities, people with multiple disabilities, including those who are deafblind, and people who have speech disabilities; state, local, or tribal governments; and companies or trade associations in various sectors of the communications industry. Members may also include consumers serving on their own behalf or individuals who have significant expertise regarding the issues to be addressed by the committee, who may serve as Special Government Employees. Together, these members will represent a balance of viewpoints necessary to address effectively the issues to be considered by the committee.

4. *List of all other Federal advisory committees of the agency:* In addition to the CPAAC, the FCC has three discretionary FACA committees:

(a) Communications Security, Reliability and Interoperability Council
(b) Technological Advisory Council
(c) World Radiocommunication Conference Advisory Committee

5. Justification that the information or advice provided by the Federal advisory committee or subcommittee is not available from another Federal advisory committee, another Federal Government source, or any other more cost-effective and less burdensome source.

The FCC must stay apprised of existing and emerging issues in telecommunications and video programming which may affect consumers, including individuals with disabilities, and take action to benefit the American public and ensure compliance with the Communications Act of 1934, as amended. The FCC must exercise many tools, including by relying on federal advisory committees, to keep pace with opportunities and challenges posed by new and emerging communications technologies. The members of the committee bring outside knowledge and expertise from the perspectives of industry, trade associations, and organizations representing consumers and individuals with disabilities, which will inform agency staff to accomplish our mission.

6. *If the consultation is a committee renewal, a summary of the previous accomplishments of the committee and the reasons it needs to continue:* Recommendations from past terms of the advisory committee have informed the Commission's work in addressing consumer and disability issues. For example, past recommendations have led to Commission actions that empowered consumers and advanced important consumer protection priorities. Numerous recommendations have informed the Commission's work to combat robocalls, including the use of SHAKEN/STIR and call blocking rules. Recommendations have also focused on advancements in communications technology, mobile device security, changes to FCC consumer complaint intake and reporting, as well as consumer education campaigns for the Digital TV transition. Other recommendations on the Use of Telecommunication Relay Services on Video Conferencing Platforms expedited the deployment of relay on platforms like Zoom and Teams. Another set of recommendations on the Use of Artificial Intelligence to Caption Live Video Programming will help inform future efforts to modernize captioning regulations. And recommendations on Direct Video Calling (DVC) led to a DVC Forum that we hosted at the FCC.

The FCC's top priorities are aligned with the Communications Act of 1934, as amended by Congress, which requires the FCC to protect consumers and ensure accessibility of telecommunications and video programming. The FCC needs to understand how existing and emerging issues in these fields affect consumers, including people with disabilities, to ensure that it adopts regulations such that telecommunications and video programming continue to benefit the American public, by engaging with the stakeholders most affected by these issues, including through federal advisory committee engagement.

7. *Explanation of why the committee/subcommittee is essential to the conduct of agency business:* The Consumer Protection and Accessibility Advisory Committee is chartered to focus on key issues that are essential to the FCC's business, including issues affecting consumer protection and education; implementation of statutes, Commission rules, and policies to protect consumers; promoting consumer participation and input into Commission rulemaking proceedings and other decision-making processes; impact of new and emerging communications technologies on consumers, including those in underserved areas; communications access for people with disabilities, and video programming access for people with disabilities. Telecommunications and video programming are continually evolving, with opportunities and challenges affecting consumers—including people with disabilities. Continual input and engagement through the Consumer Protection and Accessibility Advisory Committee is essential to ensure that the FCC has the data and tools necessary to address these opportunities and challenges affecting consumers.

Dated: September 25, 2026.

Federal Communications Commission.

Robert Garza,

Legal Advisor, Consumer and Governmental Affairs Bureau.

[FR Doc. 2026–20005 Filed 9–29–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of a Bank or Bank Holding Company

The notificants listed below have applied under the Change in Bank Control Act (Act) (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire shares of a bank or bank holding company. The factors that are considered in acting on the applications are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the standards enumerated in paragraph 7 of the Act.

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business

information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than October 15, 2026.

A. Federal Reserve Bank of Minneapolis (Mark Nagle, Assistant Vice President) 90 Hennepin Avenue, Minneapolis, Minnesota 55480–0291. Comments can also be sent electronically to *MA@mpls.frb.org:*

1. *Michael Johnson, Litchfield, Minnesota,* to acquire voting shares of Darwin Bancshares, Inc. (''Company''), and thereby indirectly acquire voting shares of Perennial Bank (''Bank''), both of Darwin, Minnesota.

In addition, *Jeb Johnson, New London, Minnesota; Max Johnson, Bryce Johnson, and Josh Johnson, all of Darwin, Minnesota; Zachary Johnson, Grove City, Minnesota; Chad Johnson, Monticello, Minnesota; Rachael Larson, St. Cloud, Minnesota; and Krysta Roemeling, Avon, Minnesota;* to join the Johnson Family Control Group, a group acting in concert, to retain voting shares of Company, and thereby indirectly retain voting shares of Bank.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–20017 Filed 9–29–26; 8:45 am]

BILLING CODE 6210–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–P–4574]

Determination That ISTURISA (Osilodrostat) Tablets, 10 Milligrams, Was Not Withdrawn From Sale for Reasons of Safety or Effectiveness

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) has determined that ISTURISA (osilodrostat) tablets, 10 milligrams (mg), was not withdrawn from sale for reasons of safety or effectiveness. This determination will allow FDA to approve abbreviated new drug applications (ANDAs) for osilodrostat tablets, 10 mg if all other legal and regulatory requirements are met.

FOR FURTHER INFORMATION CONTACT: Heather Dorsey, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6269, Silver Spring, MD 20993–0002, 301–796–3600, *heather.dorsey@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION: Section 505(j) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 355(j)) allows the submission of an ANDA to market a generic version of a previously approved drug product. To obtain approval, the ANDA applicant must show, among other things, that the generic drug product: (1) has the same active ingredient(s), dosage form, route of administration, strength, conditions of use, and (with certain exceptions) labeling as the listed drug, which is a version of the drug that was previously approved, and (2) is bioequivalent to the listed drug. ANDA applicants do not have to repeat the extensive clinical testing otherwise necessary to gain approval of a new drug application (NDA).

Section 505(j)(7) of the FD&C Act requires FDA to publish a list of all approved drugs. FDA publishes this list as part of the ''Approved Drug Products With Therapeutic Equivalence Evaluations,'' which is known generally as the ''Orange Book.'' Under FDA regulations, drugs are removed from the list if the Agency withdraws or suspends approval of the drug's NDA or ANDA for reasons of safety or effectiveness or if FDA determines that the listed drug was withdrawn from sale for reasons of safety or effectiveness (21 CFR 314.162).

A person may petition the Agency to determine, or the Agency may determine on its own initiative, whether a listed drug was withdrawn from sale for reasons of safety or effectiveness. This determination may be made at any time after the drug has been withdrawn from sale, but must be made prior to approving an ANDA that refers to the listed drug (§ 314.161 (21 CFR 314.161)). FDA may not approve an ANDA that does not refer to a listed drug.

ISTURISA (osilodrostat) tablets, 10 mg, is the subject of NDA 212801, held by Recordati Rare Diseases, Inc., and initially approved on March 6, 2020. ISTURISA is a cortisol synthesis inhibitor indicated for the treatment of endogenous hypercortisolemia in adults with Cushing's syndrome for whom surgery is not an option or has not been curative.

ISTURISA (osilodrostat) tablets, 10 mg, is currently listed in the ''Discontinued Drug Product List'' section of the Orange Book.

Annora Pharma Private Limited submitted a citizen petition dated April 24, 2026 (Docket No. FDA–2026–P–4574), under 21 CFR 10.30, requesting that the Agency determine whether ISTURISA (osilodrostat) tablets, 10 mg, was withdrawn from sale for reasons of safety or effectiveness.

After considering the citizen petition and reviewing Agency records and based on the information we have at this time, FDA has determined under § 314.161 that ISTURISA (osilodrostat) tablets, 10 mg, was not withdrawn for reasons of safety or effectiveness. The petitioner has identified no data or other information suggesting that ISTURISA (osilodrostat) tablets, 10 mg, was withdrawn for reasons of safety or effectiveness. We have carefully reviewed our files for records concerning the withdrawal of ISTURISA (osilodrostat) tablets, 10 mg, from sale. We have also independently evaluated relevant literature and data for possible postmarketing adverse events. We have found no information that would indicate that this drug product was withdrawn from sale for reasons of safety or effectiveness.

Accordingly, the Agency will continue to list ISTURISA (osilodrostat) tablets, 10 mg, in the ''Discontinued Drug Product List'' section of the Orange Book. The ''Discontinued Drug Product List'' delineates, among other items, drug products that have been discontinued from marketing for reasons other than safety or effectiveness. ANDAs that refer to ISTURISA (osilodrostat) tablets, 10 mg, may be approved by the Agency as long as they meet all other legal and regulatory requirements for the approval of ANDAs. If FDA determines that labeling for this drug product should be revised to meet current standards, the Agency will advise ANDA applicants to submit such labeling.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–19968 Filed 9–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Autism Longitudinal Data Project and Linking the Boston Birth Cohort and Pregnancy to Early Life Longitudinal Data System and Community-Level Health Databases: A Longitudinal Cohort of Mother-Child Dyads

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice of supplemental funding to Johns Hopkins University (JHU), a current HRSA awardee for the Autism Longitudinal Data Project.

SUMMARY: HRSA administers this grant using funding made available by the Health and Human Services Assistant Secretary for Planning and Evaluation (ASPE) from the Patient Centered Outcomes Research Trust Fund (PCORTF) and awarded for this purpose to JHU. ASPE/PCORTF supports this multi-agency data linkage project to build further data capacity. Supplemental funding was previously awarded in fiscal year (FY) 2024 and FY25 to initiate the data linkage and user testing process. This award is a continuation of this work and the final year for this ASPE/PCORTF award. If JHU does not receive this award, it will not have the funds needed to execute the final phase of the data linkage project.

FOR FURTHER INFORMATION CONTACT: Evva Assing-Murray, Senior Health Scientist, Division of Research, Office of Epidemiology and Research, Maternal and Child Health Bureau, HRSA, at *eassing-murray@hrsa.gov* and 301–594–4113.

SUPPLEMENTARY INFORMATION:

Intended Recipient of the Award: Johns Hopkins University.

Amount of Non-Competitive Award: One award for $587,191.

Project Period: September 1, 2022, to August 31, 2027.

Assistance Listing Number: 93.877.

Award Instrument: Non-competitive single-source supplement.

Authority: 26 U.S.C. 9511(d)(2)(C).

TABLE 1—RECIPIENT(S) AND AWARD AMOUNT(S)

Grant No.	Award recipient name	City, State	Award amount
UT7MC45949	Johns Hopkins University	Baltimore, MD	$587,191

Justification: There is a lack of longitudinal data from birth cohorts in the United States to assess maternal and infant health and inter-generational health from a life course perspective. Through this supplement, the data linkages will generate rich datasets with broad array of data on biological, socio-economic, home and neighborhood environment, behavioral risk and protective factors, health services and expenses across the developmental and life stages. JHU is uniquely qualified to conduct this work because it has:

- JHU is currently in the 4th year of its second 5-year award from HRSA and has consistently met its goals and objectives.
- Led and managed the Boston Birth Cohort since its inception in 1998. As such, is experienced in the complexities of data sharing across institutions and technical aspects of linking data.
- Access to these restricted datasets. The Boston Birth Cohort is a restricted use data resource that contains personally identifiable, confidential data, the disclosure of which is protected by law. JHU and its clinical site, Boston Medical Center, maintain these data and are the only entities that currently have access to the datasets required for this activity.

This data linkage project will run from July 2024 to July 2027. This is a continuation of an ongoing activity that was initially funded in FY24 by ASPE/PCORTF to the same intended recipient. Not making the award would preclude the successful implementation of the data linkage project by JHU.

Thomas J. Engels,

Administrator.

[FR Doc. 2026–19936 Filed 9–29–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Recharter for the Council on Graduate Medical Education

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: In accordance with the Federal Advisory Committee Act (FACA), the Department of Health and Human Services is hereby giving notice that the Council on Graduate Medical Education (COGME or Council) has been recharted. The effective date of the charter renewal is September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Angela Young, Bureau of Health Workforce, Division of Medicine and Dentistry, HRSA, 5600 Fishers Lane, 15N–129, Rockville, Maryland 20857; 240–381–5582; or *AYoung@hrsa.gov.*

SUPPLEMENTARY INFORMATION: COGME provides advice and recommendations to the Secretary of HHS and Congress on policy, program development, and other matters of significance concerning the activities under section 762 of the Public Health Service Act (42 U.S.C. 294o). COGME reviews physician workforce trends, training issues, and financing policies, and provides recommendations to address these challenges through both federal and private sector initiatives.

The committee advises:

- The Secretary of HHS
- The Senate Committee on Health, Education, Labor and Pensions
- The House of Representatives Committee on Energy and Commerce

Under Title VII of the Public Health Service Act, as amended, COGME is charged with making recommendations to the Secretary of HHS and Congress on the following issues:

1. Supply and distribution of physicians in the United States;
2. Current and future shortages or surpluses of physicians in medical and surgical specialties and subspecialties;
3. Foreign medical school graduates;
4. Federal policies addressing the above issues specified in items 1–3, including policies concerning changes in the financing of undergraduate and graduate medical education (GME) programs and changes in the types of medical education training in GME programs;
5. Appropriate efforts to be carried out by hospitals, schools of medicine, schools of osteopathic medicine, and accrediting bodies with respect to the issues specified in items 1–3, including efforts for changes in undergraduate and GME programs; and

6. Improving physician workforce databases, including identifying problems and recommending solutions related to physician supply, distribution, and postgraduate training in the United States.

Additionally, the authorizing legislation calls for the Council to support groups providing GME to voluntarily achieve COGME's recommendations, as specified in item 5, above. The Council also develops, publishes, and implements performance measures for programs under its purview; develops and publishes guidelines for longitudinal evaluations; and recommends funding levels for these programs, except those authorized under Parts C and D of the Title VII of the Public Health Service Act.

Not less than every 5 years, the Council shall submit to the Secretary; the Committee on Health, Education, Labor and Pensions of the Senate; and the Committee on Energy and Commerce of the House of Representatives a report on the recommendations described in the Description of Duties section of this Charter.

The charter renewal for COGME was approved on September 8, 2026. The filing date is September 30, 2026. Recharter of COGME gives authorization for the council to operate until September 30, 2028.

A copy of the COGME charter is available on the COGME website at: *https://www.hrsa.gov/advisory-committees/graduate-medical-edu.* A copy of the charter can also be obtained by accessing the FACA database that is maintained by the Committee Management Secretariat under the General Services Administration. The website address for the FACA database is: *http://www.facadatabase.gov/.*

Maria G. Button,

Director, Executive Secretariat.

[FR Doc. 2026–20018 Filed 9–29–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Supplemental Award; Maternal Health Research Collaborative for Minority-Serving Institutions Coordinating

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services

ACTION: Notice of supplemental award.

SUMMARY: HRSA is announcing a supplemental award to Morgan State University (MSU), a current HRSA awardee for the Maternal Health Research Collaborative for Minority Serving Institutions (MH–RC–MSI) Coordinating Center (CC). HRSA administers this grant using funding made available by the Department of Health and Human Services' Assistant Secretary for Planning and Evaluation's Patient-Centered Outcomes Research Trust Fund. The Assistant Secretary for Planning and Evaluation's Patient-Centered Outcomes Research Trust Fund supports this multi-agency data linkage project to build further data capacity. The recipient of the MH–RC–MSI CC, MSU, does not need to submit special documentation to establish eligibility. If this exception is not granted, MSU will not have the funds to test the data linkage.

FOR FURTHER INFORMATION CONTACT: Evva Assing-Murray, Senior Health Scientist, Division of Research, Office of Epidemiology and Research, Maternal and Child Health Bureau, HRSA, at *eassing-murray@hrsa.gov* and 301–594–4113.

SUPPLEMENTARY INFORMATION:

Intended Recipient of the Award: Morgan State University.

Amount of Non-Competitive Award: One award for $400,000.

Project Period: September 30, 2023, to September 29, 2028.

Assistance Listing Number: 93.110.

Award Instrument: Non-competitive single-source supplement.

Authority: 26 U.S.C. 9511(d)(2)(C).

TABLE 1—RECIPIENT(S) AND AWARD AMOUNT(S)

Grant No.	Award recipient name	City, state	Award amount
UR5MC50340	Morgan State University	Baltimore, MD	$400,000.

Justification: The project, *Linking the Boston Birth Cohort and Pregnancy to Early Life Longitudinal Data System and Community-Level Health Databases: A Longitudinal Cohort of Mother-Child Dyads,* will create a dataset with a broad array of data on biological, socio-economic, home and neighborhood environment, behavioral risk and protective factors, health services and expenses across the developmental and life stages. In addition, this project intends to make this novel dataset shareable to other researchers.

This supplement will support testing the dataset, its user-friendliness, and the sharing process.

The MH–RC–MSI CC is uniquely qualified to test and validate the data linkage and sharing process through use cases and research studies because:

- They have the current infrastructure and connections with 16 HRSA funded MH–RC–MSI Research Centers to ensure coordinated testing and validation;
- They support numerous early-stage investigators through a mentorship program who can use the dataset to conduct research projects on maternal health; and
- They have a record of successfully managing HRSA's Maternal and Child Health Bureau-funded projects that examine a broad range of adverse maternal health outcomes since 2023 and have consistently met goals and objectives.

These data linkage activities run from September 2025 to July 2027, during years 3 through 4 of the 5-year Minority-Serving Institutions project period. Not making the award would preclude testing of the data linkage as described in the project proposal.

Thomas J. Engels,

Administrator.

[FR Doc. 2026–19937 Filed 9–29–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections

552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel—PAR–25–153: Assay Development and Screening for Discovery of Chemical Probes, Drugs or Immunomodulators.

Date: October 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: Alireza Seyed Alavi, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–4108, *ali.alavi@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: September 25, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–19944 Filed 9–29–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Neurological Disorders and Stroke; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the Board of Scientific Counselors, National Institute of Neurological Disorders and Stroke.

The meeting will be closed to the public as indicated below in accordance with the provisions set forth in section 552b(c)(6), Title 5 U.S.C., as amended for the review, discussion, and evaluation of individual intramural programs and projects conducted by the National Institute of Neurological Disorders and Stroke, including consideration of personnel qualifications and performance, and the competence of individual investigators, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Board of Scientific Counselors, National Institute of Neurological Disorders and Stroke.

Date: May 10–11, 2027.

Time: May 10, 2027, 9:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate personnel qualifications and performance, and competence of individual investigators.

Address: National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Time: May 11, 2027, 10:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate personnel qualifications and performance, and competence of individual investigators.

Address: National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Jeffrey S. Diamond, Ph.D., Acting Scientific Director, c/o Caren Collins, Program Analyst, Division of Intramural Research, NINDS, Office of the Scientific Director, National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149, Bethesda, MD 20892, 301–435–1896, *diamondj@ninds.nih.gov; collinsca@ninds.nih.gov.*

Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person.

(Catalogue of Federal Domestic Assistance Program Nos. 93.853, Extramural Research Programs in the Neurosciences and Neurological Disorders; 93.854, Biological Basis Research in the Neurosciences, National Institutes of Health, HHS).

Dated: September 28, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20049 Filed 9–29–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel International Collaborative Research in HIV and TB.

Date: October 26, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Aubrey Spriggs Madkour, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1000C, Bethesda, MD 20892, (301) 594–6891, *madkouras@csr.nih.gov.*

Name of Committee: Vascular and Hematology Integrated Review Group; Integrative Vascular Physiology and Pathology Study Section.

Date: October 26–27, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Manoj Kumar Valiyaveettil, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Bethesda, MD 20817, (301) 402–1616, *manoj.valiyaveettil@nih.gov.*

Name of Committee: Social and Community Influences on Health Integrated Review Group; Psychosocial Influences on Healthy Development Study Section.

Date: October 26–27, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Kimberly L. Houston, MD, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–4902, *Kimberly.Houston@nih.gov.*

Name of Committee: Applied Therapeutics for Cancer Integrated Review Group; Radiation Therapeutics and Biology Study Section.

Date: October 26–27, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Robert F. Gahl, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 808 F, Bethesda, MD 20892, (301) 435–0000 *robert.gahl@nih.gov*.

Name of Committee: Oncology 1—Basic Translational Integrated Review Group; Cancer Genetics Study Section.

Date: October 26–27, 2026.

Time: 9:30 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: Juraj Bies, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4158, MSC 7806, Bethesda, MD 20892, 301 435 1256, *biesj@mail.nih.gov*.

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Translational Investigations of Pulmonary and Immunological Diseases Study Section.

Date: October 26–27, 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: Carl White, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–4835, *carl.white@nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Clinical Endocrinology.

Date: October 26, 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: Tori Stone, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–7549, *tori.stone@nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA Panel: Innovative Technology Development for Cancer Research.

Date: October 27–28, 2026.

Time: 9:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Hasan Siddiqui, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 451–0395, *hasan.siddiqui@nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Health Services Research for Aged Populations.

Date: October 27–28, 2026.

Time: 9:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Keary A. Cope, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 209–A, Bethesda, MD 20892–7924, (301) 594–5976, *copeka@nih.gov*.

Name of Committee: Risk, Prevention and Health Behavior Integrated Review Group; Health Promotion and Interventions at the Individual Level Study Section.

Date: October 27–28, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Andrea B. Kelly, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 451–6339, *kellya2@mail.nih.gov*.

Name of Committee: Molecular, Cellular and Developmental Neuroscience Integrated Review Group; Nervous System Development and Repair Study Section.

Date: October 27–28, 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: Jacek Topczewski, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1002A1, Bethesda, MD 20892, (301) 594–7574, *topczewskij2@csr.nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Environmental Influences in Pregnancy and Offspring Health.

Date: October 27–28, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Nijaguna Prasad, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–5197, *prasadnb@mail.nih.gov*.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: September 28, 2026.

Sterlyn H. Gibson,

Program Specialist, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20045 Filed 9–29–26; 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 Center for Scientific Review Special Emphasis Panel, Health Services Research for Alzheimer's Disease and Related Dementias, October 29, 2026, 10 a.m. to October 30, 2026, 6 p.m., National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD, 20892, which was published in the **Federal Register** on August 27, 2026, FR Doc. No. 2026–17452, 91 FR 55350.

This meeting is being amended to change the meeting from a 2-day to a 1-day meeting on October 29, 2026, and to change the end time from 6 p.m. to 5 p.m. The meeting is closed to the public.

Dated: September 25, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20044 Filed 9–29–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Neurological Disorders and Stroke; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the Board of Scientific Counselors, National Institute of Neurological Disorders and Stroke.

The meeting will be closed to the public as indicated below in accordance with the provisions set forth in section 552b(c)(6), Title 5 U.S.C., as amended for the review, discussion, and evaluation of individual intramural programs and projects conducted by the National Institute of Neurological Disorders and Stroke, including

consideration of personnel qualifications and performance, and the competence of individual investigators, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Board of Scientific Counselors, National Institute of Neurological Disorders and Stroke.

Date: November 8–9, 2027.

Time: November 8, 2027, 9:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate personnel qualifications and performance, and competence of individual investigators.

Address: National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149 Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Time: November 9, 2027, 10:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate personnel qualifications and performance, and competence of individual investigators.

Address: National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149 Bethesda, MD 20892

Meeting Format: Virtual Meeting.

Contact Person: Jeffrey S. Diamond, Ph.D., Acting Scientific Director, c/o Caren Collins, Program Analyst, Division of Intramural Research, NINDS, Office of the Scientific Director, National Institute of Neurological Disorders and Stroke, National Institutes of Health, Porter Neuroscience Research Center, Building 35A, 35 Convent Drive, Room GF–149 Bethesda, MD 20892, 301–435–1896, *diamondj@ninds.nih.gov; collinsca@ninds.nih.gov*.

Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person.

(Catalogue of Federal Domestic Assistance Program Nos. 93.853, Extramural Research Programs in the Neurosciences and Neurological Disorders; 93.854, Biological Basis Research in the Neurosciences, National Institutes of Health, HHS).

Dated: September 28, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Current List of HHS-Certified Laboratories and Instrumented Initial Testing Facilities Which Meet Minimum Standards To Engage in Urine and Oral Fluid Drug Testing for Federal Agencies

AGENCY: Substance Abuse and Mental Health Services Administration, HHS.

ACTION: Notice.

SUMMARY: The Department of Health and Human Services (HHS) provides notice of the laboratories and Instrumented Initial Testing Facilities (IITFs) currently certified to meet the standards of the Mandatory Guidelines for Federal Workplace Drug Testing Programs (Mandatory Guidelines) using Urine and the laboratories currently certified to meet the standards of the Mandatory Guidelines using Oral Fluid.

FOR FURTHER INFORMATION CONTACT: Anastasia Flanagan, Division of Workplace Programs, SAMHSA/CSAP, 5600 Fishers Lane, Room 16N06B, Rockville, Maryland 20857; 240–276–2600 (voice); *Anastasia.Flanagan@samhsa.hhs.gov* (email).

SUPPLEMENTARY INFORMATION: The Department of Health and Human Services (HHS) publishes a notice listing all HHS-certified laboratories and Instrumented Initial Testing Facilities (IITFs) in the **Federal Register** monthly, in accordance with Section 9.19 of the Mandatory Guidelines for Federal Workplace Drug Testing Programs (Mandatory Guidelines) using Urine and Section 9.17 of the Mandatory Guidelines using Oral Fluid. If any laboratory or IITF certification is suspended or revoked, the laboratory or IITF will be omitted from subsequent lists until such time as it is restored to full certification under the Mandatory Guidelines.

If any laboratory or IITF has withdrawn from the HHS National Laboratory Certification Program (NLCP) during the past month, it will be listed at the end and will be omitted from the monthly listing thereafter.

This notice is also available on the internet at *https://www.samhsa.gov/workplace/drug-testing-resources/certified-lab-list.*

The Mandatory Guidelines using Urine were first published in the **Federal Register** on April 11, 1988 (53 FR 11970), and subsequently revised in the **Federal Register** on June 9, 1994 (59 FR 29908); September 30, 1997 (62 FR 51118); April 13, 2004 (69 FR 19644); November 25, 2008 (73 FR 71858); December 10, 2008 (73 FR 75122); April 30, 2010 (75 FR 22809); January 23, 2017 (82 FR 7920); and on October 12, 2023 (88 FR 70768).

The Mandatory Guidelines using Oral Fluid were first published in the **Federal Register** on October 25, 2019 (84 FR 57554) with an effective date of January 1, 2020, and subsequently revised in the **Federal Register** on October 12, 2023 (88 FR 70814).

The Mandatory Guidelines were initially developed in accordance with Executive Order 12564 and section 503 of Public Law 100–71 and allowed urine drug testing only. The Mandatory Guidelines using Urine have since been revised, and new Mandatory Guidelines allowing for oral fluid drug testing have been published. The Mandatory Guidelines require strict standards that laboratories and IITFs must meet in order to conduct drug and specimen validity tests on specimens for Federal agencies. HHS does not allow IITFs to conduct oral fluid testing.

To become certified, an applicant laboratory or IITF must undergo three rounds of performance testing plus an on-site inspection. To maintain that certification, a laboratory or IITF must participate in a quarterly performance testing program plus undergo periodic, on-site inspections.

Laboratories and IITFs in the applicant stage of certification are not to be considered as meeting the minimum requirements described in the HHS Mandatory Guidelines using Urine and/or Oral Fluid. An HHS-certified laboratory or IITF must have its letter of certification from HHS/SAMHSA (formerly: HHS/NIDA), which attests that the test facility has met minimum standards.

HHS-Certified Laboratories Approved To Conduct Oral Fluid Drug Testing

In accordance with the Mandatory Guidelines using Oral Fluid effective October 10, 2023 (88 FR 70814), the following HHS-certified laboratories meet the minimum standards to conduct drug and specimen validity tests on oral fluid specimens:

At this time, there are no laboratories certified to conduct drug and specimen validity tests on oral fluid specimens.

HHS-Certified Instrumented Initial Testing Facilities Approved To Conduct Urine Drug Testing

In accordance with the Mandatory Guidelines using Urine effective February 1, 2024 (88 FR 70768), the following HHS-certified IITFs meet the minimum standards to conduct drug

and specimen validity tests on urine specimens:

Dynacare, 6628 50th Street NW, Edmonton, AB Canada T6B 2N7, 780–784–1190, (Formerly: Gamma-Dynacare Medical Laboratories).

Note: *DOT does not allow IITFs to test DOT-regulated specimens.*

HHS-Certified Laboratories Approved To Conduct Urine Drug Testing

In accordance with the Mandatory Guidelines using Urine effective February 1, 2024 (88 FR 70768), the following HHS-certified laboratories meet the minimum standards to conduct drug and specimen validity tests on urine specimens:

Alere Toxicology Services, 1111 Newton St., Gretna, LA 70053, 504–361–8989/800–433–3823, (Formerly: Kroll Laboratory Specialists, Inc., Laboratory Specialists, Inc.).

Clinical Reference Laboratory, Inc., 8433 Quivira Road, Lenexa, KS 66215–2802, 800–445–6917.

Desert Tox, LLC, 5425 E Bell Rd., Suite 125, Scottsdale, AZ, 85254, 602–457–5411/623–748–5045.

DrugScan, Inc., 200 Precision Road, Suite 200, Horsham, PA 19044, 800–235–4890.

Dynacare, 245 Pall Mall Street, London, ON, Canada N6A 1P4, 519–679–1630, (Formerly: Gamma-Dynacare Medical Laboratories).

ElSohly Laboratories, Inc., 5 Industrial Park Drive, Oxford, MS 38655, 662–236–2609.

LabOne, Inc. d/b/a Quest Diagnostics, 10101 Renner Blvd., Lenexa, KS 66219, 913–888–3927/800–873–8845, (Formerly: Quest Diagnostics Incorporated; LabOne, Inc.; Center for Laboratory Services, a Division of LabOne, Inc.).

Laboratory Corporation of America Holdings, 7207 N Gessner Road, Houston, TX 77040, 713–856–8288/800–800–2387.

Laboratory Corporation of America Holdings, 1904 T.W. Alexander Drive, Research Triangle Park, NC 27709, 919–572–6900/800–833–3984, (Formerly: LabCorp Occupational Testing Services, Inc., CompuChem Laboratories, Inc.; CompuChem Laboratories, Inc., A Subsidiary of Roche Biomedical Laboratory; Roche CompuChem Laboratories, Inc., A Member of the Roche Group).

MedTox Laboratories, Inc., 402 W County Road D, St. Paul, MN 55112, 651–636–7466/800–832–3244.

Minneapolis Veterans Affairs Medical Center, Forensic Toxicology Laboratory, 1 Veterans Drive, Minneapolis, MN 55417, 612–725–2088, Testing for Veterans Affairs (VA) Employees Only.

Pacific Toxicology Laboratories, 9348 DeSoto Ave., Chatsworth, CA 91311, 800–328–6942, (Formerly: Centinela Hospital Airport Toxicology Laboratory).

Phamatech, Inc., 15175 Innovation Drive, San Diego, CA 92128, 888–635–5840.

US Army Forensic Toxicology Drug Testing Laboratory, 2490 Wilson St., Fort George G. Meade, MD 20755–5235, 301–677–7085, Testing for Department of Defense (DoD) Employees Only.

Carlos R. Castillo,

Public Health Analyst, OAS.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–7106–N–38]

Privacy Act of 1974; System of Records

AGENCY: Office of Public and Indian Housing, HUD.

ACTION: Notice of a modified system of records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD), Office of Public and Indian Housing (PIH), is modifying the system of records notice for the Inventory Management System (IMS), also known as the Public and Indian Housing Information Center (IMS/PIC), and the Housing Information Portal (HIP). The modification incorporates two routine uses that were previously added by separate notices and adds three new routine uses and updates the system manager and agency contact information. The incorporated and new routine uses are listed as: (17), (18), (19), (20), and (21). The modification also clarifies the Categories of Records in the System, Record Source Categories, and methods of electronic collection and submission for IMS/PIC and HIP. These updates are explained in the **SUPPLEMENTARY INFORMATION** section of this notice. IMS/PIC and HIP serve as a national repository of information related to Public Housing Agencies (PHA)s, Tribally Designated Housing Entities (TDHE), HUD-assisted families, HUD assisted properties, and other HUD programs, for the purpose of monitoring and evaluating the effectiveness of PIH rental housing assistance programs. IMS/PIC and HIP allow PHAs, TDHEs, and their hired management agents to electronically submit information to HUD that is related to the administration of HUD's PIH programs. They collect data for PIH operations, including data submitted via the internet from HUD's field offices, and accurately track activities and processes. IMS/PIC and HIP also help to increase sharing of information throughout PIH and HUD, which improves staff awareness of activities related to the administration of HUD subsidized housing programs.

DATES: Comments will be accepted on or before October 30, 2026. This proposed action will be effective on the date following the end of the comment period unless comments are received which result in a contrary determination.

ADDRESSES: You may submit comments, identified by docket number or by one of these methods:

Federal e-Rulemaking Portal: http://www.regulations.gov. Follow the instructions provided on that site to submit comments electronically.

Fax: 202–619–8365.

Email: privacy@hud.gov.

Mail: Attention: Privacy Office; Kimberly Morton, Acting Chief Privacy Officer, Office of the Executive Secretariat; 451 7th Street SW, Room 10139, Washington, DC 20410–0001.

Instructions: All submissions received must include the agency name and docket number for this notice.

Docket: For access to the docket to read background documents or comments received go to *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Kimberly Morton, Acting Chief Privacy Officer, 451 7th Street SW, Room 10139, Washington, DC 20410–0001, telephone number (804) 822–4801 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION: HUD is publishing this notice to add three new routine uses to the Routine Uses section of this System of Records Notice. The changes also include updates to the system manager and agency contact information. Additional revisions clarify the Categories of Records in the System, Record Source Categories, and methods of electronic collection and submission associated with IMS/PIC and HIP based

on current system operations, including updates to reflect the applicable record sources for each application.

SYSTEM NAME AND NUMBER:

Inventory Management System, Public and Indian Housing Information Center (IMS/PIC) and Housing Information Portal (HIP), HUD/PIH–01.

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

IMS/PIC Records are maintained at these locations: U.S. Department of Housing and Urban Development Headquarters, 451 7th Street SW, Washington, DC 20410–0001. The IMS/PIC servers are located in Charleston, WV, and are accessed via the internet. These servers are maintained by HUD Information Technology Services (HITS) contractor, and HUD's information technology partner: Perspecta, located at 15052 Conference Center Drive, Chantilly, VA 20151.

HIP Records are maintained electronically in the HIP, Salesforce-based cloud application hosted in the Salesforce Government Cloud General Support System (GSS) Production network. HIP data is stored in the HIP Salesforce organization (Org), which is a partition within the Salesforce Government Cloud environment. HIP does not maintain separate HUD-owned physical application servers. Authorized HUD and external users access HIP through Salesforce over the internet, with access controlled through HIP/Salesforce user accounts, role-based access controls, and assigned permission sets.

SYSTEM MANAGER(S):

Robert Dalzell, Information System Owner, HUD Headquarters, 451 7th Street SW, Washington, DC 20410–0001, *Robert.D.Dalzell@hud.gov,* telephone (202) 402–4216.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

United States Housing Act of 1937, 42 U.S.C. 1437, *et seq.*; Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d; The Fair Housing Act, 42 U.S.C. 3601–3619; The Housing and Community Development Act of 1981, Public Law 97–35, 85 Stat. 348, 408; The Housing and Community Development Act of 1987, 42 U.S.C. 3543; and the Native American Housing Assistance and Self-Determination Act of 1996, Public Law 104–330, 110 Stat. 4016.

PURPOSE(S) OF THE SYSTEM:

IMS/PIC and HIP serve as a national repository of information related to Public Housing Agencies (PHA)s, Tribally Designated Housing Entities (TDHE), HUD-assisted families, HUD assisted properties, and other HUD programs, for the purpose of monitoring and evaluating the effectiveness of PIH rental housing assistance programs. IMS/PIC and HIP allow PHAs, TDHEs, and their hired management agents to electronically submit information to HUD that is related to the administration of HUD's PIH programs. They collect data for PIH operations, including data submitted via the internet from HUD's field offices, and accurately tracks activities and processes. IMS/PIC and HIP also help to increase sharing of information throughout PIH and HUD, which improves staff awareness of activities related to the administration of HUD subsidized housing programs. IMS/PIC and HIP are flexible, scalable, internet-based integrated systems, which enables PHA and TDHE users, and HUD personnel to access a common database via their web browser. IMS/PIC and HIP aids HUD and entities that administer HUD's assisted housing programs in: (a) Increasing the effective distribution of rental assistance to individuals that meet the requirements of Federal rental assistance programs; (b) detecting abuses in assisted housing programs; (c) taking administrative or legal actions to resolve past and current abuses of assisted housing programs; (d) monitoring compliance with HUD program requirements; (e) deterring abuses by verifying the employment and income of tenants at the time of annual and interim reexaminations of family income and composition via the PIH Enterprise Income Verification (EIV) system; (f) evaluating program effectiveness; (g) improving PHA and TDHE IMS/PIC and HIP reporting rates; (h) forecasting budgets; (i) controlling funds; (j) updating tenant information; and (k) updating building and unit data.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Families residing in a HUD-assisted property and/or receiving rental housing assistance via programs administered by the Department of Housing and Urban Development; PHAs and their hired management agents; TDHEs and their hired management agents; and individuals who have received or applied for housing-related disaster assistance from the Federal Emergency Management Agency (FEMA).

CATEGORIES OF RECORDS IN THE SYSTEM:

Records consist of the following information as reported to HUD by PHAs, TDHEs, and their hired management agents, and other governmental agencies:

1. Agency information: Agency name, HUD-assigned code, HUD program type family participates in; project number, building number, building entrance number, and unit number (applicable to only the Public Housing program).

2. Agency contact information.

a. Agency point of contact information for individuals that work for, and access IMS/PIC and HIP and oversee the agency's administration (*i.e.,* Mayors, board members, managers, directors, etc.: Individual's name, agency's physical address, agency's mailing address, agency's telephone numbers, and email addresses for point of contacts).

b. PHA and TDHE IMS/PIC and HIP system user's information: Name, telephone number, fax number, email address, mailing address, agency website address.

3. Action information: Type of action (new admission, annual reexamination, interim reexamination, portability move-in, portability move-out, end of participation, other change of unit, Family Self-sufficiency (FSS), annual reexamination searching (Section 8 program only), issuance of voucher (Section 8 program only), expiration of voucher (Section 8 program only), flat rent annual updated (Public Housing program only), annual HQS inspection (Section 8 program only), historical adjustment, and void); effective date of action, indication of correction of previous submitted information, type of correction, date family was admitted into a PIH rental assistance program, projected effective date of next reexamination of family income and/or composition, projected date of next flat rent annual update (applicable only to the Public Housing program), indication of whether or not the family is or has participated in the FSS program within the last year, identification of special Section 8 program (applicable only to the Section 8 program), identification of other special HUD rental program(s) the family is participating in, and ''PHA Use Only'' fields which are used by PHAs for general administrative purposes or other uses as prescribed by HUD.

4. Family composition (which includes the following personally identifiable information) as reported by the family and verified by PHAs, TDHEs, and their hired management agents: Last name, first name, middle initial, place of birth, date of birth, age (age on effective date of action), sex, gender, relationship to head of household, citizenship status, disability status, race, ethnicity, social security number, tax identification number, alien

registration number, compliance with community service or self-sufficiency requirement for public housing tenants, total number of household members, family subsidy status under the noncitizens rule, eligibility effective date, and former head of household's social security number.

5. Geographical and unit information:

a. Background at admission information as reported by the family: Date family entered the waiting list, zip code before admission, whether or not the family was homeless at time of admission, whether or not the family qualifies for admission over the very low-income limit, whether or not the family is continuously assisted under the 1937 Housing Act, whether or not there is a HUD-approved income targeting disregard.

b. Subsidized Unit information: Unit number and street address, city, State and zip code in which the subsidized unit is located, whether or not the family's mailing address is the same address of the unit to be occupied by the family, family's mailing address (unit number and street address, city, State, and zip code) if different from the address of the subsidized unit, number of bedrooms, whether or not the unit is an accessible unit (applicable to the Public Housing program only), whether or not the family has requested accessibility features (applicable to the Public Housing program only), whether or not the family has received the requested accessibility features (applicable to the Public Housing program only), date the unit last passed Housing Quality Standards (HQS) inspection (applicable to the Section 8 program only, except Homeownership and Project-Based Vouchers programs), date of last annual HQS inspection (applicable to the Section 8 program only, except Homeownership and Project-Based Vouchers programs), year the unit was built (applicable to the Section 8 program only), and the structure type of the unit (applicable to the Section 8 program only).

6. Family assets information, as reported by the family and verified by PHAs, TDHEs, and their hired management agents, which includes the type of asset, cash value of the asset, anticipated annual income derived from the asset, passbook rate, imputed asset income, and final asset income.

7. Family income information, as reported by the family and verified by PHAs, TDHEs, and their hired management agents, which includes the income source, Income calculations, annual income derived from the income source, income exclusion amount in accordance with HUD program requirements and annual income amount after deducting allowable income exclusion for each household member of the family, total household annual income, amounts of permissible deductions and other deductions to annual income in accordance with HUD program requirements, and amount of family adjusted annual income.

8. Total tenant payment (TTP), minimum rent amount, most recent TTP amount, and tenant rent calculation information in accordance with HUD requirements for the specific PIH rental assistance program the family is currently participating in.

9. Family Self-sufficiency (FSS) program information: Type of self-sufficiency program the family is participating in, FSS report category, FSS effective date, PHA code of PHA administering FSS contract, and general information pertaining to the employment status of the head of household, date current employment began, type of employment benefits head of household receives from employer, number of years of school completed by the head of household, type of other Federal assistance received by the family, number of children receiving childcare services, and optional information related to the type of family services the family needs, whether or not the need was met during participation in the FSS program, and the name of the service provider; and FSS contract, account and exit information.

10. Disaster assistance information: Records from FEMA, shared with HUD pursuant to an approved computer matching agreement, to enable effective delivery of aid in the wake of a disaster. Includes information about applicants for FEMA assistance, including name, social security number, address, type and amount of disaster damage, type and amount of assistance provided by FEMA.

RECORD SOURCE CATEGORIES:

For IMS/PIC: Records are obtained from individuals; PHAs and their hired management agents; TDHEs and their hired management agents; HUD staff and contractors; the Department of Veterans Affairs; the Federal Emergency Management Agency; and other Federal, State, Tribal, and local agencies. Records are collected through direct electronic submission by authorized users and through electronic data exchanges with other HUD systems supporting PIH program administration. IMS/PIC data submitted by PHAs, TDHEs, and their hired management agents is electronically transmitted using agency-owned software or HUD's Family Reporting Software (FRS).

For HIP: Records are obtained from individuals; PHAs and their hired management agents; TDHEs and their hired management agents; HUD staff and contractors; and other Federal, State, Tribal, and local agencies. Records are collected through direct electronic entry and submission by authorized users utilizing HUD-approved electronic forms and modules supporting PIH program administration, including the Tribal HUD–VASH and Moving To Work (MTW) Supplement modules.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

(1) To the National Archives and Records Administration, Office of Government Information Services (OGIS), to the extent necessary to fulfill its responsibilities in *5 U.S.C. 552(h),* to review administrative agency policies, procedures and compliance with the Freedom of Information Act (FOIA), and to facilitate OGIS' offering of mediation services to resolve disputes between persons making FOIA requests and administrative agencies.

(2) To the HUD Geocoding Service Center (GSC) to obtain geographic information for records in the system.

(3) To individuals under contract to HUD or under contract to another agency with funds provided by HUD: For the preparation of studies and statistical reports directly related to the management of HUD's rental assistance programs, to support quality control for tenant eligibility efforts requiring a random sampling of tenant files to determine the extent of administrative errors in making rent calculations, eligibility determinations, etc., and for processing reexaminations (individuals provided information under this routine use are subject to Privacy Act requirements and limitation on disclosures as are applicable to HUD officials and employees).

(4) To PHAs, TDHEs, and their hired management agents, and auditors of HUD rental housing assistance programs: To verify the accuracy and completeness of tenant data used in determining eligibility and continued eligibility and the amount of housing assistance received.

(5) To PHAs, TDHEs, and their hired management agents of HUD rental housing assistance programs: To identify and resolve discrepancies in tenant data.

(6) To researchers affiliated with academic institutions, with not-for-profit organizations, or with Federal,

State or local governments, or to policy researchers: Without personally identifiable information: For the performance of research and statistical activities on housing and community development issues (individuals provided information under this routine use are subject to Privacy Act requirements and limitation on disclosures as are applicable to HUD officials and employees).

(7) To HUD contractors, independent public auditors and accountants, PHAs, and TDHEs: For the purpose of conducting oversight and monitoring of program operations to determine compliance with applicable laws and regulations, and financial reporting requirements (individuals provided information under this routine use are subject to Privacy Act requirements and limitation on disclosures as are applicable to HUD officials and employees).

(8) To the U.S. Department of Veterans Affairs (VA) for statistical analysis to advance the goals of the nation's Federal strategic plan to prevent and end homelessness through the collection, analysis, and reporting of quality and timely data on veterans homelessness to assist VA with the establishment and/or verification of the following: Reducing homelessness among our nation's veterans; identify and understand the needs of homeless veterans and to develop programs and services to address those needs; effective administration of the HUD Veterans Affairs Supportive Housing (VASH) program by HUD and VA business partners; HUD–VASH program monitoring and evaluation; and the production of aggregate statistical data without any personal identifiers, which will not be used to make decisions concerning the rights, benefits, or privileges of specific individuals, or providers of services with respect to assistance provided under the HUD–VASH program.

(9) To the U.S. Department of Veterans Affairs (VA), under an approved computer matching agreement, or data sharing agreement pursuant to a Presidential Executive Order (E.O.) mandate and in accordance with the Federal Privacy Act and Computer Matching and Privacy Protection Act: To identify and recover overpayments (improper payments) of rental assistance, determine compliance with program requirements by program administrators and participants of HUD rental housing assistance programs, deter future abuses in rental housing assistance programs, reduce administrative costs associated with manual program evaluation and monitoring efforts, and ensure that only eligible participants receive rental assistance in the correct amount.

(10) To FEMA, under an approved computer matching agreement, or data sharing agreement pursuant to a Presidential E.O. mandate in accordance with the Federal Privacy Act and Computer Matching and Privacy Protection Act: To identify existing families which participate in a HUD rental assistance program and are currently receiving housing assistance.

(11) To State, local and Tribal governments receiving HUD disaster recovery grants, and to PHAs: To ensure effective delivery of disaster recovery aid, to prevent duplication of benefits between HUD and other Federal agencies, and to address unmet needs of disaster victims.

(12) To appropriate agencies, entities, and persons when (1) HUD suspects or has confirmed that there has been a breach of the system of records, (2) HUD has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(13) To another Federal agency or Federal entity, when HUD determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

(14) To the Universal Service Administrative Company (USAC), which is designated by the Federal Communications Commission (FCC) as the Federal administrator of the Universal Service Fund (USF or Fund) Lifeline Program (Lifeline), the Emergency Broadband Benefit (EBB) program and other Federal Telecommunications Benefit (FTB) programs that utilizes Lifeline eligibility criteria as specified by the Lifeline program, 47 CFR 54.409. The purpose of this routine use is to establish eligibility for Lifeline, EBB and other FTB programs for families which also participate in a HUD rental assistance program.

(15) To any Federal, State, or local agency (*e.g.,* State agencies administering the State's unemployment compensation laws, Temporary Assistance to Needy Families, or Supplemental Nutrition Assistance Program agencies, U.S. Department of Health and Human Services, and U.S. Social Security Administration): To verify the accuracy and completeness of the data provided, to verify eligibility or continued eligibility in HUD's rental assistance programs, to identify and recover improper payments under the Payment Integrity Information Act of 2019, *Public Law 116–117,* and to aid in the identification of tenant errors, fraud, and abuse in assisted housing programs.

(16) To contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities, including, but not limited to, State and local governments and other research institutions or their parties, and entities and their agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or other agreement for the purposes of statistical analysis and research in support of program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission. Research and analysis activities may include the matching of the records in this system with information from any other source.

(17) To the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a state (meaning a state of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a state-administered, federally funded program.

(18) To a congressional office from the record of an individual, in response to an inquiry from the congressional office made at the request of that individual.

(19) To appropriate Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would assist in the enforcement of civil or criminal laws and when such records,

either alone or in conjunction with other information, indicate a violation or potential violation of law.

(20) To a court, magistrate, administrative tribunal, or arbitrator in the course of presenting evidence, including disclosures to opposing counsel or witnesses or jurors in the course of civil discovery, litigation, mediation, or settlement negotiations, or in connection with criminal law proceedings; when HUD determines that use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where HUD has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

(21) To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

These records will be stored in electronic and paper format. HIP data is secured in Salesforce and IMS/PIC data is secured in the SQL database servers. The HIP system information is hosted on Salesforce Hyperforce and stored in centralized HUD servers which are FedRAMP approved. Some records reside on PHA-controlled systems of records. The System of Records (SORs) referenced are the systems owned and controlled by the PHAs themselves. Computer files and printed listings are maintained in locked cabinets with PHAs. User's access, updates access, read-only access, and approval access based on the user's role and security access level.

Risks Related to Information Sharing—Each Agency sharing information with HIP has a signed Computer Matching Agreement detailing the information being exchanged, and the purpose to which that information can be used, if/how long the information can be retained, whether it can be duplicated, and whether it can be disseminated to other parties. Enterprise authentication and authorization services for role based access ensure the Government Agency can only access the information detailed in the CMA. All information is encrypted in transit, and strong authentication procedures are required for Agency authentication. The CMAs detail the audit logging requirements for the HIP system on information shared, it also details the procedures and points of contact if there is a suspected data breach. The CMAs are reviewed annually to determine if they should be renewed.

Risks Related to Retention—Records are retained for extended lengths of time due to reporting requirements; therefore the following mitigation is done:

- Review current holdings of PII and ensure they are accurate, relevant, timely, and complete
- Reduce PII holdings to the minimum necessary for proper performance of agency functions
- Develop a schedule for periodic review of PII holdings.
- Establish a plan to eliminate the unnecessary collection and use of SSNs.

Risks Related to Redress—To provide effective redress, HUD (i) provides effective notice of the existence of a PII collection; (ii) provides plain language explanations of the processes and mechanisms for requesting access to records; (iii) establishes criteria for submitting requests for correction or amendment; (iv) implements resources to analyze and adjudicate requests; (v) implements the means of correcting or amending data collections; and (vi) reviews any decisions that may have been the result of inaccurate information.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Due to limitations in the Salesforce platform, records can only be searched by name in the HIP system. Records in IMS/PIC are accessible by SSN and name. User access is based on least privileged access and is based on a user's job duties and security access level. Users can only see unmasked PII in IMS/PIC if that ability has been granted to the user. At the PHA level, that is done by the PHA's IMS/PIC security administrator and for HUD staff that is done by a super user, with a limit of two users per field office, HQ offices may have more. This is limited for all users by the need to see unmasked PII.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Electronic records are maintained and destroyed in accordance with requirements of the HUD Records Disposition Schedule, 2225–6. In accordance with 24 CFR 908.101 and HUD record retention requirements at 24 CFR 85.42, PHAs are required to retain at least three years' worth of IMS/PIC and HIP data either electronically or in paper form.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Records are maintained at the U.S. Department of Housing and Urban Development in Washington, DC. Only authorized personnel needing them for official duties may access them. Computer files and printed listings are maintained in locked cabinets. System access levels depend entirely on the person's assigned role and security access level: User/update access to modify data, read-only access to view data, and approval access to authorize system changes.

RECORD ACCESS PROCEDURES:

Individuals requesting records of themselves should address written inquiries to the Department of Housing and Urban Development 451 7th Street SW, Washington, DC 20410–0001. For verification, individuals should provide their full name, current address, and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

CONTESTING RECORD PROCEDURES:

The HUD rule for contesting the content of any record pertaining to the individual by the individual concerned is published in 24 CFR 16.8 or may be obtained from the system manager.

NOTIFICATION PROCEDURES:

Individuals requesting notification of records of themselves should address written inquiries to the Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410–0001. For verification purposes, individuals should provide their full name, office or organization where assigned, if applicable, and current address and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

Docket No. FR–7092–N–02, 89 FR 1121, January 9, 2024, modified by Docket No. FR–7106–N–12, 91 FR 2137, January 16, 2026 and by Docket No. FR–7106–N–20, 91 FR 22845, April 28, 2026.

Kimberly Morton,

Acting Chief Privacy Officer, Office of Administration.

[FR Doc. 2026–20042 Filed 9–29–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS–HQ–NWRS–2025–1397; FXRS126109WSMU–267–FF09R24000; OMB Control Number 1018–NEW]

Agency Information Collection Activities; Interjurisdictional Invasive Species Rapid Response Team Program

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of information collection; comment period reopening.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), on January 30, 2026 (91 FR 4093), we, the U.S. Fish and Wildlife Service (Service), published a **Federal Register** notice announcing that we are proposing a new information collection. After reviewing the initial comments, we are republishing the notice with additional clarifying information and reopening the comment period. Comments previously submitted on the original notice need not be resubmitted and will be fully considered in our development of the final information collection package.

DATES: Interested persons are invited to submit comments on or before November 30, 2026.

To ensure your comment is received and considered, you must submit it using one of the methods identified in the **ADDRESSES** section of this document. Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Comment submission: All submissions must include the docket number FWS–HQ–NWRS–2025–1397 for this document (please reference 1018–IInSRR in the subject line of your comment). You must submit comments using one of the following methods:

- *Electronic submission:* Federal eRulemaking Portal at: *https://www.regulations.gov.* In the Search box, enter FWS–HQ–NWRS–2025–1397, which is the docket number for this action. Then click the Search button. On the resulting page, you may submit a comment by clicking on ''Comment.'' Please ensure that you have found the correct document before submitting your comments.
- *U.S. mail:* Public Comments Processing, Attn: Docket No. FWS–HQ–NWRS–2025–1397, Policy and Regulations Branch, U.S. Fish and Wildlife Service, MS: PRB (JAO/3W), 5275 Leesburg Pike, Falls Church, VA 22041–3803.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered. We will not accept comments via email, fax, or hand delivery. We are not required to consider comments that are submitted after the comment period ends or that are submitted via a method outside of these instructions. Comments containing profanity, vulgarity, threats, or other inappropriate content will not be considered.

FOR FURTHER INFORMATION CONTACT: Madonna L. Baucum, Service Information Collection Clearance Officer, by email at *Info_Coll@fws.gov,* or by telephone at (703) 358–2503. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) and its implementing regulations at 5 CFR part 1320, all information collections require approval. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again inviting the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

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

Abstract: The Department of the Interior (DOI) developed the conceptual foundation for an Interjurisdictional Invasive Species Rapid Response Team (IInSRRT) in 2023. Key authorities and frameworks authorizing the IInSRRT include:

1. Executive Order (E.O.) 13112 (as amended by E.O. 13751)—This order directs Federal agencies, including DOI, to prevent the introduction of invasive species, detect and respond rapidly to new invasions, and control and eradicate established invasive species. It also mandates restoration of native species and habitats impacted by invasive species.

2. National Invasive Species Council (NISC)—DOI is a leading member of NISC, which coordinates federal efforts to address invasive species. The Council provides national leadership and policy guidance to improve the efficiency and effectiveness of federal responses.

3. The Fish and Wildlife Act (16 U.S.C. 742a–742k)—This law establishes a policy for fish, shellfish, and wildlife resources in the U.S. It protects and directs their management

to support sustainable use and prevent over-exploitation.

4. The National Invasive Species Act of 1996 (16 U.S.C. 4701 *et seq.*)—This law prevents the introduction and spread of nonindigenous aquatic nuisance species into the waters of the U.S. through mandated regulations.

5. DOI Invasive Species Strategic Plan (2021–2025)—This strategic plan outlines DOI's vision and coordinated approach to managing invasive species across its bureaus. It emphasizes prevention, early detection, rapid response, control, and restoration, while promoting collaboration with Federal, State, Tribal, and private partners.

6. Bureau-Specific Authorities—Each DOI bureau (*e.g.,* U.S. Fish and Wildlife Service, Bureau of Land Management, National Park Service) has specific mandates and operational authority to manage invasive species on the lands and waters they oversee. These efforts include prevention, control, eradication, and restoration activities across more than 500 million acres of public lands.

7. Cross-Agency Coordination—DOI works closely with other Federal agencies (*e.g.,* U.S. Department of Agriculture and Department of Defense), State and Tribal governments, Territorial governments, and nongovernmental partners to implement invasive species management strategies and share resources.

Efforts are now underway to put that concept into action. An IInSRRT coordinator will work across DOI and with partners to further develop and implement the program for nationally significant incidents warranting rapid response.

Rapid response to an early detection of an invasive species is one of the most effective ways to prevent these invasive species from becoming established and causing costly, long-term harm. Rapid response is defined as a process employed to eradicate the founding population of a non-native species from a specific location before it begins to reproduce or spreads so widely that eradication is no longer feasible. Capacity and funding to undertake rapid response can be limiting factors in implementing rapid response actions.

The purpose of the IInSRRT program is to build capacity for rapid response. The scope includes responding to new high-risk invasions of national significance or to species that have made a significant spatial jump from currently established locations, as appropriate to the DOI mission, and across multiple jurisdictions within DOI authorities. The program will increase resources available to support rapid response actions through interjurisdictional deployment teams and Incident Command System support. Importantly, this program builds on successful rapid response models within DOI, such as the Service's Invasive Species Strike Teams and the National Park Service's Invasive Plant Management Teams, while supporting work on and off DOI managed lands as requested by the lead resource management entity.

Response efforts will target new introductions to the U.S., including Alaska, Hawai'i, and U.S. territories, with a focus on aquatic and terrestrial invasive plants and animals that threaten nonagricultural systems. The focus also includes invasive species that have jumped significant spatial gaps or would lead to significant harm without intervention. Responses will not include pathogens at this time.

The program structure is composed of the IInSRRT Coordinator, an IInSRRT Guidance Group, and deployment team members. The Guidance Group will provide guidance and support as needed and assist with planning, communications, and overall program operations. The deployment team will initially be composed of DOI employees that have technical skills in rapid response and other relevant qualifications. The IInSRRT program will assist in achieving management objectives flowing from the National Early Detection and Rapid Response Framework and other local, regional, and national efforts.

Consideration of deployment will occur when the lead agency or agencies lack capacity and requests assistance. The application for assistance from a lead entity will require justification and is subject to approval by the IInSRRT Coordinator and IInSRRT Guidance Group. The criteria to determine what merits a response and the process to request the team will be developed by the IInSRRT Coordinator and Guidance Group.

The IInSRRT program will request the following types of information via the two forms described below:

1. Form 3–200–93, ''Application for IInSRRT Incident Assistance'' (New)—The Service proposes to collect the following categories of information via Form 3–200–93:

A. *Contact Information*—Affiliation and point of contact information, to include name, title, email, location, and phone number, as well as the requestor response partner information (name, title, affiliation, and email).

B. *Incident Response Narrative*—Narrative should include summaries of the proposed goals and objectives of the incident response, emphasizing urgency.

C. *Invasive Species Description*—The description should provide a comprehensive overview of the species, including both its common and scientific names. It should identify how and by whom (subject matter expert) the species detection was verified, including photos of the detected species from the invaded location. It should summarize the impact of the species, particularly any effects on culturally significant resources. The narrative should also include a brief history of the species' global invasion, highlighting where and how it spread. Finally, it should indicate whether this is the first known occurrence of the species in the U.S. or specifically within the affected region. The response should indicate whether the species involved in the proposed incident response has undergone any formal risk screenings or has been included in any horizon scans or watch lists. If applicable, the narrative should list the specific screenings or scans, along with their overall risk ratings (*e.g.,* high risk, moderate risk, low risk). Copies of the relevant documents should be attached to the application to support the assessment.

D. *Incident Response Location*—The response should include the date the invasive species was first detected, along with a summary of the survey methods used to assess the extent of the introduction. This should also note the number of surveys conducted. An approximate area, in acres, where the species was found should be provided, including the level of certainty regarding that estimate. The narrative should describe the characteristics of the incident response location, such as the types of habitats present. It should also state whether the requesting entity is the land management authority for the proposed response area and whether the area overlaps with any other land management jurisdictions.

E. *Response Details*—The response should indicate whether any rapid response plans are currently in place for either the invasive species or the specific incident response location. It should include a summary of the treatment or control methods proposed for managing the incident, such as mechanical, chemical, or biological tools. Additionally, the narrative should outline the resources available or needed—including tools, staffing, and partner support—to effectively carry out the response.

An estimated timeframe for addressing the incident should be provided, along with the latest possible

start date by which eradication is still considered feasible. This estimate should reflect the applicant's best judgment and include their level of certainty regarding that timeline. It also should include any potential social or political support or opposition for the incident response.

F. *Compliance with Rules and Regulations*—The response should indicate whether any National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*) consultations have already been completed that are applicable to the proposed incident response. If so, relevant documentation should be attached. It should also state whether any NEPA Categorical Exclusions may apply to the proposed activities. Additionally, the narrative should address whether there are any federally listed species or habitats within the proposed incident response location. If applicable, the specific species and/or habitats should be named.

The response should also confirm whether there are any historic or potentially historic properties within the incident area that may require consideration under the National Historic Preservation Act (16 U.S.C. 470 *et seq.*) or related laws. Finally, the narrative should identify any other applicable compliance requirements—such as Federal, State, or Tribal regulations—and describe any plans in place to address them.

G. *Post-response Plans*—The response should indicate whether the requesting entity has the resources and capacity to monitor the site following the incident response. It should also include a summary of the post-monitoring plan, outlining how the entity will assess whether the invasive species has been successfully eradicated. This may include details such as the frequency and duration of monitoring, survey methods, and criteria for confirming eradication.

H. *Supplementary Information and Required Map(s)*—The response should add any additional information that might be relevant to the incident, not covered in the application. There should also be supplementary materials attached, including required maps of the area and photos of the invasive species from the response location.

We will use the information collected via Form 3–202–93 to consider the application for rapid response to new invasive species and whether the request is within the scope and feasibility for the IInSRRT program to activate.

2. Form 3–202–58, ''Response Monitoring Report'' (New)—The Service proposes to collect the following types of information via Form 3–202–58:

A. Project name;

B. Lead entities;

C. Roles of all entities involved in the response;

D. Response timeline;

E. Overview of incident response;

F. Description, location, and timeline of actions taken;

G. Any natural, cultural, or economic resources (*e.g.,* threatened or endangered species, sensitive habitats, commercial operations) that may have influenced the selection of response methods;

H. Barriers or challenges experienced, and contingency actions taken;

I. Description of what worked well and why;

J. Summary of key issues and lessons learned;

K. Outcome of the incident response after 1 and 2 years; and

L. Description of any post-response actions conducted or planned, including any data summaries that show the success of the response after 1 and 2 years and any additional control measures applied to eradicate the population.

We will use the information collected via Form 3–202–58 to monitor the potential eradication of the target invasive species.

Copies of the updated draft Forms 3–200–93 and 3–202–58 are available on *Regulations.gov*(Docket No. FWS–HQ–NWRS–2025–1397) or by sending a request to the Service Information Collection Clearance Officer (see **ADDRESSES**, above).

Title of Collection: Interjurisdictional Invasive Species Rapid Response Team Program.

OMB Control Number: 1018–New.

Form Number: Forms 3–200–93 and 3–202–58.

Type of Review: New.

Respondents/Affected Public: State, local, and Tribal governments.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion for applications and monitoring reports.

Total Estimated Annual Nonhour Burden Cost: None.

Requirement	Average number of annual respondents	Average number of responses each	Average number of annual responses	Average completion time per response	Estimated annual burden hours
Form 3–200–93, ''Application for IInSRRT Incident Assistance''					
Government	20	1	20	8	160
Form 3–202–58, ''Response Monitoring Report''					
Government	2	2	4	60	240
Totals	22		24		400

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Madonna Baucum,

Information Collection Clearance Officer, U.S. Fish and Wildlife Service.

[FR Doc. 2026–19969 Filed 9–29–26; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516, #O2509–014–004–125222; LLHQ210000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Resource Management Planning

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Bureau of Land Management (BLM) proposes extending an information collection.

DATES: Interested persons are invited to submit comments on or before October 30, 2026.

ADDRESSES: Written comments and recommendations for this information collection request (ICR) 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: To request additional information about this ICR, contact Panchita Paulette by telephone at (541) 844–6190 or by email at *fpaulete@blm.gov.* Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the PRA (44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we invite the public and other Federal agencies to comment on new, proposed, revised and continuing collections of information. This helps the BLM assess impacts of its information collection requirements and minimize the public's reporting burden. It also helps the public understand BLM information collection requirements and ensure requested data is provided in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on July 24, 2026 (91 FR 46797).

As part of our continuing effort to reduce paperwork and respondent burdens, we are again inviting the public and other Federal agencies to comment on the proposed ICR described below. The BLM is especially interested in public comments addressing the following:

(1) 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.

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How the agency could minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments submitted in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personally identifying information (PII) in your comment, you should be aware that your entire comment, including your PII, may be made publicly available at any time. While you can ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so.

Abstract: OMB Control Number 1004–0212 covers information collected in order to provide State Governors an opportunity to work with the BLM to resolve possible inconsistencies between BLM land use plans and State or local plans, policies, or programs; and authorizes protests of land use plans and plan amendments by the BLM. This OMB control number is currently scheduled to expire on September 30, 2026. The BLM request that OMB renew this OMB control number for an additional three (3) years.

Title of Collection: Resource Management Planning.

OMB Control Number: 1004–0212.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: State, Local, and Tribal Governments; Individuals/Households; Businesses; and Associations.

Total Estimated Number of Annual Respondents: 131.

Total Estimated Number of Annual Responses: 131.

Estimated Completion Time per Response: 15 hours.

Total Estimated Number of Annual Burden Hours: 1,965.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Non-Hour Burden Cost: $0.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA of 1995 (44 U.S.C. 3501 *et seq.*).

Darrin King,

Information Collection Clearance Officer.

[FR Doc. 2026–20020 Filed 9–29–26; 8:45 am]

BILLING CODE 4310–84–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516; #O2509–014–004–125222; LLUT925000]

Filing Plat of Survey; Utah

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of official filing.

SUMMARY: The plat of survey of the following described lands is scheduled to be officially filed 30 calendar days after the date of this publication in the Bureau of Land Management (BLM) Utah State Office. The survey announced in this notice, which was executed at the request of the Bureau of Indian Affairs (BIA), is necessary for the management of these lands.

DATES: Protests must be received by the BLM Utah State Office prior to the scheduled date of official filing, October 30, 2026.

ADDRESSES: A copy of the plat may be obtained from the Public Room at the BLM Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101–1345, upon required payment. The plat may be viewed at this location at no cost.

FOR FURTHER INFORMATION CONTACT: Matthew Kurchinski, BLM Chief Cadastral Surveyor for Utah, by telephone at (801) 539–4139 or by email at *mkurchin@blm.gov.* Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access

telecommunication relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The lands surveyed are represented on the plat described below:

Salt Lake Meridian, Utah

The dependent resurvey, survey, and subdivision of sections in Township 40 South, Range 23 East, under Group No. 1485, Utah, in two sheets, accepted August 17, 2026.

A person or party who wishes to protest, in accordance with 43 CFR 4.161, an official filing of plat(s) identified above must file a written notice of protest with the BLM State Director for Utah, at the address listed in the **ADDRESSES** section of this notice.

The notice of protest must identify the specific plat(s) that the person or party wishes to protest. The notice of protest must be received in the BLM Utah State Office no later than the scheduled date of the proposed official filing of plat(s) being protested, see the **DATES** section above; if received after regular business hours, a notice of protest will be considered filed the next business day. Any notice of protest filed after the scheduled date of official filing will be untimely and will not be considered.

A written statement of reasons in support of the protest, if not filed with the notice of protest, must be filed with the BLM State Director for Utah within 30 days after the notice of protest is received.

If a notice of protest of the official filing of plat(s) is received prior to the scheduled date of official filing, the official filing of the plat(s) identified in the notice of protest will be stayed pending consideration of the protest. Plat(s) will not be officially filed until the next business day after all timely protests have been dismissed or otherwise resolved.

Before including your address, phone number, email address, or other personal identifying information in a notice of protest, you should be aware that the documents you submit, including your personal identifying information, may be made publicly available in their entirety at any time. While you can ask us to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

(Authority: 43 U.S.C. chapter 3)

Matthew Kurchinski,

Chief Cadastral Surveyor for Utah.

[FR Doc. 2026–20035 Filed 9–29–26; 8:45 am]

BILLING CODE 4331–25–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7524; NPS–WASO–NAGPRA–NPS0043887; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Indianapolis Museum of Art, Inc. D.B.A. Newfields, Indianapolis, IN

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Indianapolis Museum of Art at Newfields intends to repatriate certain cultural items that meet the definition of unassociated funerary objects and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Jennifer Gallatin Rigsby, Indianapolis Museum of Art at Newfields, 4000 Michigan Road, Indianapolis, IN 46123, email *jrigsby@discovernewfields.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Indianapolis Museum of Art at Newfields and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 241 cultural items have been requested for repatriation. The 241 unassociated funerary objects are cloth fragment, necklaces, incised shell fragments, earspools, bottles, beads, blades, gaming disks, projectile points, and a ceremonial spade. All of the unassociated funerary objects were removed from Spiro Mound, LeFlore County, Oklahoma.

Determinations

The Indianapolis Museum of Art at Newfields has determined that:

- The 241 unassociated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near human remains, and are connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary objects have been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Caddo Nation of Oklahoma and the Wichita and Affiliated Tribes (Wichita, Keechi, Waco, & Tawakonie), Oklahoma.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the Indianapolis Museum of Art at Newfields must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Indianapolis Museum of Art at Newfields is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19988 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7539; NPS–WASO–NAGPRA–NPS0043899; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Kansas State Historical Society, Topeka, KS

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kansas State Historical Society (KSHS) has completed an inventory of human remains and has determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Dr. Nicole Klarmann, Kansas State Historical Society, 6425 SW 6th Avenue, Topeka, KS 66615–1099, email *kshs.nagpra@ks.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the KSHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, two individuals have been identified (UBS 1990–06B). No associated funerary objects are present. Partial remains were transferred from the Fellow-Reeve Museum at Friends University in Wichita, KS to KSHS under the state UBS act on March 20,1990. The remains are said to be from the second ''Battle of Adobe Walls,'' which took place in Hutchinson County, TX in 1874. It is unclear how these remains arrived in KS. There appears to be varnish on the skull, however, to our knowledge there are no hazardous substances present on the remains.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains described in this notice.

Determinations

The KSHS has determined that:

- The human remains described in this notice represent the physical remains of two individuals of Native American ancestry.
- There is a connection between the human remains described in this notice and the Cheyenne and Arapaho Tribes, Oklahoma; Kaw Nation, Oklahoma; and the Kiowa Tribe (previously listed as Kiowa Indian Tribe of Oklahoma).

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the KSHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. The KSHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–20000 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7526; NPS–WASO–NAGPRA–NPS0043889; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: The Wadsworth, Hartford, CT

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), The Wadsworth intends to repatriate certain cultural items that meet the definition of sacred objects/objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Emma Cameron, Registrar for the Permanent Collection, The Wadsworth, 600 Main Street, Hartford, CT 06103, email *emma.cameron@thewadsworth.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of The Wadsworth, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 25 cultural items have been requested for repatriation. The 25 sacred objects/objects of cultural patrimony are 20 baskets, two pairs of moccasins, one pipe, one tobacco pouch, and one knife sheath. A total of 14 baskets (acc #1918.758, 1918.769, 1918.798, 1918.810, 1918.844, 1918.850, 1918.862–.865, 1918.876–.879) were bequeathed to The Wadsworth by Mrs. Constance S. Mead in 1918. They are listed in our records as originating from Northern California, attributed as possibly Hupa, Klamath, Modoc, or Karuk. These baskets are part of a large gift of nearly 200 Native American baskets given by Mrs. Mead. She was an avid traveler and collected baskets from around the world. She tagged each basket with geographical origin but did not provide further information on her

purchases. One basket (1918.1067) was donated by the Estate of James B. Cone in 1918. It is listed as originating from Northwest California, attributed as possibly Hupa. One clay pipe with separate wooden handle (1932.202A,B), one tobacco pouch made from deer skin, beads, quills, and tin (1932.204), one knife sheath made from deer skin, beads, tin, and feathers (1932.205), and two pairs of moccasins made from moose hide and beads (1932.210–.211 and 1932.214–.215) were donated by Dwight G. Holbrook in 1932, attributed to Western Tribes. One basket or twined cap (1935.414) was donated by Mrs. Emerson F. Harrington in 1935 and is listed as originating from Northwest California. One basket (1941.750) was donated by Mrs. G. Hillyer Garvin in 1941 and is listed as originating from California. Two baskets (1943.375–.376) were donated by Miss Clara C. Upson in 1942 and are listed as originating from Northwest California. One lidded basket (INV.1997.4A,B) was found in our collection and therefore has no known provenance. It is listed as originating from Northwest California. The Wadsworth has no records indicating the presence of any potentially hazardous substances on the cultural items.

Determinations

The Wadsworth has determined that:

- The 25 sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).
- There is a connection between the cultural items described in this notice and the Bear River Band of the Rohnerville Rancheria, California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, The Wadsworth must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Wadsworth is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19990 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7528; NPS–WASO–NAGPRA–NPS0043891; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Boston Children's Museum, Boston, MA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Boston Children's Museum intends to repatriate certain cultural items that meet the definition of sacred objects and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Melissa Higgins, Boston Children's Museum, 308 Congress Street, Boston, MA 02210, email *higgins@bostonchildrensmuseum.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of Boston Children's Museum, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of two cultural items have been requested for repatriation. The two sacred objects are Pōhaku Poho (stone lamps).

The two Pōhaku Poho were purchased by Boston Children's Museum in 1968 from Joseph A. O'Leary of Opa-Locka, Florida. Both were labeled with legacy tags as being from Kauai.

All of these items have cultural associations with Hui Iwi Kuamoʻo. No potentially hazardous substances are known to have been used to treat any of these items.

Determinations

The Boston Children's Museum has determined that:

- The two sacred objects described in this notice are specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Hui Iwi Kuamo'o.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, Boston Children's Museum must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. Boston Children's Museum is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19992 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–BSD–CONC–NPS0043445; OMB Control Number 1024–0029 PPWOBSADC0, PPMVSCS1Y.Y00000 (226)]

Agency Information Collection Activities; National Park Service Concessions Forms

AGENCY: National Park Service, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the National Park Service (NPS) are requesting an extension of a currently approved information collection.

DATES: Interested persons are invited to submit comments on or before October 30, 2026.

ADDRESSES: Send your comments on this information collection request (ICR) by mail to the NPS Information Collection Clearance Officer (ADIR–ICCO), 13461 Sunrise Valley Drive (MS–263), Reston, VA 20191 (mail); or *phadrea_ponds@ios.doi.gov* (email). Please reference Office of Management and Budget (OMB) Control Number 1024–0029 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Kurt Rausch, Contract Management Team Lead, National Park Service, 1849 C Street NW, Washington, DC 20240; or by email at *kurt_rausch@nps.gov.* Please reference OMB Control Number 1024–0029 in the subject line of your comments. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point of contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on June 12, 2026, (91 FR 35704). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility.

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected.

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

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

Abstract: More than 100 national parks contract with private businesses to provide lodging, food, tours, boating, whitewater rafting, and other visitor services. These concessions generate over $1 billion annually and support more than 25,000 peak-season jobs.

Regulations at 36 CFR part 51 implement Title IV of the National Parks Omnibus Management Act of 1998 (54 U.S.C. 101911 *et seq.*), which establishes the authority and requirements for soliciting, awarding, and administering NPS concession contracts. The law requires the Secretary of the Interior to award contracts through a competitive selection process to the best-qualified offeror, with simplified procedures for small, individually owned concessions.

For this purpose of this submission, we are requesting an extension of the currently approved forms associated with the evaluation and administration of NPS concessions proposals and contracts.

Concessioner Annual Financial Reports are used to verify franchise fee calculations, evaluate a concessioner's financial performance, and monitor compliance with contractual requirements.

- Form 10–356 Concessioner Annual Financial Report
- Form 10–356A Concessioner Annual Financial Report (For Concessioners with Gross Receipts Less than $500,000)
- Form 10–356B Concessioner Annual Financial Report (Special Accounts and Utility Add-ons)

Forms for Concession Opportunity Proposals are used to objectively review and evaluate proposals, compare offerors, and identify the proposal best suited for long term, sustainable concession operations.

- Forms 10–357A and 10–357B (Business Organization Information)
- Form 10–358 (Business History Information)
- Forms 10–359A and 10–359B (Financial Projections—Large and Small Concessions)

Additional narrative submissions that allow the NPS to evaluate proposals and administer concession contracts include credit reports and financial statement, Offeror's Transmittal Letter, Certificate of Business Entity Offeror, appeals, capital improvement requests, construction reports, applications to sell or transfer operations, and recordkeeping documentation.

Title of Collection: National Park Service Concessions, 36 CFR 51.

OMB Control Number: 1024–0029.

Form Number: NPS Forms 10–356, 10–356A, 10–356B, 10–357A, 10–357B, 10–358, 10–359A, and 10–359B.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals, businesses, and nonprofit organizations.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Responses: 1,382.

Estimated Completion Time Per Response: 0.5 hours to 800 hours (hours vary depending upon the respondent and activity).

Total Estimated Annual Burden Hours: 159,892 hours.

Total Estimated Annual Non hour Burden Cost: $ 425,000, ($420,000 for proposal-related expenses and $5,000 for costs associated with preparing and submitting applications to sell or transfer a concession operation).

An agency may not conduct, or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Phadrea Ponds,

Information Collection Clearance Officer, National Park Service.

[FR Doc. 2026–20015 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7527; NPS–WASO–NAGPRA–NPS0043890; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: University of California, Berkeley, Berkeley, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of California, Berkeley intends to repatriate a certain cultural item that meets the definition of an unassociated funerary object and that has a known lineal descendant.

DATES: Repatriation of the cultural item in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural item in this notice to Alexandra Lucas, Government and Community Relations, Office of the Chancellor. University of California, Berkeley, 200 California Hall, Berkeley, CA 94720, email *nagpra-ucb@berkeley.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the University of California, Berkeley, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of one unassociated funerary object has been requested for repatriation. In 1940, the University of California, Berkeley obtained an unassociated funerary object, a basket start, from Cahuilla Valley, Riverside County, California. The basket start was appropriated by the University that same year.

Collections and collection spaces at the Phoebe A Hearst Museum of Anthropology were treated with substances for preservation and pest control, some potentially hazardous. No records have been found to date at the Museum to indicate whether or not chemicals or natural substances were used prior to 1960.

Determinations

The University of California, Berkeley has determined that:

- The one unassociated funerary object described in this notice is reasonably believed to have been placed intentionally with or near human remains, and is connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary object has been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.
- A known lineal descendant is connected to the cultural item described in this notice.

Requests for Repatriation

Additional, written requests for repatriation of the cultural item in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural item in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the University of California, Berkeley must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural item are considered a single request and not competing requests. The University of California, Berkeley is responsible for sending a copy of this notice to all requestors and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19991 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7535; NPS–WASO–NAGPRA–NPS0043898; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Peabody Museum of Archaeology and Ethnology, Harvard University, Cambridge, MA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Peabody Museum of Archaeology and Ethnology, Harvard University (PMAE) has completed an inventory of associated funerary objects and has determined that there is a cultural affiliation between the associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the associated funerary objects in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the associated funerary objects in this notice to Jane Pickering, Peabody Museum of Archaeology and Ethnology, Harvard University, 11 Divinity Avenue, Cambridge, MA 02138, email *jpickering@fas.harvard.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the

National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the PMAE, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

The two associated funerary objects are two lots of ceramics. The associated funerary objects were collected from graves near Drakes Creek in Sumner County, TN, by Edwin Curtiss in 1879 as part of a Peabody Museum expedition.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the associated funerary objects described in this notice.

Determinations

The PMAE has determined that:

- The two objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the associated funerary objects described in this notice and the Cherokee Nation; Eastern Band of Cherokee Indians; The Muscogee (Creek) Nation; and the United Keetoowah Band of Cherokee Indians in Oklahoma.

Requests for Repatriation

Written requests for repatriation of the associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the associated funerary objects described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the PMAE must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the associated funerary objects are considered a single request and not competing requests. The PMAE is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19999 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7542; NPS–WASO–NAGPRA–NPS0043902; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Disposition: U.S. Department of the Army, Redstone Arsenal, Redstone Arsenal, AL

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the U.S. Department of the Army, Redstone Arsenal, intends to carry out the disposition of human remains removed from Federal lands to the Indian Tribes with priority for disposition in this notice.

DATES: Disposition of the human remains in this notice may occur on or after October 30, 2026. If no claim for disposition is received by September 30, 2027, the human remains in this notice will become unclaimed human remains.

ADDRESSES: Send written claims for disposition of the human remains in this notice to Thomas Richardson, Department of the Army, Redstone Arsenal, Environmental Management Division/DPW, 4488 Martin Rd. A–325, Redstone Arsenal, AL 35899, email *thomas.f.richardson16.civ@army.mil.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the U.S. Department of the Army, Redstone Arsenal, and additional information on the human remains in this notice, including the results of consultation, can be found in the related records. The National Park Service is not responsible for the identifications in this notice.

Abstract of Information Available

Based on the information available, human remains representing, at least, one individual have been reasonably identified. In 2025, human remains were identified within a subsistence sample from site 1MA639, in Madison County, Alabama, during post fieldwork processing.

Determinations

The U.S. Department of the Army, Redstone Arsenal, has determined that:

- The human remains described in this notice represent the physical remains of one individual of Native American ancestry.
- The Cherokee Nation; Eastern Band of Cherokee Indians; The Chickasaw Nation; and The Muscogee (Creek) Nation have priority for disposition of the human remains described in this notice.

Claims for Disposition

Written claims for disposition of the human remains in this notice must be sent to the appropriate official identified in this notice under **ADDRESSES**. If no claim for disposition is received by September 30, 2027, the human remains in this notice will become unclaimed human remains. Claims for disposition may be submitted by:

1. Any lineal descendant, Indian Tribe, or Native Hawaiian organization identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows that they have priority for disposition.

Disposition of the human remains in this notice may occur on or after October 30, 2026. If competing claims for disposition are received, the U.S. Department of the Army, Redstone Arsenal, must determine the most appropriate claimant prior to disposition. Claims for joint disposition of the human remains are considered a single claim and not competing claims. The U.S. Department of the Army, Redstone Arsenal, is responsible for sending a copy of this notice to the lineal descendants, Indian Tribes, and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3002, and the implementing regulations, 43 CFR 10.7.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–20003 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7541; NPS–WASO–NAGPRA–NPS0043901; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Kansas State Historical Society, Topeka, KS

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kansas State Historical Society (KSHS) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Nicole Klarmann, Kansas State Historical Society, 6425 SW 6th Avenue, Topeka, KS 66615–1099, email *kshs.nagpra@ks.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the KSHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, two individuals have been identified from Lyon County, KS (UBS 1997–04). The one associated funerary object is a catlinite pipestone gorget fragment. Human remains were exposed by chisel plowing and removed by the landowner. They were then transferred to KSHS on March 11, 1997. An unspecified glue is present on the bone fragments.

Human remains representing, at least, one individual have been identified from Barton County, KS (UBS 2025–07). The 161 associated funerary objects include animal bone, chipped stone, ceramics, and burned earth. A human tooth was found in the donated items from an excavation that took place in 1962 by Orrie Graves and Robert Button. The collection was transferred from Kansas State University to KSHS in 2025.

Human remains representing, at least, one individual have been identified from Rice County, KS (UBS 2026–03). The 5,554 associated funerary objects include a bison skull, shell, modified shell, modified bone tools, and faunal remains. A human tooth was found in this site collection during review by the KSHS lab director. The items found near the tooth in a bell-shaped storage pit were determined to be associated funerary objects.

Unless noted, and to the best of our knowledge, no hazardous substances were used to treat any of the human remains or associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The KSHS has determined that:

- The human remains described in this notice represent the physical remains of four individuals of Native American ancestry.
- The 5,716 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Kaw Nation, Oklahoma and the Wichita and Affiliated Tribes (Wichita, Keechi, Waco, & Tawakonie), Oklahoma.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the KSHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The KSHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–20002 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7529; NPS–WASO–NAGPRA–NPS0043892; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Disposition: U.S. Department of Agriculture, Forest Service, National Forests and Grasslands in Texas, Lufkin, TX

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the U.S. Department of Agriculture, Forest Service, National Forests and Grasslands in Texas intends to carry out the disposition of human remains removed from Federal or Tribal lands to the lineal descendants, Indian Tribe, or Native Hawaiian organization with priority for disposition in this notice.

DATES: Disposition of the human remains in this notice may occur on or after October 30, 2026. If no claim for disposition is received by September 30, 2027, the human remains in this notice will become unclaimed human remains.

ADDRESSES: Send written claims for disposition of the human remains in this notice to Kimpton Cooper, Forest Supervisor, National Forests and Grasslands in Texas, 2221 N Raguet Street, Lufkin, TX 75904, email *Kimpton.cooper@usda.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the

sole responsibility of the National Forests and Grasslands in Texas, and additional information on the human remains in this notice, including the results of consultation, can be found in the related records. The National Park Service is not responsible for the identifications in this notice.

Abstract of Information Available

Based on the information available, human remains representing at least one individual have been reasonably identified. No associated funerary objects are present. The remains were confiscated by Forest Service Law Enforcement (LEI) during a traffic stop on the Angelina National Forest in Angelina County, Texas, along National Forest Service Road 308 on May 15, 2011. As part of their investigation, LEI sent the remains to the University of North Texas, Center for Human Identification. The remains were returned to the Forest Service in November 2011 with a date of about 150 years. There is no information available pertaining to the exact location of the original discovery, though it may be assumed to be in the geographic area of the traffic stop.

Determinations

The National Forests and Grasslands in Texas has determined that:

- The human remains described in this notice represent the physical remains of one individual of Native American ancestry.
- The Alabama-Coushatta Tribe of Texas and The Choctaw Nation of Oklahoma have priority for disposition of the human remains described in this notice.

Claims for Disposition

Written claims for disposition of the human remains in this notice must be sent to the appropriate official identified in this notice under **ADDRESSES**. If no claim for disposition is received by September 30, 2027, the human remains in this notice will become unclaimed human remains. Claims for disposition may be submitted by:

1. Any lineal descendant, Indian Tribe, or Native Hawaiian organization identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows that they have priority for disposition.

Disposition of the human remains in this notice may occur on or after October 30, 2026. If competing claims for disposition are received, the National Forests and Grasslands in Texas must determine the most appropriate claimant prior to disposition. Claims for joint disposition of the human remains are considered a single claim and not competing claims. The National Forests and Grasslands in Texas is responsible for sending a copy of this notice to the lineal descendants, Indian Tribes, and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3002, and the implementing regulations, 43 CFR 10.7.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19993 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NRNHL–DTS#–43793; PPWOCRADI0, PCU00RP14.R50000]

National Register of Historic Places; Notification of Pending Nominations and Related Actions

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: The National Park Service is soliciting electronic comments on the significance of properties nominated before September 12, 2026, for listing or related actions in the National Register of Historic Places.

DATES: Comments should be submitted by October 15, 2026.

ADDRESSES: Comments are encouraged to be submitted electronically to *National_Register_Submissions@nps.gov* with the subject line ''Public Comment on <property or proposed district name, (County) State>.'' If you have no access to email, you may send them via U.S. Postal Service and all other carriers to the National Register of Historic Places, National Park Service, 1849 C Street NW, MS 2013, Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Sherry A. Frear, Chief, National Register of Historic Places/National Historic Landmarks Program, 1849 C Street NW, MS 2013, Washington, DC 20240, *sherry_frear@nps.gov,* 202–913–3763.

SUPPLEMENTARY INFORMATION: The properties listed in this notice are being considered for listing or related actions in the National Register of Historic Places. Nominations for their consideration were received by the National Park Service before September 12, 2026. Pursuant to 36 CFR 60.13, comments are being accepted concerning the significance of the nominated properties under the National Register criteria for evaluation.

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Nominations submitted by State or Tribal Historic Preservation Officers.

Key: State, County, Property Name, Multiple Name (if applicable), Address/Boundary, City, Vicinity, Reference Number.

ARIZONA

Maricopa County

Goodyear Farms Cemetery, 3720 N Santa Fe Trail, Avondale, SG100013531

ARKANSAS

Phillips County

Magnolia Cemetery Historic Section, 108 Wire Road, Helena-West Helena, SG100013532

FLORIDA

Orange County

Plymouth Elementary School, (Florida's Historic Black Public Schools MPS), 3593 Hogshead Road. Apopka vicinity, MP100013550

Polk County

Hansen House, 415 North Lake Lulu Drive, Winter Haven vicinity, SG100013549

IDAHO

Valley County

Roxy Theatre, (Motion Picture Theater Buildings in Idaho MPS), 114 S Main Street, Cascade, MP100013535

IOWA

Boone County

Lincoln School, 711 W Mamie Eisenhower Avenue, Boone, SG100013538

Dubuque County

Old Main Street Historic District (Boundary Increase), (Dubuque, Iowa MPS), 249 W 1st Street, Dubuque, BC100013548

Johnson County

Iowa-Illinois Gas and Electric Company Coralville Power Plant, 501 1st Avenue, Coralville, SG100013540

Polk County

Carpenter Paper Company Warehouse, 106 SW 7th Street, Des Moines, SG100013546

Union County

Creston Uptown Historic District, Roughly bound by Mills, Pine, Adams, and Division Streets, Creston, SG100013547

Woodbury County

Crescent Park School, 1114 West 27th Street, Sioux City, SG100013539

KANSAS

Johnson County

Shawnee Grade School, (Public Schools of Kansas MPS), 5705 Flint St., Shawnee, MP100013542

Phillips County

Phillips 66 Service Station (Roadside Kansas MPS), 603 State Street, Phillipsburg, MP100013541

Sedgwick County

Highland Cemetery, Wichita Mausoleum and Jewish Cemetery, 1005 N Hillside–3000 E 9th Street N, Wichita, SG100013543

KENTUCKY

Daviess County

Ken-Rad Lamp Plant, 601 E Ninth Street, Owensboro, SG100013545

MISSOURI

Jackson County

Centennial Building, 210 West 10th Street, Kansas City, SG100013536

Kansas City Quartermaster Depot Historic District, 607 Hardesty Avenue, Kansas City, SG100013537

TEXAS

Travis County

Rosewood Elementary School, 2406 Rosewood Avenue, Austin, SG100013533

VIRGINIA

Portsmouth Independent City

Downtown Portsmouth Historic District (Boundary Increase); Columbia Street, County Street, Court Street, Crawford Street, High Street, Middle Street, Thomas Circle; Portsmouth (Independent City), BC100013534

A request for removal has been made for the following resource(s):

MASSACHUSETTS

Bristol County

Anthony, Harold H., House (Swansea MRA), 132 Bay Point Ave., Swansea, OT90000058

Additional documentation has been received for the following resource(s):

FLORIDA

Gulf County

Centennial Building (Additional Documentation), 300 Allen Memorial Way, Port St. Joe, AD96000230

Authority: 36 CFR 60.13.

Sherry A. Frear,

Chief, National Register of Historic Places/National Historic Landmarks Program.

[FR Doc. 2026–19967 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7534; NPS–WASO–NAGPRA–NPS0043897; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Los Angeles County Museum of Natural History, Los Angeles, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Los Angeles County Museum of Natural History (LACMNH) intends to repatriate certain cultural items that meet the definition of objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Amy E. Gusick, NAGPRA Officer, Los Angeles County Museum of Natural History, 900 Exposition Boulevard, Los Angeles, CA 90007, email *agusick@nhm.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the LACMNH, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of three cultural items have been requested for repatriation. The three objects of cultural patrimony are two ceramic cooking pots and one ceramic olla. The three ceramic vessels originated from Cactus Flats, an area northeast of Big Bear City in San Bernardino County, California. In 1932, the ceramic vessels were donated to the museum by Paul Raynor. No further information regarding the donor or the collector of the cultural items is known. Original accession records described two of the vessels as, ''two globular cooking pots much blackened by fire; small flared rims.'' The third vessel is described as, ''olla, natural pinkish buff color, with vertical designs in red paint, consisting of polka dots and U-shaped motifs.''

Determinations

The LACMNH has determined that:

- The three objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Morongo Band of Mission Indians, California and the Yuhaaviatam of San Manuel Nation (previously listed as San Manuel Band of Mission Indians, California).

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the LACMNH must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The LACMNH is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19998 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7525; NPS–WASO–NAGPRA–NPS0043888; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Nassau County Department of Parks, Recreation, and Museums—Garvies Point Museum and Preserve, Glen Cove, NY

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Nassau County Department of Parks, Recreation, and Museums—Garvies Point Museum and Preserve (Garvies Point Museum and Preserve) has completed an inventory of associated funerary objects and has determined that there is a cultural affiliation between the associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the associated funerary objects in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the associated funerary objects in this notice to Veronica Natale, Garvies Point Museum and Preserve, 50 Barry Drive, Glen Cove, NY 11542, email *vnatale@nassaucountyny.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Garvies Point Museum and Preserve, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

The 178 associated funerary objects include sherd, pottery (84) pieces; shell, moon snail (two) pieces; projectile point (one) piece; stone flakes (quartz, 37) and (slate and quartzite, nine); animal bones (19) pieces; and bivalves (26) pieces found in association with pit five, burial two. Provenance: NCM # 140, Archery Range site, The Bronx, NY. Donated to the museum by Edward J. Kaeser, 1971.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the associated funerary objects described in this notice.

Determinations

The Garvies Point Museum and Preserve has determined that:

- The 178 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the associated funerary objects described in this notice and the Delaware Nation, Oklahoma; Delaware Tribe of Indians; and the Stockbridge Munsee Community, Wisconsin.

Requests for Repatriation

Written requests for repatriation of the associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the associated funerary objects described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the Garvies Point Museum and Preserve must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the associated funerary objects are considered a single request and not competing requests. The Garvies Point Museum and Preserve is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19989 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7532; NPS–WASO–NAGPRA–NPS0043895; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: California State University, Sacramento, Sacramento, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the California State University, Sacramento intends to repatriate certain cultural items that meet the definition of objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Dr. Mark R. Wheeler, Senior Advisor to President Luke Wood, California State University, Sacramento, 6000 J Street Sacramento, CA 95819, email *mark.wheeler@csus.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the California State University, Sacramento, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 8,593 cultural items have been requested for repatriation. The 8,593 objects of cultural patrimony include flaked and ground stones; floral and faunal remains; historic materials; soil and floatation samples; thermally altered rocks; unmodified stones; modified bones, stones, and shells; pigments; and uncatalogued materials. An unknown number of unidentified cultural items may be missing from the collections, which may include other categories of items. The objects of cultural patrimony are from sites in northern Tehama County and include CA–TEH–280, CA–TEH–301, CA–TEH–313, CA–TEH–315, CA–TEH–316, CA–TEH–320, CA–TEH–374, and Unknown

locations under accession 81–30; CA–TEH–307, CA–TEH–D66, CA–TEH-Buckhorn Gulch, and Unknown locations under accession 81–79;, CA–TEH–330 under accessions 81–9 and 81–30; CA–TEH–350, CA–TEH–387, CA–TEH–412, CA–TEH–414, CA–TEH–415, CA–TEH–465, and Unknown locations under accession 81–9; CA–TEH–574 under accession 81–CSUS–101; CA–TEH–727 under accession 81–487; CA–TEH–1211 under accession 81–143; CA–TEH–1232 under accession 81–144; CA–TEH–1264 under accession 81–145; CA–TEH–1621 under accession 81–464; CA–TEH–K–4 under accession 81–465; CA–TEH-Mosquito Site under accession 81–487; CA–TEH-Deer Creek under accession 81–4; CA–TEH-Wild Cat Creek under accession 81–49; CA–TEH-Unknown under accession 81–CSUS–365; and CA–TEH-Unknown under accession 81–486. Most sites were investigated in the 1960s–1980s by former faculty and students affiliated with the California State University, Sacramento. Some sites have no known records on file pertaining to the investigations conducted. The California State University, Sacramento is unaware of any treatment of the objects of cultural patrimony with pesticides, preservatives, or other substances that represent a potential hazard to the objects or to persons handling the objects.

Determinations

The California State University, Sacramento has determined that:

- The 8,593 objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Paskenta Band of Nomlaki Indians of California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the California State University, Sacramento must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The California State University, Sacramento is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19996 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–CR–NPS0043726; OMB Control Number 1024–0037; PPWOCRADI0, PCU00RP14.R50000]

Agency Information Collection Activities; Archeology Permit Applications and Reports

AGENCY: National Park Service, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the National Park Service (NPS) are proposing an extension of a currently approved information collection.

DATES: Interested persons are invited to submit comments on or before October 30, 2026.

ADDRESSES: Send your comments on this information collection request (ICR) by mail to NPS Information Collection Clearance Officer (ADIR–ICCO), National Park Service, 12201 Sunrise Valley Drive, (MS–263) Reston, VA 20191 (mail); or to *phadrea_ponds@nps.gov* (email). Please reference Office of Management and Budget (OMB) Control Number 1024–0037 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Kristen Martine, Bureau Archeologist/Department Consulting Archeologist by email at *kristen_martine@nps.gov;* or by telephone at 202–738–0182. Please reference OMB Control Number 1024–0037 in the subject line of your comment. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point of contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on May 13, 2026 (91 FR 27076). No comments were received.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility.

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected.

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology (*e.g.,* permitting electronic submission of response).

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal

identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: Federal law—specifically Section 4 of the Archaeological Resources Protection Act of 1979 and Section 3 of the Antiquities Act of 1906—allows individuals and organizations to request permission to study, dig, or remove archaeological materials from public or Indian lands. Anyone who is not part of the National Park Service (NPS) must obtain a permit before doing any archaeological work on NPS lands, even if the work is part of another regulatory process. This includes activities such as excavation, shovel testing, coring, walking surveys (with or without collecting artifacts), underwater archaeology, photogrammetry, and documenting rock art

Researchers from universities, museums, businesses, or other organizations must submit Form DI–1926, the Application for Permit for Archeological Investigations, before starting fieldwork. Applicants must also provide a statement of work, information about their qualifications and past experience, résumés for key project staff, written consent from State or Tribal authorities when required, documentation from the facility that will care for the collections, and a detailed project schedule. State or Tribal authorities when required, authorization identifying the curation facility, and a detailed schedule of all project activities.

Once a permit is issued, permit holders must submit preliminary, annual, and final reports during the course of the project.

Title of Collection: Archeology Permit Applications and Reports.

OMB Control Number: 1024–0037.

Form Number: Form DI–1926 and DI–1926a.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals or organizations wishing to excavate or remove archeological resources from public or Indian lands.

Total Estimated Number of Annual Respondents: 180.

Total Estimated Number of Annual Responses: 180.

Estimated Completion Time per Response: Varies; up to 7.5 hours, depending on activity.

Total Estimated Number of Annual Burden Hours: 1,306.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Non hour Burden Cost: None.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Phadrea Ponds,

Information Collection Clearance Officer, National Park Service.

[FR Doc. 2026–20013 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7531; NPS–WASO–NAGPRA–NPS0043894; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: California State University, Sacramento, Sacramento, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the California State University, Sacramento has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Mark R. Wheeler, Senior Advisor to President Luke Wood, California State University, Sacramento, 6000 J Street Sacramento, CA 95819, email *mark.wheeler@csus.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the California State University, Sacramento, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing at least 53 individuals have been identified. The 35,141 associated funerary objects include baked clay objects; faunal and floral remains; flaked and ground stones; historic materials; perishable materials; modified bones, shells, and stones; thermally altered rocks; pigments; unmodified stones; soil, column, and geologic samples; ash; and unidentified objects. An unknown number of unidentified cultural items may be missing from the collection, which may include other categories of items. The human remains and associated funerary objects originate from several sites in northern Tehama County and include CA–TEH–387 (accession 81–137), CA–TEH–748 (accession 81–136), CA–TEH–1196 (accession 81–141), CA–TEH–1197 (accession 81–142), CA–TEH-Frog Site (accession 81–487), CA–TEH–300 (accession 81–30), CA–TEH–328 (accession 81–30 and 81–3), CA–TEH–331 (accession 81–8, 81–30), CA–TEH–318 (accession 81–30), CA–TEH-Cone Grove (accession 81–460), and CA–TEH-Unknown (Massacre; accession 81–9). These sites were investigated in the 1960s-1980s by former faculty and students affiliated with the California State University, Sacramento. The California State University, Sacramento is unaware of any treatment of the objects of cultural patrimony with pesticides, preservatives, or other substances that represent a potential hazard to the objects or to persons handling the objects.

Cultural Affiliation

Based on the information available and the results of consultation cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

The California State University, Sacramento has determined that:

- The human remains described in this notice represent the physical remains of at least 53 individuals of Native American ancestry.
- The 35,141 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary

objects described in this notice and the Grindstone Indian Rancheria of Wintun-Wailaki Indians of California; Paskenta Band of Nomlaki Indians of California; and the Redding Rancheria, California.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the California State University, Sacramento must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The California State University, Sacramento is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19995 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7540; NPS–WASO–NAGPRA–NPS0043900; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Kansas State Historical Society, Topeka, KS

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kansas State Historical Society (KSHS) has completed an inventory of human remains and has determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains in this notice may occur on or after October 30, 2026.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Dr. Nicole Klarmann, Kansas State Historical Society, 6425 SW 6th Avenue, Topeka, KS 66615–1099, email *kshs.nagpra@ks.gov*.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the KSHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, three individuals have been identified from Johnson County, KS (UBS 2025–02). No associated funerary objects are present. Partial remains believed to be medical specimens were found in a storage space at the Mahaffie Stagecoach Stop in 2016. Aside from a label stating, ''Medical Bag Contents,'' no other information is known about these remains. The remains were transferred to KSHS in 2025. Remnants of an adhesive tape are present.

Human remains representing, at least, one individual have been identified (UBS 2025–11). During consultation it was determined that a wooden club contained human hair, and not horsehair as stated in the donation record. The item is described as a club to hunt rabbits and was donated to KSHS in 1963. No other provenience information is available.

To the best of our knowledge, no hazardous substances were used to treat any of the human remains.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains described in this notice.

Determinations

The KSHS has determined that:

- The human remains described in this notice represent the physical remains of four individuals of Native American ancestry.
- There is a connection between the human remains described in this notice and the Kaw Nation, Oklahoma.

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains described in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the KSHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. The KSHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–20001 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7530; NPS–WASO–NAGPRA–NPS0043893; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Oakland Museum of California, Oakland, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Oakland Museum of California intends to repatriate certain cultural items that meet the definition of objects of cultural

patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Anna Bunting, Oakland Museum of California, 1000 Oak Street, Oakland, CA 94607, email *nagpra@museumca.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Oakland Museum of California, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of seven cultural items have been requested for repatriation. The seven objects of cultural patrimony are baskets.

One of the baskets was collected in 1911 by Charles Wilcomb from an 'Old Woman at Rancheria near Auburn, Placer Co.' and was acquired by the Oakland Public Museum (OPM) in 1911. Six of the baskets were collected by Charles Wilcomb on May 24, 1912 from 'Maidu Tribe near Auburn, Placer Co.' They were acquired by OPM in 1914. OPM and its collections were incorporated into the Oakland Museum of California in 1969.

Institutional records reference treatment of baskets with mercuric chloride and gasoline. Requested XRF analysis indicated the presence of lead, mercury and zinc on all items. Subsequent requested wipe sampling of the surfaces and analysis with ICP–AES (for arsenic, lead and zinc) and CV–AAS (for mercury) indicated transferable lead on H16.1784, H16.2145, H16.2146, and H16.2147, transferable mercury on H16.1784, and transferable zinc on H16.1784 and H16.2136.

Determinations

The Oakland Museum of California has determined that:

- The seven objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the United Auburn Indian Community of the Auburn Rancheria of California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the Oakland Museum of California must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Oakland Museum of California is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19994 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7533; NPS–WASO–NAGPRA–NPS0043896; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Autry Museum of the American West, Los Angeles, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Autry Museum of the American West (Southwest Museum of the American Indian Collection) intends to repatriate certain cultural items that meet the definition of unassociated funerary objects, sacred objects, and/or objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after October 30, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Karimah Richardson, M.Phil., RPA, Associate Curator of Anthropology and Repatriation Supervisor, Autry Museum of the American West, 4700 Western Heritage Way, Los Angeles, CA 90027, email *krichardson@theautry.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Autry Museum of the American West, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of one cultural item has been requested for repatriation. The one unassociated funerary object is a necklace. In 1924, the Southwest Museum of the American Indian (now part of the Autry Museum of the American West) was donated cultural material by Mr. F. A. Insley. The *S'eit* (necklace) (348.G.10) was collected in Southeast Alaska at an unknown date, most likely collected by the donor himself. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as an unassociated funerary object. Cultural material like this one, are shaman's personal items and therefore would have only been collected from a burial.

A total of two cultural items has been requested for repatriation. The two sacred objects/objects of cultural patrimony are one button shirt and one beaded shirt. In 1956, the Southwest Museum purchased the cultural material from Mr. Robert Stolper. Mr. Stolper purchased the cultural material on unknown dates from unknown locations. The *Yooka.oot Kudás'* (button shirt) (491.P.3327) and *Kudás* (beaded shirt) (491.P.3328), were identified as being both objects of cultural patrimony

and sacred objects through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska. The Central Council of the Tlingit and Haida Indian Tribes of Alaska have stated that crest objects, such as these, are sacred objects and are, therefore, essential to the ongoing practice of traditional ceremonial rites.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one Chilkat blanket. In 1958, the Southwest Museum purchased one *Naaxein* (Chilkat blanket) (491.P.3440) from Mrs. Nettie Clare Lewis. Her husband, Mr. Earl Warren Lewis collected the cultural object circa 18900 from Alaska. Through consultation with Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as both objects of cultural patrimony and as sacred objects. Chilkat blankets are among the most valued ceremonial clothing for the Tlingit and are necessary for the ongoing practice of ceremonial rites. They are also crest objects and, therefore, sacred.

A total of one cultural item has been requested for repatriation. The one unassociated funerary object is one Chilkat blanket. In 1933, the Southwest Museum was donated cultural material from Mrs. Louis J. Gillespie. Mrs. Gillespie inherited one *Naaxein* (Chilkat blanket) (611.G.29) from her family, who obtained the cultural material on an unknown date from an unknown location. The cultural material is recorded in the museum files as having come from a chief's grave. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as an unassociated funerary object.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one basket hat. In 1938, the Southwest Museum was donated cultural material from Mr. Homer E. Sargent. Mr. Sargent purchased the cultural material in September 1907 from Mr. F. Matheson. The one *S'aaxw Tlein* (basket hat) (742.G.125) was collected in Lynn Canal and River Valleys, Alaska. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as being both an object of cultural patrimony and a sacred object. Clan hats are living objects and, therefore, sacred. As such, the Central Council of the Tlingit and Haida Indian Tribes of Alaska have stated that it is essential for the ongoing practice of traditional ceremonial rites and activities.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one Chilkat blanket. In 1943, the Southwest Museum was donated cultural material from Mrs. Edward Laurence Doheny. Mr. and Mrs. Doheny most likely purchased the cultural material. One *Naaxein* (Chilkat blanket) (761.G.33) was collected in Alaska on an unknown date by an unknown collector. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as being both an object of cultural patrimony and a sacred object. Chilkat blankets are among the most valued ceremonial clothing for the Tlingit and are necessary for the ongoing practice of ceremonial rites. They are also crest objects and, therefore, sacred.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one ceremonial crest blanket. In 1945, the Southwest Museum was donated cultural material by Mr. Homer E. Sargent. One *Naaxein* (child sized blanket) (778.G.67) with ceremonial crest symbols, which was made by Mary Ebbetts Hunt (Tlingit) at an unknown year. It is unknown when or where Mr. Homer E. Sargent got ahold of the blanket. Through consultation with the Ketchikan Indian Community and the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural material has been identified as being both an object of cultural patrimony and a sacred object. The Tlingit and Haida Indian Tribes of Alaska have stated the crest objects, such as this blanket, are sacred objects and are, therefore, essential to the ongoing practice of traditional ceremonial rites.

A total of one cultural item has been requested for repatriation. The one unassociated funerary object is one grave board. In 1938, the Southwest Museum was donated cultural material by Mrs. Lucretta Cole Waring. The cultural material first came into the museum as a loan and then became a donation six months later. The cultural material, one *Káa daakeidi* (grave board) (784.G.1), was collected by the donors deceased brother, Mr. George Townsend, on an unknown date on the Northwest Coast. Museum records already listed this cultural object as an unassociated funerary object. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the cultural object was confirmed as being an unassociated funerary object.

A total of 14 cultural items has been requested for repatriation. The 14 unassociated funerary objects are one dance apron, one dance poncho, one basket hats, two basket wallets, two masks, one dance club, one rattle, one dance sash, one headdress, one spoon, one faunal tooth, and one club. In 1945, the Southwest Museum, Executive Committee of the Board of Trustees member Mr. Harvey S. Mudd, purchased cultural objects from Mr. C. Colcock Jones. Mr. Jones, an engineer, purchased the cultural objects in 1909 from a Native American elder who had gotten it from a chief who had died at a salmon cannery in a fiord just after passing through Icy Straits, Alaska. The cultural materials are unassociated funerary objects as they are personal objects collected from the deceased chief: one *K'ideit* (dance apron) (981.G.3/3.C.4), one *Kudás'* (dance poncho) (981.G.4), one basket hat (981.G.5), two basket wallets (981.G.6; 981.G.7), two masks (981.G.8; 981.G.9/3.C.4), one dance club (981.G.10), one rattle (981.G.11), one *Koogina* (dance sash) (981.G.15), one *Shádaa kees* (headdress) (981.G.16), one spoon (981.G.19), one faunal tooth (981.G.28), and one club (981.G.29). The cultural objects are recorded in museum files as having come from a chief's grave. Through consultation with the Central Council of the Tlingit and Haida Tribes of Alaska, these 14 cultural materials have been identified as unassociated funerary objects.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one Chilkat blanket. In 1964, the Southwest Museum was donated cultural material from Mrs. Gladys K. Irvine. Her mother, Sylvia Knowlton, was the daughter of Sarah Elizabeth Hunt and Abaelino D. Hunt. Mr. Hunt was a distant relative of Mary Ebbetts Hunt, who made the *Naaxein* (Chilkat blanket) (1919.G.1) on an unknown date. Mrs. Irvine oversaw her mother's estate when she died in 1964 and donated the cultural material to the museum in the same year. Through consultation with the Ketchikan Indian Community and the Central Council of the Tlingit and Haida Indian Tribes of Alaska, this cultural material has been identified as being both an object of cultural patrimony and a sacred object. Chilkat blankets are among the most valved ceremonial clothing for the Tlingit and are necessary for the ongoing practice of ceremonial rites. There are also crest objects and, therefore, sacred.

A total of two cultural items has been requested for repatriation. The two sacred objects/objects of cultural patrimony are one beaded shirt and one belt. In 1968, the Southwest Museum was donated cultural material by Mrs. Helen H. Pierce. It is unknown who collected or where the one *Kudás* (beaded shirt) (1931.G.22A) and belt (1931.G.22B) were collected from. The Central Council of the Tlingit and Haida Indian Tribes of Alaska have stated that crest objects, such as these, are sacred objects and are, therefore, essential to the ongoing practice of traditional ceremonial rites. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, these cultural objects have been identified as being both objects of cultural patrimony and sacred objects.

A total of four cultural items has been requested for repatriation. The three sacred objects/objects of cultural patrimony are one headdress frontlet, one dagger, and one ''Slave Killer'' club; and the one unassociated funerary object is an oyster catcher rattle. In 1983, the Southwest Museum purchased cultural materials from Mr. George Terasaki of Sotheby Parke Bernet Auction House in New York City. The cultural materials are one *Shákee.át* (headdress frontlet) (1983.P.10.1) and one *Gwálaa* (dagger) (1983.P.10.3A). Both cultural materials were collected from Sitka, Baranof Island, Alexander Archipelago in Alaska at an unknown date by an unknown collector. The Tlingit and Haida Tribes of Alaska have stated that they are essential for the ongoing practice of traditional ceremonial rites and activities. Additionally, one *Sheishoox* (oyster catcher rattle) (1983.P.16.3) was collected by an unknown person at an unknown date, probably Alaska or Pacific Northwest Coast. Furthermore, one *Goox Du Een (*''Slave Killer'' club) (1983.P.16.1A) was collected in Alaska by an unknown person at an unknown date. This cultural object has been purchased multiple times, with the earliest known recorded collector being Mr. Jones, an antique dealer in Bath. He bought the object circa 1895 at the Philadelphia Exhibition. It was then found in his cellar in Bath by Alban Head Esq. at Easter in 1925, who bought the cultural object. It then somehow made its way to Mr. H.G. Beasley of England, and then to Ms. Katherine White of Seattle, Washington. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, the *Shákee.át* (headdress frontlet) (1983.P.10.1), *Gwálaa* (dagger) (1983.P.10.3A), and *Goox Du Een (*''Slave Killer'' club) (1983.P.16.1A) have been identified as being both objects of cultural patrimony and sacred objects, while the *Sheishoox* (oyster catcher rattle) (1983.P.16.3) has been identified as an unassociated funerary object. Cultural objects, such as the *Shákee.át* (headdress frontlet) (1983.P.10.1), *Gwálaa* (dagger) (1983.P.10.3A), and *Goox Du Een (*''Slave Killer'' club) (1983.P.16.1A) are living objects and, therefore, sacred. The Tlingit and Haida Tribes of Alaska have stated that they are essential for the ongoing practice of traditional ceremonial rites and activities. The *Sheishoox* (oyster catcher rattle) (1983.P.16.3) has been identified by Tlingit representatives as a shaman's object, which is a personal object that would have only been collected from a burial.

A total of one cultural item has been requested for repatriation. The one sacred object/object of cultural patrimony is one button blanket. The cultural material was found in collections with no object number or label to provenience. Efforts have been made to determine the original accession number, but staff have been unsuccessful. No information is known about the collector, place collected, or how it entered the Southwest Museum. Through consultation with the Central Council of the Tlingit and Haida Indian Tribes of Alaska, one *Yooka oot X'oow* (button blanket) (8.C.3) has been identified as both an object of cultural patrimony and a sacred object. The Central Council of the Tlingit and Haida Indian Tribes of Alaska have stated that crest objects, such as button blankets, are sacred objects and are, therefore, essential to the ongoing practice of traditional ceremonial rites.

There is a relationship of shared group identity that can be reasonably traced between the unassociated funerary objects and sacred objects/objects of cultural patrimony through oral tradition and historic evidence to the Tlingit and Haida people. Through consultation, objects were identified as both sacred objects and objects of cultural patrimony. The Central Council of the Tlingit and Haida Indian Tribes of Alaska have stated that ''Crest objects such as the objects claimed in this claim are recognized by Tlingit as sacred objects.'' These sacred objects are essential to the practice of ceremonial rites and have ongoing historical, traditional, and cultural importance central to the Tlingit society and culture. Objects were also identified as unassociated funerary objects, either through museum records or there were identified as personal items by the Central Council of the Tlingit and Haida Indian Tribes of Alaska. Objects are currently being tested for potentially hazardous substances. Through consultation, the Central Council of the Tlingit and Haida Indian Tribes of Alaska stated cultural affiliation to the cultural materials.

Determinations

The Autry Museum of the American West has determined that:

- The 18 unassociated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near human remains, and are connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary objects have been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.
- The 13 sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).
- There is a connection between the cultural items described in this notice and the Central Council of the Tlingit & Haida Indian Tribes; Ketchikan Indian Community; and the Sitka Tribe of Alaska.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after October 30, 2026. If competing requests for repatriation are received, the Autry Museum of the American West must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Autry Museum of the American West is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: September 24, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–19997 Filed 9–29–26; 8:45 am]

BILLING CODE 4312–52–P

OFFICE OF MANAGEMENT AND BUDGET

Rescissions Proposals Pursuant to the Congressional Budget and Impoundment Control Act of 1974

AGENCY: Executive Office of the President, Office of Management and Budget.

ACTION: Notice of rescissions proposed pursuant to the Congressional Budget and Impoundment Control Act of 1974.

SUMMARY: Pursuant to section 1014(d) of the Congressional Budget and Impoundment Control Act of 1974, enclosed for publication in the **Federal Register** is a special message from the President reflecting the proposals for rescission under section 1012 of that Act that were transmitted to the Congress for consideration on September 25, 2026. In total, these proposals would rescind $810 million in budget authority. These proposed rescissions affect programs of the Department of Commerce, Education, Health and Human Services, Homeland Security, Housing and Urban Development, and Justice, as well as for International Assistance Programs. If enacted, these rescissions would decrease Federal outlays in the affected accounts by the same amount; this would have a commensurate effect on the Federal budget deficit and the national economy, and would result in less borrowing by the Federal Government.

DATES: *Release Date:* September 25, 2026.

ADDRESSES: The rescissions proposal package is available on-line on the OMB home page at: *https://www.whitehouse.gov/omb/information-resources/legislative/supplementals-amendments-and-releases/.*

FOR FURTHER INFORMATION CONTACT: Jason Hoffman, 252 Eisenhower Executive Office Building, Washington, DC 20503, Email address: *Jason.M.Hoffman@omb.eop.gov,* telephone number: (202) 456–1414. Because of delays in the receipt of regular mail related to security screening, respondents are encouraged to use electronic communications.

Russell T. Vought,

Director.

September 25, 2026

Dear Mr. Speaker:

In accordance with section 1012(a) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683(a)), I herewith report 11 rescissions of budget authority, totaling $810 million.

The proposed rescissions affect programs of the Departments of Commerce, Education, Health and Human Services, Homeland Security, Housing and Urban Development, and Justice, as well as for International Assistance Programs.

The details of these rescissions are set forth in the attached enclosure.

Sincerely,

The Honorable Mike Johnson,

Speaker of the House of Representatives,

Washington, DC 20515.

September 25, 2026

Dear Mr. President:

In accordance with section 1012(a) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683(a)), I herewith report 11 rescissions of budget authority, totaling $810 million.

The proposed rescissions affect programs of the Departments of Commerce, Education, Health and Human Services, Homeland Security, Housing and Urban Development, and Justice, as well as for International Assistance Programs.

The details of these rescissions are set forth in the attached enclosure.

Sincerely,

The Honorable JD Vance,

President of the Senate,

Washington, DC 20510.

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683)

Rescission proposal no. R26–1

Agency: Department of Health and Human Services

Bureau: Administration for Children and Families

Account: Refugee and Entrant Assistance (075–1503 2024/2026)

Amount proposed for rescission: $567,401,904

Justification:

This proposal would rescind a total of $567 million of the $6.3 billion appropriated in FY 2024 for the Refugee and Entrant Assistance account, which funds the Department of Health and Human Service's Office of Refugee Resettlement programs and is overfunded due to the Administration's successful border policies. These programs, operated by pro-illegal immigration non-profits, provide services to refugees, asylees, and other eligible non-citizens, and put unaccompanied alien children in harm's way. Administration actions, including Executive Order 14165, ''Securing Our Borders,'' and Executive Order 14163, ''Realigning the United States Refugee Admissions Program,'' have dramatically curtailed arrivals. Enacting the rescission would address excess funds in the account and be consistent with the Administration's goal of ending the use of Federal taxpayer dollars to support non-citizens, putting Americans first.

Rescission proposal no. R26–2

Agency: Department of Homeland Security

Bureau: Federal Emergency Management Agency

Account: Federal Assistance (070–0413 2025/2026)

Amount proposed for rescission: $15,000,000

Justification:

This proposal would rescind $15 million, the full amount appropriated in FY 2025 for the Alternatives to Detention-Case Management Pilot Program (ATD–CMPP). The ATD–CMPP grant program provided funding to nonprofits to provide mental health services, social services, legal orientation, and cultural orientation for immigrants and asylees. These funds would be used for illegal aliens residing in the United States counter to Executive Order 14159, ''Protecting the American People Against Invasion.'' Enacting the rescission would eliminate unnecessary and wasteful spending.

Rescission proposal no. R26–3

Agency: Department of Homeland Security

Bureau: Citizenship and Immigration Services

Account: Federal Assistance (070–0408 2025/2026)

Amount proposed for rescission: $10,000,000

Justification:

This proposal would rescind $10 million, the full amount appropriated in FY 2025 for the U.S. Citizenship and Immigration Services Citizenship and Integration grant

program. The program provides grants to non-governmental organizations to help aliens become U.S. citizens. The Department of Homeland Security (DHS) has already paused the program and cancelled previously awarded grants from prior years. This rescission is consistent with the President's Budget and the FY 2026 enacted DHS appropriations bill, neither of which funded the program. Enacting the rescission would eliminate unnecessary and wasteful spending.

Rescission proposal no. R26–4

Agency: Department of Education
Bureau: Office of Elementary and Secondary Education
Account: Education for the Disadvantaged (091–0900 2026/2026)
Amount proposed for rescission: $24,907,509
Justification:

This proposal would rescind $25 million of the $52 million appropriated in FY 2026 for the competitive grants within Special Programs for Migrant Students, which subsidizes aliens to come to the United States at the expense of American children and workers. Specifically, the program pays for seasonal immigrant workers' kids to go to school in the United States and transition to college. The program has previously funded activities such as an LGBT youth summit for ''migrant students'' and ''Therapy for Latinx'' workshops. Enacting the rescission would eliminate unnecessary and wasteful spending.

Rescission proposal no. R26–5

Agency: Department of Justice
Bureau: Legal Activities and U.S. Marshals
Account: Salaries and Expenses, Community Relations Service (015–0500 2026/2026)
Amount proposed for rescission: $15,000,000
Justification:

This proposal would rescind $15 million of the $20 million appropriated in FY 2026 for the Community Relations Service (CRS). CRS, which was eliminated by the Department of Justice early in the Administration, was an Agency of about 60 people assigned with ''preventing and resolving racial and ethnic tensions, incidents, and civil disorders, and in restoring racial stability and harmony.'' In practice, it worked to stoke racial tensions and promote radical critical race theory and gender ideology. In their public-facing materials, the Agency espoused ''law enforcement training and the transgender community'' and other ideologies. Enacting the rescission does not impact CRS, as all remaining statutory functions have already been transferred to the U.S. Attorneys.

Rescission proposal no. R26–6

Agency: International Assistance Programs
Bureau: Multilateral Assistance
Account: Debt Restructuring (020–0091 2023/2026)
Amount proposed for rescission: $8,704,713
Justification:

This proposal would rescind $9 million of the $20 million appropriated in FY 2023 for Department of Treasury's Tropical Forest and Coral Reef Conservation Act (TFCCA) Program. The TFCCA program provides debt forgiveness to foreign countries that make climate change-related investments for coral reefs and tropical forests. Enacting the rescission would ensure that U.S. taxpayer funds are not wasted on one-off subsidies to foreign governments, including for ''debt-for-nature'' swaps that do not directly benefit the United States.

Rescission proposal no. R26–7

Agency: Department of Commerce
Bureau: Minority Business Development Agency
Account: Minority Business Development (013–0201 2026/2026)
Amount proposed for rescission: $10,000,000
Justification:

This proposal would rescind $10 million of the $50 million appropriated in FY 2026 for Minority Business Development Agency (MBDA) programs. The MBDA grant programs direct grants to businesses based on race. Divisive and discriminatory programs are at the core mission of MBDA, which is why the FY 2027 Budget request proposed to eliminate the agency. In 2024, a Federal court found MBDA's presumption of ''social disadvantage based on race or ethnicity'' in its funding decisions to be unconstitutional. Enacting the rescission would eliminate unnecessary and wasteful spending, including funds appropriated for unconstitutional race-based purposes.

Rescission proposal no. R26–8

Agency: Department of Education
Bureau: Office of Postsecondary Education
Account: Higher Education (091–0201 2026/2026)
Amount proposed for rescission: $69,588,896
Justification:

This proposal would rescind $69.6 million of the $70.3 million appropriated in FY 2026 for International Education and Foreign Language, Domestic Programs. The Domestic Programs provide grants and fellowships to support institutions in bringing foreign students and faculty to the United States to study or teach language, conduct research, and provide professional and curriculum development. These Programs have deviated from their core mission and instead support woke and wasteful projects, including doctoral dissertations on Queer and Trans Community Building in foreign countries. Enacting the rescission would eliminate unnecessary and wasteful spending.

Rescission proposal no. R26–9

Agency: Department of Health and Human Services
Bureau: Agency for Healthcare Research and Quality
Account: Healthcare Research and Quality (075–1700 2026/2026)
Amount proposed for rescission: $27,700,000
Justification:

This proposal would rescind $28 million of the $345 million appropriated in FY 2026 for the Agency for Healthcare Research and Quality (AHRQ). Much of AHRQ's research is wasteful or duplicative of research conducted elsewhere in the Department of Health and Human Services, such as the National Institutes of Health. The previous administration used AHRQ to publish a document titled *Reducing Healthcare Carbon Emissions: A Primer on Measures and Actions to Mitigate Climate Change,* and funded a project at the Seattle Children's Hospital titled ''Using Telehealth to Improve Access to Gender-Affirming Care for BIPOC and Rural Gender-Diverse Youth.'' Enacting the rescission would eliminate unnecessary and wasteful spending on harmful research and is a first step to prioritize the statistical functions of AHRQ, which are used by other programs across Government.

Rescission proposal no. R26–10

Agency: Department of Housing and Urban Development
Bureau: Housing Programs
Account: Housing Counseling Assistance (086–0156 2025/2026)
Amount proposed for rescission: $56,100,000
Justification:

This proposal would rescind $56 million of the $58 million appropriated in FY 2025 for Housing Counseling. This program provides grants to non-governmental organizations (NGOs) and public entities for counseling and education to individuals on a spectrum of housing matters. Grantees have included NGOs with divisive and DEI-centric agendas that peddle discrimination based on race. Further, the program has not shown reduced delinquencies for counseled homebuyers. Enacting the rescission would eliminate unnecessary and wasteful spending.

Rescission proposal no. R26–11

Agency: Department of Health and Human Services
Bureau: Departmental Management
Account: Office of the Secretary (075–0120 2026/2026)
Amount proposed for rescission: $5,098,000
Justification:

This proposal would rescind $5 million of the $625 million appropriated in FY 2026 for General Departmental Management, of which $75 million was included by the Congress in report language for the Office of Minority Health (OMH). OMH targets funding via grants to specific race and sex-based groups in violation of the President's anti-DEI executive orders. This office provided a grant to the Institute of Women & Ethnic Studies, titled ''Multisystem Compassionate Care and Healing for Black Youth,'' which aimed to ''address the impact of racism and racial trauma.'' Enacting the rescission would eliminate funding for activities that unfairly prioritizes certain groups based solely on race or sex, and is a first step to engaging in strong reforms across OMH that benefit all Americans.

[FR Doc. 2026–19965 Filed 9–29–26; 8:45 am]

BILLING CODE 3110–01–P

OFFICE OF PERSONNEL MANAGEMENT

Senior Executive Service—Performance Review Board

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: Notice is hereby given of the appointment of members of the OPM Performance Review Board.

FOR FURTHER INFORMATION CONTACT: Kimberly Sylke, Office of the Chief Human Capital Officer, Office of Personnel Management, 1900 E Street NW, Washington, DC 20415, (202) 936–3339.

SUPPLEMENTARY INFORMATION: Section 4314(c)(1) through (5) of Title 5, U.S.C., requires each agency to establish, in accordance with regulations prescribed by the Office of Personnel Management, one or more SES performance review boards. The board reviews and evaluates the initial appraisal of a senior executive's performance by the supervisor and considers recommendations to the appointing authority regarding the performance of the senior executive. The following have been designated as members of the Fiscal Year 2026 Performance Review Board of the U.S. Office of Personnel Management:

Kurt Dykstra, General Counsel (Chair)
Christina Bonarrigo, Senior Advisor to the Director
Marina Golovkina, White House Liaison
Veronica Hinton, Associate Director, Workforce Policy and Innovation
Joseph Knouff, Suitability Director
Katie McGuiness, Chief Financial Officer
Tyshawn Thomas, Chief Human Capital Officer

Office of Personnel Management.

Alexys Stanley,

Federal Register Liaison.

[FR Doc. 2026–20033 Filed 9–29–26; 8:45 am]

BILLING CODE 6325–45–P

POSTAL SERVICE

International Product Change—Priority Mail Express International, Priority Mail International & First-Class Package International Service Agreement

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a Priority Mail Express International, Priority Mail International & First-Class Package International Service contract to the list of Negotiated Service Agreements in the Competitive Product List in the Mail Classification Schedule.

DATES: Date of notice: September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Christopher C. Meyerson, (202) 268–7820.

SUPPLEMENTARY INFORMATION: The United States Postal Service hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on September 24, 2026, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 126 to Competitive Product List.* Documents are available at *www.prc.gov,* Docket Nos. MC2026–398 and K2026–387.

Jeffrey Boblick,

Attorney, Ethics and Legal Compliance.

[FR Doc. 2026–20028 Filed 9–29–26; 8:45 am]

BILLING CODE 7710–12–P

RAILROAD RETIREMENT BOARD

Sunshine Act Meetings

TIME AND DATE: 10:00 a.m., October 8, 2026.

PLACE: Members of the public wishing to attend the meeting must submit a written request at least 24 hours prior to the meeting to receive dial-in information. All requests must be sent to *SecretarytotheBoard@rrb.gov.*

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED: Office of Legislative Affairs—Legislation Update.

CONTACT PERSON FOR MORE INFORMATION: Stephanie Hillyard, Secretary to the Board, (312) 751–4920.

Authority: 5 U.S.C. 552b.

Dated: September 25, 2026.

Sarah Kreydich,

Librarian/Administrative Specialist.

[FR Doc. 2026–19958 Filed 9–28–26; 11:15 am]

BILLING CODE 7905–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106492; File No. SR–ISE–2026–50]

Self-Regulatory Organizations; Nasdaq ISE LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 To Establish Fees for Liquid-Cooled Cabinets

September 25, 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 14, 2026, Nasdaq ISE LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule General 8 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power in the Exchange's expanded data center. While these amendments are immediately effective, the Exchange proposes to implement the proposed fees during the fourth calendar quarter (''Q4'') of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange's current data center in Carteret, New Jersey, consists of the original data center, also known as ''NY11,'' and expansion areas NY11–4 and NY11–5. The Exchange proposes to amend Rule General 8, Section 1 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation, and Liquid-Cooled Cabinet Power in NY11–5. The Exchange previously filed to expand its co-location services by offering Liquid-

Cooled Cabinets in NY11–5.[3] In that filing, the Exchange stated that it would submit a separate fee filing to establish fees for those services. This proposed rule change establishes those fees.

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1. In an earlier proposal, the Exchange introduced an additional cabinet option in NY11–5. Specifically, the Exchange introduced a cabinet featuring liquid cooling, a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet''). Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. The Liquid-Cooled Cabinet option is only offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center. The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of co-location services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Liquid-Cooled Cabinets are an optional premium co-location offering designed to support customer equipment with enhanced cooling capabilities. Co-location services, including the proposed offering, are voluntary, and each customer may determine whether any co-location option is appropriate for its business needs.

The Exchange proposes to establish separate installation fees for Liquid-Cooled Cabinets under Rule General 8, Section 1(a). Customers may elect to use a Nasdaq-provided Liquid-Cooled Cabinet or, unlike traditional air-cooled cabinets that must be Nasdaq-provided, may supply their own Liquid-Cooled Cabinet for use within the dedicated liquid-cooling enclosure in NY11–5. For a Nasdaq-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $5,490 and no ongoing monthly fee. The proposed $5,490 installation fee is the same NY11–4/–5 installation fee currently applicable to a standard Cabinet under Rule General 8, Section 1(a). For a customer-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $2,500 and no ongoing monthly fee.

Providing both options is appropriate because the Liquid-Cooled Cabinet offering is purpose-built for the customer within a dedicated enclosure specifically designed to support the customer's liquid-cooling infrastructure requirements. Depending on the customer's particular equipment and infrastructure needs, a customer-provided cabinet may be more appropriate, while other customers may prefer the convenience of a Nasdaq-provided cabinet. The proposed customer-provided cabinet installation fee reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, while the proposed Nasdaq-provided cabinet installation fee reflects the furnishing and installation of a Nasdaq-provided Liquid-Cooled Cabinet. Unlike the installation of a traditional air-cooled cabinet, installation of a Liquid-Cooled Cabinet involves specialized infrastructure within the dedicated NY11–5 liquid-cooling environment and additional coordination to support the customer's liquid-cooling requirements.

The Exchange also proposes to establish installation and ongoing monthly fees for Liquid-Cooled Cabinet Power as follows.

Liquid-Cooled Cabinet Power would be available only in connection with Liquid-Cooled Cabinets in NY11–5 and would be subject to a one-year, two-year, or three-year commitment, as selected by the customer. The installation fee for Liquid-Cooled Cabinet Power would consist of the applicable standard NY11–4/–5 cabinet power installation fee, as set forth in Rule General 8, Section 1(c), plus an additional per-kVA[4] Liquid-Cooled Cabinet Power installation charge. The additional per-kVA installation charge would be $1,800 per kVA for a one-year commitment, $1,650 per kVA for a two-year commitment, and $1,500 per kVA for a three-year commitment. The ongoing monthly fee would be assessed per kVA based on the customer's selected commitment term: $1,000 per kVA per month for a one-year commitment, $900 per kVA per month for a two-year commitment, and $800 per kVA per month for a three-year commitment.

The Exchange calculates the amount of power associated with each Liquid-Cooled Cabinet Power option using the same general power-based methodology reflected in its existing cabinet power fee schedule. For single-phase power options, the Exchange calculates kVA by multiplying volts by amps and dividing by 1,000. For three-phase power options, the Exchange calculates kVA by multiplying volts by amps by the square root of three, and then dividing by 1,000.[5]

[3] *See* Securities Exchange Act Release No. 105002 (Mar. 16, 2026), 91 FR 13375 (Mar. 19, 2026) (SR–ISE–2026–08).

[4] Kilovolt-Amperes (kVA) is a unit of *apparent power* used to describe the capacity of electrical circuits and equipment. In alternating current (AC) systems, power consists of two components: real power (kW) and reactive power (kVAR). Real power, or kW, is the actual usable power that performs work, such as running servers or cooling systems, whereas reactive power, or kVAR, is the power that sustains the magnetic and electric fields in equipment but does not perform useful work. Because AC systems often have both real and reactive components, kVA measures the total apparent power, which is the combination of real and reactive power—the full load the circuit must carry. The relationship between kilowatts and kVA depends on the power factor (PF) which reflects how efficiently electrical power is converted into useful work: kW = kVA × PF. In the context of data center operations, electrical power is commonly expressed in two units: kilowatts (kW) and kilovolt-amperes (kVA). While these terms measure different aspects of electrical power—kW representing real power consumed by equipment and kVA representing apparent power supplied—they are closely correlated in environments where the power factor approaches unity. Modern data centers typically operate at or near a power factor of 1.0, resulting in minimal variance between kW and kVA. Accordingly, these measures, kW and kVA, are often treated as interchangeable for practical purposes.

[5] The kilovolt-ampere (kVA) rating for each circuit was calculated using standard electrical formulas based on circuit type as follows. Single-phase circuits: ''kVA'' = (''Volts'' × ''Amps'')/1000. This converts the product of voltage and current into kilovolt-amperes. Three-phase circuits

Continued

For the Single Phase 240 Volt 20 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 20 amps, divided by 1,000, which equals 4.80 kVA.

The ongoing monthly fee is calculated by multiplying 4.80 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $4,800 for a one-year commitment, $4,320 for a two-year commitment, and $3,840 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $12,240 for a one-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,800; $11,520 for a two-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,650; and $10,800 for a three-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,500.

For the Single Phase 240 Volt 32 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 32 amps, divided by 1,000, which equals 7.68 kVA. The ongoing monthly fee is calculated by multiplying 7.68 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $7,680 for a one-year commitment, $6,912 for a two-year commitment, and $6,144 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $17,424 for a one-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,800; $16,272 for a two-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,650; and $15,120 for a three-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,500.

For the Single Phase 240 Volt 40 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 40 amps, divided by 1,000, which equals 9.60 kVA. The ongoing monthly fee is calculated by multiplying 9.60 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $9,600 for a one-year commitment, $8,640 for a two-year commitment, and $7,680 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $20,880 for a one-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,800; $19,440 for a two-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,650; and $18,000 for a three-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 20 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 20 amps multiplied by the square root of three, divided by 1,000, which equals approximately 14.38 kVA. The ongoing monthly fee is calculated by multiplying approximately 14.38 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $14,375.60 for a one-year commitment, $12,938.04 for a two-year commitment, and $11,500.48 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $30,436.08 for a one-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,800; $28,279.74 for a two-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,650; and $26,123.40 for a three-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 32 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 32 amps multiplied by the square root of three, divided by 1,000, which equals approximately 23.00 kVA. The ongoing monthly fee is calculated by multiplying approximately 23.00 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $23,000.96 for a one-year commitment, $20,700.86 for a two-year commitment, and $18,400.77 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $45,961.73 for a one-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,800; $42,511.58 for a two-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,650; and $39,061.44 for a three-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 40 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 40 amps multiplied by the square root of three, divided by 1,000, which equals approximately 28.75 kVA. The ongoing monthly fee is calculated by multiplying approximately 28.75 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $28,751.20 for a one-year commitment, $25,876.08 for a two-year commitment, and $23,000.96 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $56,312.16 for a one-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,800; $51,999.48 for a two-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,650; and $47,686.80 for a three-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 60 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 60 amps multiplied by the square root of three, divided by 1,000, which equals approximately 43.13 kVA. The ongoing monthly fee is calculated by multiplying approximately 43.13 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $43,130 for a one-year commitment, $38,817 for a two-year commitment, and $34,504 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $82,194 for a one-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,800; $75,724.50 for a two-year commitment, calculated as $4,560 plus approximately

(balanced load): ''kVA'' = (√3 × ''Volts'' × ''Amps'')/1000 (1.732 × ''Volts'' × ''Amps'')/1000. The factor √3 accounts for the three-phase power configuration. These formulas were applied to each circuit type in the table to determine its kVA capacity, which was then multiplied by the proposed per kVA rates to calculate the new fee. For readability, table values reflect rounded kVA figures and fees rounded to the nearest cent. In internal calculations, the Exchange compute fees using full-precision kVA (*e.g.,* ~10.794 kVA before display rounding), which can yield penny-level variances relative to fees computed from rounded kVA values. These minor differences arise solely from the sequence of rounding (rounding kVA before vs. after fee computation) and do not affect the uniform application of the $550/kVA rate or the comparability of fees across circuit options.

43.13 kVA multiplied by $1,650; and $69,255 for a three-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,500.

The proposed installation and ongoing monthly fees therefore scale with the amount of electrical capacity associated with the selected Liquid-Cooled Cabinet Power option and the length of the customer's selected commitment term. This structure applies the same calculation consistently across the available Liquid-Cooled Cabinet Power options while providing customers that elect longer commitment terms with lower per-kVA rates.

The Exchange proposes separate cabinet installation fees and tiered Liquid-Cooled Cabinet Power pricing to reflect the optional nature of the offering and the different services customers may elect. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a), and no ongoing monthly cabinet fee would apply. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, and no ongoing monthly cabinet fee would apply. The proposed tiered pricing for Liquid-Cooled Cabinet Power provides customers with lower effective rates for longer-term commitments, which supports the Exchange's continued investment in making this specialized optional offering available. The proposed fees are higher than the fees applicable to standard air-cooled cabinets and associated power because Liquid-Cooled Cabinets are a premium product that provide enhanced liquid-cooling functionality and require specialized infrastructure, shared cooling capacity, and additional operational support beyond those required for standard co-location cabinets. The Exchange believes that the proposed fees are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering.

The proposed Liquid-Cooled Cabinet offering is optional. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange, to maintain co-location services, or to access any Exchange system. Customers may continue to use existing cabinet and power offerings under Rule General 8, Section 1, as applicable. Customers that elect the Liquid-Cooled Cabinet offering may choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs.

The Exchange is offering Liquid-Cooled Cabinets in response to customer demand for infrastructure capable of supporting increasingly power-dense computing equipment. Although the Exchange is not aware of another exchange that currently offers a comparable liquid-cooled cabinet product in its co-location fee schedule, liquid-cooling technology is available in the broader data center industry and is not novel in data center or communications infrastructure. Accordingly, the proposal reflects the Exchange's effort to make available, as an optional premium co-location service, an infrastructure option that is responsive to evolving customer equipment and cooling needs. The Exchange proposes to implement the proposed fees during Q4 of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed fees are reasonable because they are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is reasonable because it is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a) and because installation of a Liquid-Cooled Cabinet is more involved than installation of a traditional air-cooled cabinet due to the specialized infrastructure and coordination required within the dedicated NY11–5 liquid-cooling environment. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet is reasonable because it applies only where the customer provides the cabinet and reflects the separate installation work associated with making the customer-provided cabinet available for use within that specialized, dedicated NY11–5 liquid-cooling environment.

The proposed Liquid-Cooled Cabinet Power installation fees are reasonable because they apply to the initial provisioning of Liquid-Cooled Cabinet Power and reflect the specialized infrastructure, configuration, and dedicated capacity associated with making the service available to a customer. The proposed ongoing monthly fees for Liquid-Cooled Cabinet Power are reasonable because they reflect the continuing availability of enhanced liquid-cooling functionality, specialized infrastructure, and capacity throughout the customer's selected commitment term.

The Exchange believes that the proposed tiered pricing is reasonable because it offers customers lower installation and monthly rates when they elect longer commitment terms. Longer-term commitments provide the Exchange with greater certainty regarding use of the specialized infrastructure and shared capacity required to support Liquid-Cooled Cabinets, and the proposed discounts are designed to encourage such commitments while allowing customers to choose the term that best fits their business needs.

The Exchange believes that the proposed fees are equitably allocated and not unfairly discriminatory because they will apply uniformly to all similarly situated customers that elect the same Liquid-Cooled Cabinet and Liquid-Cooled Cabinet Power options in NY11–5. Customers that choose a Nasdaq-provided Liquid-Cooled Cabinet will be assessed the same Nasdaq-provided cabinet installation fee, and customers that choose a customer-provided Liquid-Cooled Cabinet will be assessed the same customer-provided cabinet installation fee. The service is optional, and customers that do not require liquid-cooling functionality may continue to use the Exchange's existing co-location cabinet and power offerings, as applicable.

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 fees apply only to an optional premium co-location service. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange or to receive co-location services, and customers will continue to have existing options for cabinet and power offerings to satisfy their business needs.

The Exchange believes that the proposal may enhance competition by expanding the range of optional co-location services available to customers, including customers that seek infrastructure options designed to support increasingly power-dense equipment. The proposal also gives customers flexibility to choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs. The proposed fee structure reflects the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power, and customers remain free to use existing cabinet and power offerings to satisfy their business needs. Accordingly, the Exchange does not believe that the proposal will impose any burden on intermarket or intramarket competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[6]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–ISE–2026–50 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–ISE–2026–50. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–ISE–2026–50 and should be submitted on or before October 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19949 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

[6] 15 U.S.C. 78s(b)(3)(A)(ii).

[7] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0472]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 15c1–6

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''SEC'' or ''Commission'') is submitting to the Office of Management and Budget (''OMB'') this request for extension of the proposed collection of information provided for in Rule 15c1–6 (17 CFR 240.15c1–6) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (''Exchange Act'').

Rule 15c1–6 states that any broker-dealer trying to sell to or buy from a customer a security in a primary or secondary distribution in which the broker-dealer is participating or is otherwise financially interested must give the customer written notification of the broker-dealer's participation or interest at or before completion of the transaction. The Commission estimates that approximately 325 respondents will collect information annually under Rule 15c1–6 and that each respondent will spend approximately 10 hours annually complying with the collection of information requirement for a total burden of approximately 3,250 hours per year in the aggregate.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202607-3235-016* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by November 2, 2026.

Dated: September 28, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20052 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Investment Company Act Release No. 36345; File No. 812–16065

Macquarie Wealth Advisers, LLC et al.

September 25, 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 (the ''Act'') for an exemption from sections 18(a)(2), 18(c), 18(i) and 61(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain closed-end investment companies that have elected to be regulated as business development companies to issue multiple classes of shares with varying sales loads and asset-based distribution and/or service fees.

APPLICANTS: Macquarie Wealth Advisers, LLC and Macquarie Infrastructure Income Opportunities Fund.

FILING DATES: The application was filed on July 31, 2026, and amended on September 8, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on October 20, 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: William Fink, Macquarie Wealth Advisers, LLC, *bill.fink@macquarie.com,* with copies to: Nicole M. Runyan, P.C., Brad A. Green, P.C., and Lisa Nosal, Esq. at *nicole.runyan@kirkland.com*, *brad.green@kirkland.com,* and *lisa.nosal@kirkland.com,* respectively.

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, dated September 8, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/search-filings.* You may also call the SEC's Office of Investor Education and Assistance at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19938 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36346; File No. 812–16067]

ABX Longevity Growth and Income Fund and ABL Wealth Advisors, LLC

September 25, 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 (the ''Act'') for an exemption from sections 18(a)(2), 18(c) and 18(i) of the Act, under sections 6(c) and 23(c) of the Act for an exemption from rule 23c–3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d–1 under the Act.

Summary of Application: Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares and to impose asset-based distribution and/or service fees and early withdrawal charges.

Applicants: ABX Longevity Growth and Income Fund and ABL Wealth Advisors, LLC.

Filing Date: The application was filed on August 7, 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 20, 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.

ADDRESSES:

The Commission: Secretarys-Office@sec.gov.

Applicants: Ralph Milne, 333 South Garland Ave., Suite 1500, Orlando, FL 32801, *ralph@abacusgm.com,* with copies to Gregory Davis, Esq., Ropes & Gray LLP, One Maritime Plaza, 300 Clay St. #1800, San Francisco, CA 94111, *gregory.davis@ropesgray.com,* James McGinnis, Esq., Ropes & Gray LLP, 2099 Pennsylvania Avenue NW, Washington, DC 20006, *james.mcginnis@ropesgray.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' application, dated August 7, 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. 2026–19940 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0788]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 10c–1a

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. § 3501 *et seq.*), the Securities and Exchange Commission (''SEC'' or ''Commission'') is submitting to the Office of Management and Budget (''OMB'') this request for approval of extension of the previously approved collections of information provided in Rule 10c–1a (17 CFR 240.10c–1a), under the securities Act of 1934 (15 U.S.C. 78a *et seq.).*

To increase the transparency of information available to brokers, dealers, and investors with respect to the loans or borrowing of securities, Rule 10c1–a requires, among other things, covered persons to report (or to rely on a reporting agent to fulfill its reporting obligations under certain conditions) to a registered national securities association (''RNSA'') within certain time periods, specified data elements concerning covered securities loans (''Rule 10c–1a information''). Rule 10c–1a also requires an RNSA to implement rules regarding the format and manner of its collection of Rule 10c–1a information, make publicly available certain data pertaining to reported securities loans, and comply with certain data retention and availability requirements. To implement the required rules, the Financial Industry Regulatory Authority (''FINRA''), currently the only RNSA, adopted its Rule 6500 Series to require the reporting of securities loans and provide for the public dissemination of certain loan information.

Currently, the securities lending market is opaque and has data gaps that create inefficiencies. The information collections are necessary to remediate these issues by giving investors, market participants, and regulators access to the material terms of securities lending transactions.

Rule 10c–1a will provide market participants with access to pricing and other material information regarding securities lending transactions, which will supplement the publicly available information involving securities lending, close data gaps in the market, and minimize information asymmetries between market participants. The gaps in securities lending data make it difficult for borrowers and lenders to ascertain market conditions and to know whether the terms that they receive for their loans are consistent with market conditions. These gaps also impact the ability of the Commission and other regulators to oversee transactions that are vital to fair, orderly, and efficient markets.

The data collected and made available through the respondents' compliance with Rule 10c–1a will improve price discovery in the securities lending market and reduce the information asymmetry in the market. Increasing the accessibility of data could lower barriers to entry for would-be participants in the securities lending market, as well as the securities markets more broadly, because all market participants, not just counterparties to a trade or those that subscribe to certain services, will be able to view and analyze transaction that are taking place in the securities lending market. As a result, the disclosure of the specified material terms of securities lending transactions might improve the efficiency and resiliency of the securities market by reducing frictions in the coat of borrowing securities, which may also have effects on the markets for the securities themselves.

Additionally, enhancing the transparency of data on securities lending transactions will allow market participants to determine whether the terms that they receive for their loans are consistent with market conditions. Such benefits would not accrue to the securities lending market or the broader securities markets if the information collections required by Rule 10c–1a are not implemented.

In December 2025, the Commission granted a temporary exemption from compliance with Rule 10c–1a regarding the date by which covered persons must report the applicable Rule 10c–1 information, and from compliance with Rules 10c–1a(g) and (h)(3) regarding the dissemination date. While Rule 10c–1a is effective, at this present time, covered persons are not yet required by Rule 10c–1a to report Rule 10c–1a information to an RNSA until September 28, 2028. An RNSA is not required to make certain information publicly available until March 29, 2029. During the time period covered by the Commission's order, covered persons and an RNSA may incur PRA burdens, voluntarily, as part of system testing and other measures to facilitate an orderly implementation of Rule 10c–1a. As such, the estimated burdens below take account of voluntary information collections.

The information collection burdens in Rule 10c–1a are directly related to either (1) covered persons capturing Rule 10c–1a information and reporting it to an RNSA either directly or by using a reporting agent); or (2) an RNSA collecting the Rule 10c–1 information reported to it and subsequently making certain data publicly available. Given the differences in the information collections appliable to the parties, the burdens applicable to covered persons, reporting agents, and RNSAs are separated in the discussion below.

Providing Covered Persons: Systems Development and Monitoring

Initial Burden

The Commission estimates that providing covered persons [1] each will assume 3,000 PRA burden hours in developing and reconfiguring their current systems to capture the required data elements, which is annualized to 1,000 PRA burden hours per entity, for a total estimated initial annual industry burden of 259,000 hours.

Ongoing Annual Burden

The Commission estimates that the ongoing annual PRA burden will be equivalent to the ongoing burden estimated for non–providing OATs reporters in the CAT Approval Order. Thus, the Commission estimates that each providing covered person will assume 1,350 PRA burden hours per year, for a total estimated ongoing annual industry burden of 349,650 hours.

Non-Providing Covered Persons: Systems Development and Monitoring

Initial Burden

The Commission estimates that a non-providing covered person [2] will assume half of the initial burden hours that a providing covered person will assume to develop and reconfigure their current

[1] The term ''providing covered person'' refers to a covered person that reports Rule 10c–1a information directly to an RNSA pursuant to Rule 10c–1a(a)(1).

[2] The term ''non-providing covered person'' refers to a covered person that relies on a reporting agent to fulfill its reporting obligations under Rule 10c–1a(a)(1), subject to conditions.

systems to capture the Rule 10c–1a information. Therefore, the Commission estimates that each non-providing covered person will assume an initial PRA burden of 1,500 hours, which is annualized to 500 PRA burden hours per entity, for a total estimated initial annual industry burden of 121,000 hours.

Ongoing Annual Burden

The Commission estimates that a non-providing covered person will assume shape of the ongoing annual PRA burden that a providing covered person will assume with regard to the development and reconfiguration of current systems to capture the Rule 10c–1a information. Therefore, the Commission estimates that each non-providing person will assume an ongoing annual PRA burden of 65 hours, for a total estimated ongoing annual industry burden of 163,350 hours.

Non-Providing Covered Person: Entering Into Written Agreement with Reporting Agent

Initial Burden

Because these agreements are estimated to be standardized across the industry, the Commission estimates that the only terms that may require negotiation are price and the format in which the information will be provided. Therefore, to account for negotiation and any administrative tasks related to processing and executing agreements, the Commission estimates that non-providing covered persons will spend 30 hours on this task, which is annualized to 10PRA burden hours per entity, for a total estimated initial annual industry burden of 2,420 hours.

Reporting Agents

Initial Burden

The Commission estimates that there are 128 reporting agents. This estimate is based on the number of broker-dealers that lent securities as of December 2025 (119), as well as the number of registered clearing agencies in 2026. Three requirements of Rule 10c–1a would subject reporting agents that assume the reporting obligation on behalf of a covered person subject to Rule 10c–1a(2) to initial and ongoing annual PRA burdens: (1) the development and monitoring of systems that would facilitate the provision of information to an RSNSA; (2) the written agreements with the persons who would be providing the reporting gent information; (3) entering into an agreement with an RNSA to provide the Rule 10c–1a information. These burdens are third-party disclosure burdens.

Systems Development and Monitoring

Initial Burden

The Commission estimates that each reporting agent would incur 3,000 hours of initial burdens to develop and reconfigure their current systems to capture the required data elements, which is annualized to 1,000 PRA burden hours per entity, for a total estimated initial annual industry burden of 128,000 hours.

Ongoing Annual Burden

As with the initial burden for this requirement, reporting agents would provide the same information to the RNSA as a non-providing covered person, so the Commission believes that the burden estimates should be consistent. Therefore, the Commission estimates that each reporting agent would incur 1,350 hours of ongoing annual burden hours on this requirement, for a total estimated ongoing annual industry burden of 172,800 hours.

Entering Into Written Agreements With Non-Providing Covered Persons

The Commission estimates that the only terms that may require negotiation are price and the format of the information that will be required to be provided. However, the Commission believes that this process will be highly automated. The Commission estimates that it will take reporting agents the dame amount of time to comply with this requirement of time as a non-providing covered person. Therefore, the Commission estimates that it will take reporting agents the same amount of time to comply with this requirement of time as non-providing covered persons. Therefore, the Commission estimates that each reporting agent would spend 30 hours on this task, which is annualized to 10 hours per entity, for a total estimated initial annual industry burden of 1,280 hours.

Entering Into Written Agreement With an RNSA

The Commission anticipates that reporting agents that enter into written agreements with RNSAs will not incur any ongoing annual burden to comply with the requirement once the agreement is signed because there will be no need to modify the written agreement or take additional action because the information will not vary. Therefore, the Commission estimates an initial annual industry burden for this requirement of 42 hours.

Record Preservation Agreement

The Commission anticipates that this recordkeeping requirement will be highly automated Accordingly, the Commission estimates that reporting agents will spend on hour per week on upkeep and testing of records to ensure accuracy to comply with this requirement, resulting in a total of 52 hours per year of annual burden per reporting agent, for a total estimated ongoing annual industry burden of 6,656 hours.

RNSAs

Initial Burden

The Commission estimates that the average one-time initial PRA burden related to developing the infrastructure to enable non-providing covered persons and reporting agents to provide the Rule 10c–1a information, assign a unique identifier to the covered securities loans, and make the rule's specified information publicly available is 10,924, for a total initial annualized industry burden of 3,641 hours.

Ongoing Annual Burden

The Commission estimates that an RNSA will assume ongoing annual PRA burdens of 7,739.5 hours related to ensuring that the infrastructure is up-to-date and remains in compliance with the rule, for a total estimated ongoing annual industry burden of 7,739.5 hours.

RNSA Retention of Collected Information

The Commission estimates that an RNSA will assume an ongoing annual PRA burden of 52 hours to retain the collected information, for a total estimated ongoing annual industry burden of 52 hours.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB Control Number.

The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202607-3235-014* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by November 2, 2026.

Dated: September 28, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20056 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106494; File No. SR–LTSE–2026–19]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 14.350 Regarding Information Circular Requirements

September 25, 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 14, 2026, Long-Term Stock Exchange, Inc. (''LTSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing with the Commission a proposed rule change to eliminate the requirement that the Exchange distribute an information circular to Members [3] prior to the commencement of trading in each UTP Exchange Traded Product [4] that generally includes the same information as contained in the information circular approved by the listing exchange.

The text of the proposed rule change is available at the Exchange's website at *https://longtermstockexchange.com/* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement on 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 self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* LTSE Rule 1.160 w) (defining ''Member'').

[4] *See* LTSE Rule 14.350(b) (defining ''UTP Exchange Traded Product'').

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

LTSE Rule 14.350(b) governs the trading of UTP Exchange Traded Products on the Exchange. Current LTSE Rule 14.350(b)(1) provides that the Exchange distribute an information circular prior to the commencement of trading in each UTP Exchange Traded Product that generally mirrors the information circular issued by the primary listing exchange, including: (a) the special risks of trading the new Exchange Traded Product,[5] (b) the Exchange Rules that will apply to the new Exchange Traded Product, and (c) information about the dissemination of value of the underlying assets or indices. By this proposed rule change, the Exchange proposes to eliminate this requirement.

The information circular requirement is unnecessary because the primary listing exchange's information circular already provides Members with the same disclosures the Exchange is required to produce. Members have access to the primary listing exchange's information circular prior to the commencement of UTP trading and may rely upon it for the same purposes.[6] The Exchange's issuance of a separate, duplicative circular does not advance investor protection.

At the same time, the Exchange acknowledges that its duplicative information circular helpfully highlights three things: (1) the special risks of trading the new UTP Exchange Traded Product; (2) the Exchange Rules that apply to the new UTP Exchange Traded Product; and (3) information about the dissemination of value of the underlying assets or indices. To preserve the visibility of Exchange rules that relate to those things in the context of UTP Exchange Traded Products, the Exchange proposes to amend LTSE Rule 14.350(a) to add express cross-references to LTSE Rules 3.150 (Know Your Customer),[7] 3.160 (Fair Dealing with Customers),[8] 3.170 (Suitability),[9] and 3.290 (Customer Disclosures).[10] These rules already apply to Members, and therefore the proposed addition of these cross-references is not a substantive change.

Deleting the information circular requirement necessitates making a conforming change to LTSE Rule 14.350(b)(2)(B). The Exchange proposes to modify that provision to require that Members provide each purchaser of UTP Exchange Traded Products a written description of the terms and characteristics of those securities, in a form approved by the listing exchange—rather than by the Exchange—or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such securities is delivered to such purchaser. Members and their customers may rely on the listing exchange's information circular, and provision of a duplicative written description in a form approved by the Exchange does not enhance investor protection.[11]

Lastly, the Exchange proposes to renumber the subparagraphs of LTSE Rule 14.350(b) to reflect the elimination of the Information Circular subparagraph.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[12] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [13] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and

[5] *See* LTSE Rule 145.430(b) (defining ''Exchange Traded Product'').

[6] As other national securities exchanges have observed, such information circulars are generally available on the primary listing market's website. *E.g.,* Securities Exchange Act Release Nos. 105835 (July 1, 2026), 91 FR 41671, 41672 n.8 (July 7, 2026) (SR–PEARL–2026–28); 105715 (June 17, 2026), 91 FR 37477, 37478 n.5 (June 23, 2026) (SR–CboeBZX–2026–054); and 106068 (August 10, 2026), 91 FR 52384 (August 13, 2026) (SR–MEMX–2026–22).

[7] LTSE Rule 3.150 provides: ''LTSE Members shall comply with FINRA Rule 2090 as if such rule were part of the Exchange's Rules.''

[8] LTSE Rule 3.160 imposes a duty on Members to deal fairly with their customers and provides a non-exhaustive list of practices inconsistent with that duty.

[9] LTSE Rule 3.170(a) provides: ''LTSE Members and associated persons of a Member shall comply with FINRA Rule 2111 as if such rule were part of the Exchange's Rules.'' LTSE Rule 3.170(b) provides interpretive guidance for paragraph (a).

[10] LTSE Rule 3.290 prohibits a member from accepting an order from a customer for execution in the Pre-Market or Post-Market Session without disclosing to such customer that extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads, and any other relevant risk.

[11] The Exchange also proposes making a clean up change to subparagraph (B). Specifically, because subparagraph (B) contains only a single subparagraph, the Exchange proposes to eliminate the numbering of subparagraph (i).

[12] 15 U.S.C. 78f.

[13] 15 U.S.C. 78f(b)(5).

practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[14] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed deletion of current Rule 14.350(b)(1) is consistent with the Act because the primary listing exchange's information circular already provides Members with the same disclosures that the Exchange's information circular would contain. The investor protection functions historically served by the information circular requirement are independently addressed through the primary listing exchange's information circular and the Member-level obligations imposed by Rules 3.150, 3.160, 3.170, and 3.290, to which the Exchange proposes to add express cross-references in the introductory paragraph of Rule 14.350(a). The amendment to proposed Rule 14.350(b)(1)(B) ensures that where a written description is required, it is provided in a form approved by the listing exchange, thereby aligning the Exchange's requirements with those of the primary listing market. The Exchange will further notify Members by information circular that such written description will only be required when mandated by the listing exchange, ensuring that no duplicative obligation is imposed where the listing exchange has not determined one to be warranted. The renumbering of the subparagraphs of LTSE Rule 14.350(b), as well as the clean up change to current LTSE Rule 14.350(b)(2)(B), are ministerial. For these reasons, the Exchange believes the proposed rule change is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change eliminates duplicative procedural obligations applicable to the Exchange in its capacity as a UTP trading venue. It does not alter the terms or conditions under which UTP Exchange Traded Products may be traded on the Exchange, impose any new requirements on Members, or affect the ability of any market participant to access the Exchange's markets.

Members will continue to have access to the primary listing exchange's information circular prior to the commencement of UTP trading and may rely upon it for the same purposes as the Exchange's information circular. The proposed amendment to Rule 14.350(b)(1)(B) aligns the written description obligation with the primary listing market's requirements and does not impose any burden on Members beyond what the primary listing market itself requires. Accordingly, the Exchange does not believe the proposed rule change imposes any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[15] and Rule 19b–4(f)(6)[16] 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 Act[17] and Rule 19b–4(f)(6)[18] thereunder.

A proposed rule change filed under Rule 19b–4(f)(6)[19] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[20] the Commission may designate a shorter time if such action is consistent with the 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. The Exchange states that the proposed rule change eliminates duplicative procedural obligations applicable to the Exchange in its capacity as a UTP trading venue, and notes that the primary listing exchange's information circular already provides Members with the same disclosures the Exchange would otherwise be required to produce.[21] The Exchange also notes that the proposed rule change does not alter the terms or conditions under which UTP Exchange Traded Products may be traded on the Exchange. For these reasons, the Commission finds that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.[22]

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.

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–LTSE–2026–19 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange

[14] *Id.*

[15] 15 U.S.C. 78s(b)(3)(A).

[16] 17 CFR 240.19b–4(f)(6).

[17] 15 U.S.C. 78s(b)(3)(A).

[18] 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.

[19] 17 CFR 240.19b–4(f)(6).

[20] 17 CFR 240.19b–4(f)(6)(iii).

[21] The Exchange represents that such information circulars are generally available on the primary listing market's website. *See supra* note 6.

[22] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–LTSE–2026–19. 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–LTSE–2026–19 and should be submitted on or before October 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19950 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36347]

Deregistration Under Section 8(f) of the Investment Company Act of 1940

September 25, 2026.

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice of Applications for Deregistration under Section 8(f) of the Investment Company Act of 1940.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of September 2026. A copy of each application may be obtained via the Commission's website by searching for the applicable file number listed below, 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. An order granting each application will be issued unless the SEC 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 relevant applicant 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 relevant file number. Hearing requests should be received by the SEC by 5:30 p.m. on October 20, 2026, and should be accompanied by proof of service on 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 writing to the Commission's Secretary at *Secretarys-Office@sec.gov.*

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.*

FOR FURTHER INFORMATION CONTACT: Shane Duggan, Assistant Director, at (202) 551–6367 or Chief Counsel's Office at (202) 551–6821; SEC, Division of Investment Management, Chief Counsel's Office, 100 F Street NE, Washington, DC 20549–8010.

Bergstrom Financial Group Trust [File Number 811–24137]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

Filing Date: The application was filed on July 23, 2026, and amended on September 17, 2026.

Applicant's Address: 1300 Godward Street Northeast, Suite 5500, Minneapolis, Minnesota 55413.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19939 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106491; File No. SR–MRX–2026–37]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 To Establish Fees for Liquid-Cooled Cabinets

September 25, 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 14, 2026, Nasdaq MRX, LLC (''MRX'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule General 8 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power in the Exchange's expanded data center. While these amendments are immediately effective, the Exchange proposes to implement the proposed fees during the fourth calendar quarter (''Q4'') of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[23] 17 CFR 200.30–3(a)(12), (59).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange's current data center in Carteret, New Jersey, consists of the original data center, also known as ''NY11,'' and expansion areas NY11–4 and NY11–5. The Exchange proposes to amend Rule General 8, Section 1 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation, and Liquid-Cooled Cabinet Power in NY11–5. The Exchange previously filed to expand its co-location services by offering Liquid-Cooled Cabinets in NY11–5.[3] In that filing, the Exchange stated that it would submit a separate fee filing to establish fees for those services. This proposed rule change establishes those fees.

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1. In an earlier proposal, the Exchange introduced an additional cabinet option in NY11–5. Specifically, the Exchange introduced a cabinet featuring liquid cooling, a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet''). Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. The Liquid-Cooled Cabinet option is only offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center. The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of co-location services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Liquid-Cooled Cabinets are an optional premium co-location offering designed to support customer equipment with enhanced cooling capabilities. Co-location services, including the proposed offering, are voluntary, and each customer may determine whether any co-location option is appropriate for its business needs.

The Exchange proposes to establish separate installation fees for Liquid-Cooled Cabinets under Rule General 8, Section 1(a). Customers may elect to use a Nasdaq-provided Liquid-Cooled Cabinet or, unlike traditional air-cooled cabinets that must be Nasdaq-provided, may supply their own Liquid-Cooled Cabinet for use within the dedicated liquid-cooling enclosure in NY11–5. For a Nasdaq-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $5,490 and no ongoing monthly fee. The proposed $5,490 installation fee is the same NY11–4/–5 installation fee currently applicable to a standard Cabinet under Rule General 8, Section 1(a). For a customer-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $2,500 and no ongoing monthly fee.

Providing both options is appropriate because the Liquid-Cooled Cabinet offering is purpose-built for the customer within a dedicated enclosure specifically designed to support the customer's liquid-cooling infrastructure requirements. Depending on the customer's particular equipment and infrastructure needs, a customer-provided cabinet may be more appropriate, while other customers may prefer the convenience of a Nasdaq-provided cabinet. The proposed customer-provided cabinet installation fee reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, while the proposed Nasdaq-provided cabinet installation fee reflects the furnishing and installation of a Nasdaq-provided Liquid-Cooled Cabinet. Unlike the installation of a traditional air-cooled cabinet, installation of a Liquid-Cooled Cabinet involves specialized infrastructure within the dedicated NY11–5 liquid-cooling environment and additional coordination to support the customer's liquid-cooling requirements.

The Exchange also proposes to establish installation and ongoing monthly fees for Liquid-Cooled Cabinet Power as follows.

Liquid-Cooled Cabinet Power would be available only in connection with Liquid-Cooled Cabinets in NY11–5 and would be subject to a one-year, two-year, or three-year commitment, as selected by the customer. The installation fee for Liquid-Cooled Cabinet Power would consist of the applicable standard NY11–4/–5 cabinet power installation fee, as set forth in Rule General 8, Section 1(c), plus an additional per-kVA[4] Liquid-Cooled Cabinet Power installation charge. The additional per-kVA installation charge would be $1,800 per kVA for a one-year commitment, $1,650 per kVA for a two-year commitment, and $1,500 per kVA for a three-year commitment. The ongoing monthly fee would be assessed per kVA based on the customer's selected commitment term: $1,000 per kVA per month for a one-year commitment, $900 per kVA per month for a two-year commitment, and $800 per kVA per month for a three-year commitment.

[3] *See* Securities Exchange Act Release No. 105005 (Mar. 16, 2026), 91 FR 13354 (Mar. 19, 2026) (SR–MRX–2026–07).

[4] Kilovolt-Amperes (kVA) is a unit of *apparent power* used to describe the capacity of electrical circuits and equipment. In alternating current (AC) systems, power consists of two components: real power (kW) and reactive power (kVAR). Real power, or kW, is the actual usable power that performs work, such as running servers or cooling systems, whereas reactive power, or kVAR, is the power that sustains the magnetic and electric fields in equipment but does not perform useful work. Because AC systems often have both real and reactive components, kVA measures the total apparent power, which is the combination of real and reactive power—the full load the circuit must carry. The relationship between kilowatts and kVA depends on the power factor (PF) which reflects how efficiently electrical power is converted into useful work: $kW = kVA \times PF$. In the context of data center operations, electrical power is commonly expressed in two units: kilowatts (kW) and kilovolt-amperes (kVA). While these terms measure different aspects of electrical power—kW representing real power consumed by equipment and kVA representing apparent power supplied—they are closely correlated in environments where the power factor approaches unity. Modern data centers typically operate at or near a power factor of 1.0, resulting in minimal variance between kW and kVA. Accordingly, these measures, kW and kVA, are often treated as interchangeable for practical purposes.

The Exchange calculates the amount of power associated with each Liquid-Cooled Cabinet Power option using the same general power-based methodology reflected in its existing cabinet power fee schedule. For single-phase power options, the Exchange calculates kVA by multiplying volts by amps and dividing by 1,000. For three-phase power options, the Exchange calculates kVA by multiplying volts by amps by the square root of three, and then dividing by 1,000.[5]

For the Single Phase 240 Volt 20 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 20 amps, divided by 1,000, which equals 4.80 kVA.

The ongoing monthly fee is calculated by multiplying 4.80 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $4,800 for a one-year commitment, $4,320 for a two-year commitment, and $3,840 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $12,240 for a one-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,800; $11,520 for a two-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,650; and $10,800 for a three-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,500.

For the Single Phase 240 Volt 32 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 32 amps, divided by 1,000, which equals 7.68 kVA. The ongoing monthly fee is calculated by multiplying 7.68 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $7,680 for a one-year commitment, $6,912 for a two-year commitment, and $6,144 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $17,424 for a one-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,800; $16,272 for a two-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,650; and $15,120 for a three-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,500.

For the Single Phase 240 Volt 40 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 40 amps, divided by 1,000, which equals 9.60 kVA. The ongoing monthly fee is calculated by multiplying 9.60 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $9,600 for a one-year commitment, $8,640 for a two-year commitment, and $7,680 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $20,880 for a one-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,800; $19,440 for a two-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,650; and $18,000 for a three-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 20 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 20 amps multiplied by the square root of three, divided by 1,000, which equals approximately 14.38 kVA. The ongoing monthly fee is calculated by multiplying approximately 14.38 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $14,375.60 for a one-year commitment, $12,938.04 for a two-year commitment, and $11,500.48 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $30,436.08 for a one-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,800; $28,279.74 for a two-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,650; and $26,123.40 for a three-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 32 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 32 amps multiplied by the square root of three, divided by 1,000, which equals approximately 23.00 kVA. The ongoing monthly fee is calculated by multiplying approximately 23.00 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $23,000.96 for a one-year commitment, $20,700.86 for a two-year commitment, and $18,400.77 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $45,961.73 for a one-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,800; $42,511.58 for a two-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,650; and $39,061.44 for a three-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 40 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 40 amps multiplied by the square root of three, divided by 1,000, which equals approximately 28.75 kVA. The ongoing monthly fee is calculated by multiplying approximately 28.75 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $28,751.20 for a one-year commitment, $25,876.08 for a two-year commitment, and $23,000.96 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $56,312.16 for a one-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,800; $51,999.48 for a two-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,650; and $47,686.80 for a three-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 60 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 60 amps multiplied by the square root of three, divided by 1,000, which equals approximately 43.13 kVA. The ongoing monthly fee is calculated by

[5] The kilovolt-ampere (kVA) rating for each circuit was calculated using standard electrical formulas based on circuit type as follows. Single-phase circuits: ''kVA'' = (''Volts'' × ''Amps'')/1000. This converts the product of voltage and current into kilovolt-amperes. Three-phase circuits (balanced load): ''kVA'' = ($\sqrt{3}$ × ''Volts'' × ''Amps'')/1000 (1.732 × ''Volts'' × ''Amps'')/1000. The factor $\sqrt{3}$ accounts for the three-phase power configuration. These formulas were applied to each circuit type in the table to determine its kVA capacity, which was then multiplied by the proposed per kVA rates to calculate the new fee. For readability, table values reflect rounded kVA figures and fees rounded to the nearest cent. In internal calculations, the Exchange compute fees using full-precision kVA (*e.g.,* ~10.794 kVA before display rounding), which can yield penny-level variances relative to fees computed from rounded kVA values. These minor differences arise solely from the sequence of rounding (rounding kVA before vs. after fee computation) and do not affect the uniform application of the $550/kVA rate or the comparability of fees across circuit options.

multiplying approximately 43.13 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $43,130 for a one-year commitment, $38,817 for a two-year commitment, and $34,504 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $82,194 for a one-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,800; $75,724.50 for a two-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,650; and $69,255 for a three-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,500.

The proposed installation and ongoing monthly fees therefore scale with the amount of electrical capacity associated with the selected Liquid-Cooled Cabinet Power option and the length of the customer's selected commitment term. This structure applies the same calculation consistently across the available Liquid-Cooled Cabinet Power options while providing customers that elect longer commitment terms with lower per-kVA rates.

The Exchange proposes separate cabinet installation fees and tiered Liquid-Cooled Cabinet Power pricing to reflect the optional nature of the offering and the different services customers may elect. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a), and no ongoing monthly cabinet fee would apply. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, and no ongoing monthly cabinet fee would apply. The proposed tiered pricing for Liquid-Cooled Cabinet Power provides customers with lower effective rates for longer-term commitments, which supports the Exchange's continued investment in making this specialized optional offering available. The proposed fees are higher than the fees applicable to standard air-cooled cabinets and associated power because Liquid-Cooled Cabinets are a premium product that provide enhanced liquid-cooling functionality and require specialized infrastructure, shared cooling capacity, and additional operational support beyond those required for standard co-location cabinets. The Exchange believes that the proposed fees are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering.

The proposed Liquid-Cooled Cabinet offering is optional. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange, to maintain co-location services, or to access any Exchange system. Customers may continue to use existing cabinet and power offerings under Rule General 8, Section 1, as applicable. Customers that elect the Liquid-Cooled Cabinet offering may choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs.

The Exchange is offering Liquid-Cooled Cabinets in response to customer demand for infrastructure capable of supporting increasingly power-dense computing equipment. Although the Exchange is not aware of another exchange that currently offers a comparable liquid-cooled cabinet product in its co-location fee schedule, liquid-cooling technology is available in the broader data center industry and is not novel in data center or communications infrastructure. Accordingly, the proposal reflects the Exchange's effort to make available, as an optional premium co-location service, an infrastructure option that is responsive to evolving customer equipment and cooling needs. The Exchange proposes to implement the proposed fees during Q4 of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed fees are reasonable because they are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is reasonable because it is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a) and because installation of a Liquid-Cooled Cabinet is more involved than installation of a traditional air-cooled cabinet due to the specialized infrastructure and coordination required within the dedicated NY11–5 liquid-cooling environment. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet is reasonable because it applies only where the customer provides the cabinet and reflects the separate installation work associated with making the customer-provided cabinet available for use within that specialized, dedicated NY11–5 liquid-cooling environment.

The proposed Liquid-Cooled Cabinet Power installation fees are reasonable because they apply to the initial provisioning of Liquid-Cooled Cabinet Power and reflect the specialized infrastructure, configuration, and dedicated capacity associated with making the service available to a customer. The proposed ongoing monthly fees for Liquid-Cooled Cabinet Power are reasonable because they reflect the continuing availability of enhanced liquid-cooling functionality, specialized infrastructure, and capacity throughout the customer's selected commitment term.

The Exchange believes that the proposed tiered pricing is reasonable because it offers customers lower installation and monthly rates when they elect longer commitment terms. Longer-term commitments provide the Exchange with greater certainty regarding use of the specialized infrastructure and shared capacity required to support Liquid-Cooled Cabinets, and the proposed discounts are designed to encourage such commitments while allowing customers to choose the term that best fits their business needs.

The Exchange believes that the proposed fees are equitably allocated and not unfairly discriminatory because they will apply uniformly to all similarly situated customers that elect

the same Liquid-Cooled Cabinet and Liquid-Cooled Cabinet Power options in NY11–5. Customers that choose a Nasdaq-provided Liquid-Cooled Cabinet will be assessed the same Nasdaq-provided cabinet installation fee, and customers that choose a customer-provided Liquid-Cooled Cabinet will be assessed the same customer-provided cabinet installation fee. The service is optional, and customers that do not require liquid-cooling functionality may continue to use the Exchange's existing co-location cabinet and power offerings, as applicable.

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 fees apply only to an optional premium co-location service. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange or to receive co-location services, and customers will continue to have existing options for cabinet and power offerings to satisfy their business needs.

The Exchange believes that the proposal may enhance competition by expanding the range of optional co-location services available to customers, including customers that seek infrastructure options designed to support increasingly power-dense equipment. The proposal also gives customers flexibility to choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs. The proposed fee structure reflects the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power, and customers remain free to use existing cabinet and power offerings to satisfy their business needs. Accordingly, the Exchange does not believe that the proposal will impose any burden on intermarket or intramarket competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[6]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–MRX–2026–37 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–MRX–2026–37. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–MRX–2026–37 and should be submitted on or before October 21, 2026.

[6] 15 U.S.C. 78s(b)(3)(A)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19948 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0804]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 13f–2—Short Position and Short Activity Reporting by Institutional Investment Managers

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (SEC or ''Commission'') is soliciting comments on the existing collection of information provided for in Rule 13f–2 and related Form SHO (17 CFR 240.13f–2 and 17 CFR 249.332). The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Rule 13f–2 is designed to fulfill the requirements of Exchange Act Section 13(f)(2) and provide greater transparency through the publication of certain short sale related data to investors and other market participants by requiring certain Institutional Investment Managers (''Managers'') to report to the Commission, on a monthly basis on Form SHO, certain short position data and short activity data for certain equity securities. More information about the short sale activity and gross short positions of reporting Managers [1] may promote greater risk management among market participants, and may facilitate capital formation to the extent that greater transparency bolsters confidence in the markets.

[7] 17 CFR 200.30–3(a)(12).

[1] As defined in Section 13(f)(6)(A) of the Exchange Act and for purposes of Rule 13f–2, ''institutional investment manager'' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person. As such, the term ''institutional investment manager'' typically can include investment advisers, banks, insurance companies, broker-dealers, pension funds and corporations.

Rule 13f–2 and Form SHO increase transparency regarding short position and short activity data to both market participants and regulators. Certain provisions of Rule 13f–2 and related Form SHO impose ''collection of information'' requirements within the meaning of the Paperwork Reduction Act of 1995 (''PRA''). Form SHO and the aggregated data published pursuant to Rule 13f–2 increase transparency and provide several important benefits to market participants and regulators. Such aggregated information helps inform market participants regarding the overall short sale activity by reporting Managers. The Commission's regular access to Form SHO data bolsters the Commission's oversight of short selling, as Rule 13f–2 and Form SHO improve the utility of information available to the Commission and other regulators. The short sale related information collected under Rule 13f–2 and Form SHO fill an information gap for market participants and regulators because the short position data reported pursuant to Rule 13f–2 on Form SHO supplements the short sale information that is currently publicly available from FINRA and the exchanges. The title for the information collections is ''Short Position and Short Activity Reporting by Institutional Investment Managers.''

There are approximately 1,000 respondents per year that require an aggregate total of approximately 269,808 hours to comply with Rule 13f–2 and related Form SHO. Each respondent makes an estimated 12 annual responses. Each response will take an estimated 20 hours to comply and 2 hours to file. Additionally, each month, the Commission estimates an additional 22 amended response. Thus, the total hour burden per year is approximately 269,808 hours.[2]

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202607-3235-015* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by November 2, 2026.

[2] Total annual burden 269,808 hours = 240,000 hours complying (1,000 respondents × 12 responses × 20 hours per response) plus 24,000 hours filing (1,000 respondents × 12 responses × 2 hours per response) plus 5,280 hours amending reports (22 respondents × 12 responses × 20 hours per response) plus 528 hours for amended filings (22 respondents × 12 responses × 2 hours per response).

Dated: September 28, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20054 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106496; File No. SR–NasdaqTX–2026–044]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 To Establish Fees for Liquid-Cooled Cabinets

September 25, 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 14, 2026, Nasdaq Texas, LLC (''Nasdaq Texas'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule General 8 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power in the Exchange's expanded data center. While these amendments are immediately effective, the Exchange proposes to implement the proposed fees during the fourth calendar quarter (''Q4'') of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaqtx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange's current data center in Carteret, New Jersey, consists of the original data center, also known as ''NY11,'' and expansion areas NY11–4 and NY11–5. The Exchange proposes to amend Rule General 8, Section 1 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation, and Liquid-Cooled Cabinet Power in NY11–5. The Exchange previously filed to expand its co-location services by offering Liquid-Cooled Cabinets in NY11–5.[3] In that filing, the Exchange stated that it would submit a separate fee filing to establish fees for those services. This proposed rule change establishes those fees.

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1. In an earlier proposal, the Exchange introduced an additional cabinet option in NY11–5. Specifically, the Exchange introduced a cabinet featuring liquid cooling, a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet''). Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 105008 (Mar. 16, 2026), 91 FR 13357 (Mar. 19, 2026) (SR–NasdaqTX–2026–004).

cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. The Liquid-Cooled Cabinet option is only offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center. The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of co-location services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Liquid-Cooled Cabinets are an optional premium co-location offering designed to support customer equipment with enhanced cooling capabilities. Co-location services, including the proposed offering, are voluntary, and each customer may determine whether any co-location option is appropriate for its business needs.

The Exchange proposes to establish separate installation fees for Liquid-Cooled Cabinets under Rule General 8, Section 1(a). Customers may elect to use a Nasdaq-provided Liquid-Cooled Cabinet or, unlike traditional air-cooled cabinets that must be Nasdaq-provided, may supply their own Liquid-Cooled Cabinet for use within the dedicated liquid-cooling enclosure in NY11–5. For a Nasdaq-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $5,490 and no ongoing monthly fee. The proposed $5,490 installation fee is the same NY11–4/–5 installation fee currently applicable to a standard Cabinet under Rule General 8, Section 1(a). For a customer-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $2,500 and no ongoing monthly fee.

Providing both options is appropriate because the Liquid-Cooled Cabinet offering is purpose-built for the customer within a dedicated enclosure specifically designed to support the customer's liquid-cooling infrastructure requirements. Depending on the customer's particular equipment and infrastructure needs, a customer-provided cabinet may be more appropriate, while other customers may prefer the convenience of a Nasdaq-provided cabinet. The proposed customer-provided cabinet installation fee reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, while the proposed Nasdaq-provided cabinet installation fee reflects the furnishing and installation of a Nasdaq-provided Liquid-Cooled Cabinet. Unlike the installation of a traditional air-cooled cabinet, installation of a Liquid-Cooled Cabinet involves specialized infrastructure within the dedicated NY11–5 liquid-cooling environment and additional coordination to support the customer's liquid-cooling requirements.

The Exchange also proposes to establish installation and ongoing monthly fees for Liquid-Cooled Cabinet Power as follows.

Liquid-Cooled Cabinet Power would be available only in connection with Liquid-Cooled Cabinets in NY11–5 and would be subject to a one-year, two-year, or three-year commitment, as selected by the customer. The installation fee for Liquid-Cooled Cabinet Power would consist of the applicable standard NY11–4/–5 cabinet power installation fee, as set forth in Rule General 8, Section 1(c), plus an additional per-kVA [4] Liquid-Cooled Cabinet Power installation charge. The additional per-kVA installation charge would be $1,800 per kVA for a one-year commitment, $1,650 per kVA for a two-year commitment, and $1,500 per kVA for a three-year commitment. The ongoing monthly fee would be assessed per kVA based on the customer's selected commitment term: $1,000 per kVA per month for a one-year commitment, $900 per kVA per month for a two-year commitment, and $800 per kVA per month for a three-year commitment.

The Exchange calculates the amount of power associated with each Liquid-Cooled Cabinet Power option using the same general power-based methodology reflected in its existing cabinet power fee schedule. For single-phase power options, the Exchange calculates kVA by multiplying volts by amps and dividing by 1,000. For three-phase power options, the Exchange calculates kVA by multiplying volts by amps by the square root of three, and then dividing by 1,000.[5]

For the Single Phase 240 Volt 20 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 20 amps, divided by 1,000, which equals 4.80 kVA.

The ongoing monthly fee is calculated by multiplying 4.80 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $4,800 for a one-year commitment, $4,320 for a two-year commitment, and $3,840 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $12,240 for a one-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,800; $11,520 for a two-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,650; and $10,800 for a three-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,500.

For the Single Phase 240 Volt 32 Amp option, the Exchange calculates the

[4] Kilovolt-Amperes (kVA) is a unit of *apparent power* used to describe the capacity of electrical circuits and equipment. In alternating current (AC) systems, power consists of two components: real power (kW) and reactive power (kVAR). Real power, or kW, is the actual usable power that performs work, such as running servers or cooling systems, whereas reactive power, or kVAR, is the power that sustains the magnetic and electric fields in equipment but does not perform useful work. Because AC systems often have both real and reactive components, kVA measures the total apparent power, which is the combination of real and reactive power—the full load the circuit must carry. The relationship between kilowatts and kVA depends on the power factor (PF) which reflects how efficiently electrical power is converted into useful work: kW = kVA × PF. In the context of data center operations, electrical power is commonly expressed in two units: kilowatts (kW) and kilovolt-amperes (kVA). While these terms measure different aspects of electrical power—kW representing real power consumed by equipment and kVA representing apparent power supplied—they are closely correlated in environments where the power factor approaches unity. Modern data centers typically operate at or near a power factor of 1.0, resulting in minimal variance between kW and kVA. Accordingly, these measures, kW and kVA, are often treated as interchangeable for practical purposes.

[5] The kilovolt-ampere (kVA) rating for each circuit was calculated using standard electrical formulas based on circuit type as follows. Single-phase circuits: ''kVA''=(''Volts'' × ''Amps'')/1000. This converts the product of voltage and current into kilovolt-amperes. Three-phase circuits (balanced load): ''kVA''=($\sqrt{3}$ × ''Volts'' × ''Amps'')/1000 (1.732 × ''Volts'' × ''Amps'')/1000. The factor $\sqrt{3}$ accounts for the three-phase power configuration. These formulas were applied to each circuit type in the table to determine its kVA capacity, which was then multiplied by the proposed per kVA rates to calculate the new fee. For readability, table values reflect rounded kVA figures and fees rounded to the nearest cent. In internal calculations, the Exchange compute fees using full-precision kVA (*e.g.,* ~10.794 kVA before display rounding), which can yield penny-level variances relative to fees computed from rounded kVA values. These minor differences arise solely from the sequence of rounding (rounding kVA before vs. after fee computation) and do not affect the uniform application of the $550/kVA rate or the comparability of fees across circuit options.

associated kVA as 240 volts multiplied by 32 amps, divided by 1,000, which equals 7.68 kVA. The ongoing monthly fee is calculated by multiplying 7.68 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $7,680 for a one-year commitment, $6,912 for a two-year commitment, and $6,144 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $17,424 for a one-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,800; $16,272 for a two-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,650; and $15,120 for a three-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,500.

For the Single Phase 240 Volt 40 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 40 amps, divided by 1,000, which equals 9.60 kVA. The ongoing monthly fee is calculated by multiplying 9.60 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $9,600 for a one-year commitment, $8,640 for a two-year commitment, and $7,680 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $20,880 for a one-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,800; $19,440 for a two-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,650; and $18,000 for a three-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 20 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 20 amps multiplied by the square root of three, divided by 1,000, which equals approximately 14.38 kVA. The ongoing monthly fee is calculated by multiplying approximately 14.38 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $14,375.60 for a one-year commitment, $12,938.04 for a two-year commitment, and $11,500.48 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $30,436.08 for a one-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,800; $28,279.74 for a two-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,650; and $26,123.40 for a three-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 32 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 32 amps multiplied by the square root of three, divided by 1,000, which equals approximately 23.00 kVA. The ongoing monthly fee is calculated by multiplying approximately 23.00 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $23,000.96 for a one-year commitment, $20,700.86 for a two-year commitment, and $18,400.77 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $45,961.73 for a one-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,800; $42,511.58 for a two-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,650; and $39,061.44 for a three-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 40 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 40 amps multiplied by the square root of three, divided by 1,000, which equals approximately 28.75 kVA. The ongoing monthly fee is calculated by multiplying approximately 28.75 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $28,751.20 for a one-year commitment, $25,876.08 for a two-year commitment, and $23,000.96 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $56,312.16 for a one-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,800; $51,999.48 for a two-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,650; and $47,686.80 for a three-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 60 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 60 amps multiplied by the square root of three, divided by 1,000, which equals approximately 43.13 kVA. The ongoing monthly fee is calculated by multiplying approximately 43.13 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $43,130 for a one-year commitment, $38,817 for a two-year commitment, and $34,504 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $82,194 for a one-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,800; $75,724.50 for a two-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,650; and $69,255 for a three-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,500.

The proposed installation and ongoing monthly fees therefore scale with the amount of electrical capacity associated with the selected Liquid-Cooled Cabinet Power option and the length of the customer's selected commitment term. This structure applies the same calculation consistently across the available Liquid-Cooled Cabinet Power options while providing customers that elect longer commitment terms with lower per-kVA rates.

The Exchange proposes separate cabinet installation fees and tiered Liquid-Cooled Cabinet Power pricing to reflect the optional nature of the offering and the different services customers may elect. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a), and no ongoing monthly cabinet fee would apply. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, and no ongoing monthly cabinet fee would apply. The proposed tiered pricing for Liquid-Cooled Cabinet Power provides customers with lower effective rates for longer-term commitments, which supports the Exchange's continued investment in making this specialized optional

offering available. The proposed fees are higher than the fees applicable to standard air-cooled cabinets and associated power because Liquid-Cooled Cabinets are a premium product that provide enhanced liquid-cooling functionality and require specialized infrastructure, shared cooling capacity, and additional operational support beyond those required for standard co-location cabinets. The Exchange believes that the proposed fees are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering.

The proposed Liquid-Cooled Cabinet offering is optional. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange, to maintain co-location services, or to access any Exchange system. Customers may continue to use existing cabinet and power offerings under Rule General 8, Section 1, as applicable. Customers that elect the Liquid-Cooled Cabinet offering may choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs.

The Exchange is offering Liquid-Cooled Cabinets in response to customer demand for infrastructure capable of supporting increasingly power-dense computing equipment. Although the Exchange is not aware of another exchange that currently offers a comparable liquid-cooled cabinet product in its co-location fee schedule, liquid-cooling technology is available in the broader data center industry and is not novel in data center or communications infrastructure. Accordingly, the proposal reflects the Exchange's effort to make available, as an optional premium co-location service, an infrastructure option that is responsive to evolving customer equipment and cooling needs. The Exchange proposes to implement the proposed fees during Q4 of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed fees are reasonable because they are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is reasonable because it is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a) and because installation of a Liquid-Cooled Cabinet is more involved than installation of a traditional air-cooled cabinet due to the specialized infrastructure and coordination required within the dedicated NY11–5 liquid-cooling environment. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet is reasonable because it applies only where the customer provides the cabinet and reflects the separate installation work associated with making the customer-provided cabinet available for use within that specialized, dedicated NY11–5 liquid-cooling environment.

The proposed Liquid-Cooled Cabinet Power installation fees are reasonable because they apply to the initial provisioning of Liquid-Cooled Cabinet Power and reflect the specialized infrastructure, configuration, and dedicated capacity associated with making the service available to a customer. The proposed ongoing monthly fees for Liquid-Cooled Cabinet Power are reasonable because they reflect the continuing availability of enhanced liquid-cooling functionality, specialized infrastructure, and capacity throughout the customer's selected commitment term.

The Exchange believes that the proposed tiered pricing is reasonable because it offers customers lower installation and monthly rates when they elect longer commitment terms. Longer-term commitments provide the Exchange with greater certainty regarding use of the specialized infrastructure and shared capacity required to support Liquid-Cooled Cabinets, and the proposed discounts are designed to encourage such commitments while allowing customers to choose the term that best fits their business needs.

The Exchange believes that the proposed fees are equitably allocated and not unfairly discriminatory because they will apply uniformly to all similarly situated customers that elect the same Liquid-Cooled Cabinet and Liquid-Cooled Cabinet Power options in NY11–5. Customers that choose a Nasdaq-provided Liquid-Cooled Cabinet will be assessed the same Nasdaq-provided cabinet installation fee, and customers that choose a customer-provided Liquid-Cooled Cabinet will be assessed the same customer-provided cabinet installation fee. The service is optional, and customers that do not require liquid-cooling functionality may continue to use the Exchange's existing co-location cabinet and power offerings, as applicable.

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 fees apply only to an optional premium co-location service. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange or to receive co-location services, and customers will continue to have existing options for cabinet and power offerings to satisfy their business needs.

The Exchange believes that the proposal may enhance competition by expanding the range of optional co-location services available to customers, including customers that seek infrastructure options designed to support increasingly power-dense equipment. The proposal also gives customers flexibility to choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs. The proposed fee structure reflects the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power, and customers remain free to use existing cabinet and power offerings to satisfy their business needs. Accordingly, the Exchange does not believe that the proposal will impose any burden on intermarket or intramarket competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[6]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–NasdaqTX–2026–044 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–NasdaqTX–2026–044. 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–2026–044 and should be submitted on or before October 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19951 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

[6] 15 U.S.C. 78s(b)(3)(A)(ii).

[7] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0085]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 17a–11

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (''PRA''), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget (''OMB'') a request for extension of the previously approved collection of information provided for in Rule 17a–11, Notification Provisions for Brokers and Dealers (17 CFR 240.17a–11), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (''Exchange Act'').

Rule 17a–11 was adopted on July 11, 1971 in response to an operational crisis in the securities industry between 1967 and 1970. Rule 17a–11 requires broker-dealers that are experiencing financial or operational difficulties to provide notice to the Commission, the broker-dealer's designated examining authority (''DEA''), and the Commodity Futures Trading Commission (''CFTC'') if the broker-dealer is registered with the CFTC as a futures commission merchant. Rule 17a–11 is an integral part of the Commission's financial responsibility program which enables the Commission, a broker-dealer's DEA, and the CFTC to increase surveillance of a broker-dealer experiencing difficulties and to obtain any additional information necessary to gauge the broker-dealer's financial or operational condition.

Rule 17a–11 also requires over-the-counter derivatives dealers and broker-dealers that are permitted to compute net capital pursuant to Appendix E to Exchange Act Rule 15c3–1 to notify the Commission when their tentative net capital drops below certain levels.

To ensure the provision of these types of notices to the Commission, Rule 17a–11 requires every national securities exchange or national securities association to notify the Commission when it learns that a member broker-dealer has failed to send a notice or transmit a report required under the rule.

Compliance with the rule is mandatory. The Commission will generally not publish or make available to any person notices or reports received pursuant to Rule 17a–11. The Commission believes that information obtained under Rule 17a–11 relates to a condition report prepared for the use of the Commission, other federal governmental authorities, and securities industry self-regulatory organizations responsible for the regulation or supervision of financial institutions.

The Commission estimates that the total hour burden under Rule 17a–11 is approximately 201 hours per year.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202607-3235-013* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by November 2, 2026.

Dated: September 28, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20055 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106503; File No. SR–MX2–2026–07]

Self-Regulatory Organizations; MX2 LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Establish a Monthly Review of Professional Orders

September 25, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the

''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 15, 2026, MX2 LLC (''MX2'' 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 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 is filing with the Commission a proposed rule change to amend Rule 16.1, (Definitions) to establish a monthly review of Professional Orders.[3] The text of the proposed rule change is provided in Exhibit 5 and is available on the Exchange's website at *https://info.memxtrading.com/regulation/rules-and-filings/.*

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 16.1 (Definitions) to establish a monthly review of Professional orders. This filing is based on a proposal recently submitted by Nasdaq ISE, LLC (''ISE'').[4]

Today, per the definition of Professional under Rule 16.1, orders for any Public Customer[5] that averages more than 390 orders per day during any month must be represented as Professional orders. Historically, the requirement to review for accurate order marking was done on a quarterly basis,[6] however, other exchanges, including ISE and the Exchange's affiliate, MEMX Options, have recently amended their rules to a monthly review.[7] In light of the recent launch of MX2 Options,[8] the Exchange wishes to codify the timing of its Members'[9] review of Public Customers' activities in the rule in order to align with the rules of these other exchanges. Specifically, the Exchange wishes to amend its rule such that Members are required to review their Public Customers' activity and designate orders as Public Customer Orders or Professional orders on a monthly basis.

In doing so, the Exchange proposes to state under the definition of ''Professional'' in Rule 16.1 that orders for any customer that had an average of more than 390 orders per day during any calendar month must be represented as Professional orders for the next calendar month.

As noted, current industry practice requires market participants to monitor Public Customer Orders to determine if the Public Customer has averaged more than 390 orders per day during a month. Determining whether a Public Customer has executed more than 390 orders per day during a month requires computing a daily average. As such, market participants should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal will not require market participants to change current workflow, rather, the proposal establishes a specific timeframe in the Exchange's rules to change the manner in which the customer's order is being represented five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor will it impose any burden on any Member because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average, and other exchanges have adopted the same requirement, including the Exchange's affiliate, MEMX Options.[10] Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the Professional designation for purposes of determining best execution and making appropriate recommendations. Finally, it is the Exchange's understanding that on other exchanges, some market participants currently designate a Public Customer that has averaged more than 390 orders per day during a month as a Professional on a more expedited basis, not waiting until five days after the quarter.

The Exchange notes that the trading behavior of a Public Customer can be distinguished from that of a Professional which is the purpose of the separate designations. The Exchange believes that identifying Professional orders based upon the average number of orders entered in qualified accounts is an appropriately objective approach to reasonably distinguish such persons and entities from retail investors or market participants.

2. Statutory Basis

The Exchange believes the proposal is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[11] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[12] requirements that the rules of an exchange be designed to prevent

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 16.1. The term ''Professional'' means any person or entity that (A) is not a broker or dealer in securities; and (B) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). All Professional orders shall be appropriately marked by Options Members.

[4] *See* Securities Exchange Act No. 105218 (April 13, 2026) 91 FR 20542 (April 16, 2026) (SR–ISE–2026–16) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Review of Professional Orders.)

[5] *See* Exchange Rule 16.1. A ''Public Customer'' means a person that is not a broker or dealer in securities.

[6] The requirement to review Public Customers' activity on at least a quarterly basis to determine whether orders that are not for the account of a broker-dealer should be represented as Public Customer Orders or Professional Orders is not in the current rule text, however it was an industry requirement and was described in the adopting proposals filed by the other options exchanges. *See, e.g.,* Securities Exchange Act Release Nos. 77853 (May 19, 2016), 81 FR 33301 (May 25, 2016) (SR–MIAX–2016–11) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Exchange Rule 100 Concerning Professional Customers); 78788 (September 8, 2016), 81 FR 63252 (September 14, 2016) (SR–ISE–2016–19) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add Specificity to the Definition of a Professional in the Exchange's Rules); 77054 (February 4, 2016), 81 FR 7166 (February 10, 2016) (SR–Phlx–2016–10) (Notice of Filing of Proposed Rule Change Relating to Professional Customer Definition). The instant proposal seeks to codify the timing for review of Public Customers' activities in advance of the launch of MX2 Options.

[7] *See* Securities Exchange Act Release No. 105878 (July 10, 2026), 91 FR 43442 (July 15, 2026) (SR–MEMX–2026–20).

[8] MX2 Options launched on September 14, 2026. See: *https://memx.com/insights/september-2026-go-live-date-for-mx2-options.*

[9] *See* Exchange Rule 1.5(p). The term ''Member'' means any registered broker or dealer that has been admitted to membership in the Exchange.

[10] *See supra* note 9.

[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(5).

fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange's proposal to codify and establish a monthly look-back is consistent with the Act because it will ensure that its rules align with those of other options exchanges. Further, the Exchange believes that the codified time period will promote consistency in the treatment of orders as Professional orders while also preventing Members with high volume from receiving benefits reserved for Public Customer Orders.

As noted, current industry practice requires market participants to monitor Public Customer Orders to determine if the Public Customer has averaged more than 390 orders per day during a month. Determining whether a Public Customer has executed more than 390 orders per day during a month requires computing a daily average. As such, participants should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal does not amend the current workflow, rather, the proposal establishes a specific timeframe to change the manner in which the customer's order is being represented five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor does it impose any burden on any Member because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average. Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the Professional designation for purposes of determining best execution and making appropriate recommendations. Finally, it is the Exchange's understanding that on other exchanges, some market participants currently designate a Public Customer that has averaged more than 390 orders per day during a month as a Professional on a more expedited basis, not waiting until five days after the quarter.

The Exchange notes that the trading behavior of a Public Customer can be distinguished from that of a Professional which is the purpose of the separate designations. The Exchange continues to believe that identifying Professional orders based upon the average number of orders entered in qualified accounts is an appropriately objective approach to reasonably distinguish such persons and entities from retail investors or market participants. Priority is one of the marketplace advantages provided to Public Customer orders on the Exchange. Priority Customer Orders [13] are given execution priority over non-Customer orders and quotations of market makers at the same price. Another marketplace advantage afforded to Priority Customer orders on the Exchange is that Members are generally not assessed transaction fees for the execution of Priority Customer orders. The purpose of these marketplace advantages is to attract retail order flow to the Exchange by leveling the playing field for retail investors over market Professionals. This proposal will continue to provide Priority Customer accounts with marketplace advantages and distinguish the accounts of non-Professional retail investors from Professional accounts. The Exchange notes that some non-broker-dealer individuals and entities have access to information and technology that enables them to Professionally trade listed options in the same manner as a broker or dealer in securities.

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. In this regard and as indicated above, the Exchange notes that the rule change is substantially similar to a filing recently submitted by ISE and the Exchange's affiliate, MEMX Options.[14]

Specifically, the Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because market participants have begun the monthly lookback on other exchanges, and the proposal does not amend the current workflow, rather, it establishes a timeframe to change the manner in which the customer's order is being represented to five days at the end of each calendar month.

Further, the designation of Professional orders would not result in any different treatment of such orders for purposes of compliance with the Exchange's Rules. Priority Customers have been granted certain priority over other non-broker-dealer individuals and entities that have access to information and technology that enables them to Professionally trade listed options in the same manner as a broker or dealer in securities. Further, the Priority Customer designation allows the Exchange to attract order flow or create more competitive markets.

Also, the Exchange does not believe that the proposed rule change will impose any burden on inter-market competition because other exchanges have adopted the same rule, and this proposal is being submitted in order to align MX2's rulebook with other exchanges, including its affiliate, MEMX Options.[15]

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 Act [16] and subparagraph (f)(6) of Rule 19b–4 thereunder.[17]

A proposed rule change filed under Rule 19b–4(f)(6) [18] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[19] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon

[13] The term ''Priority Customer'' means any person or entity that is not: (A) a broker or dealer in securities; or (B) a Professional. The term ''Priority Customer Order'' means an order for the account of a Priority Customer. *See* Rule 16.1.

[14] *See supra* notes 6 and 9.

[15] *Id.*

[16] 15 U.S.C. 78s(b)(3)(A)(iii).

[17] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization 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.

[18] 17 CFR 240.19b–4(f)(6).

[19] 17 CFR 240.19b–4(f)(6)(iii).

filing. The Exchange states that waiver of the operative delay would allow the Exchange to immediately adopt new language to establish a monthly review for Members to determine whether the activity of a customer meets the criteria for the orders to be designated as Professional Orders upon launch of MX2 Options. Furthermore, the proposed rule change raises no new or novel legal or regulatory issues. For these reasons, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.[20]

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.

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–MX2–2026–07 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–MX2–2026–07. 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 also 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–MX2–2026–07 and should be submitted on or before October 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[21]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19954 Filed 9–29–26; 8:45 am]

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[20] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[21] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106498; File No. SR–FICC–2026–007]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Partial Amendment No. 1, and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Partial Amendment No. 1, To Modify the GSD Rules To Adopt a U.S. Treasury Clearing Trade Submission Requirement

September 25, 2026.

I. Introduction

On June 24, 2026, Fixed Income Clearing Corporation (''FICC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change SR–FICC–2026–007 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (''Exchange Act'') [1] and Rule 19b–4 [2] thereunder to modify FICC's Government Securities Division (''GSD'') Rulebook (''GSD Rules'') [3] to adopt (1) a requirement for each Netting Member to submit all eligible secondary market transactions in U.S. Treasury securities to which it is a counterparty for central clearing, (2) provisions to monitor and enforce the trade submission requirement, and (3) other revisions to clarify, conform, and enhance the disclosures of the GSD Rules (the ''Proposed Rule Change'').[4] The Proposed Rule Change was published for public comment in the **Federal Register** on July 9, 2026.[5] The Commission has received comments regarding the substance of the changes proposed in the Proposed Rule Change.[6]

On August 11, 2026, pursuant to Section 19(b)(2) of the Exchange Act,[7] the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.[8] On September 10, 2026, FICC filed Partial Amendment No. 1 to the Proposed Rule Change,[9] as described below.

The Commission is publishing notice to solicit comments on the Proposed Rule Change, as modified by Partial Amendment No. 1, and is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act,[10] to determine whether to approve or disapprove the Proposed Rule Change, as modified by Partial Amendment No. 1.

II. Summary of the Proposed Rule Change

On December 13, 2023, the Commission adopted amendments to the covered clearing agency standards that apply to covered clearing agencies that clear transactions in U.S. Treasury securities, including FICC.[11] These amendments require, among other things, that FICC establish objective, risk-based, and publicly disclosed criteria for participation that (1) require FICC's Netting Members to submit for clearance and settlement all of the eligible secondary market transactions to which they are a counterparty, and (2) identify and monitor Netting Members' submission of eligible secondary market transactions to which they are a counterparty, including how FICC would address a failure to submit transactions in accordance with this requirement.[12] FICC states that the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Terms not defined herein are defined in the GSD Rules, *available at www.dtcc.com/~/media/Files/Downloads/legal/rules/ficc_gov_rules.pdf.*

[4] *See* Notice of Filing, *infra* note 5.

[5] Securities Exchange Act Release No. 105849 (July 6, 2026), 91 FR 42571 (July 9, 2026) (File No. SR–FICC–2026–007) (''Notice of Filing'').

[6] Comments on the Proposed Rule Change are available at *https://www.sec.gov/rules-regulations/public-comments/sr-ficc-2026-007.*

[7] 15 U.S.C. 78s(b)(2).

[8] Securities Exchange Act Release No. 106055 (Aug. 6, 2026), 91 FR 51815 (Aug. 11, 2026) (File No. SR–FICC–2026–007).

[9] Partial Amendment No. 1 to the Proposed Rule Change is available at *https://www.sec.gov/comments/SR-FICC-2026-007/srficc2026007-1039500-3452872.pdf.*

[10] 15 U.S.C. 78s(b)(2)(B).

[11] 17 CFR 240.17ad–22(e)(18)(iv)(A) and (B). *See* Securities Exchange Act Release No. 99149 (Dec. 13, 2023), 89 FR 2714 (Jan. 16, 2024) (''Adopting Release,'' and the rules adopted therein are referred to herein as ''Treasury Clearing Rules'').

[12] *Id.*

Proposed Rule Change is designed to comply with the foregoing requirements.[13]

First, the Proposed Rule Change would adopt an ongoing membership requirement for all Netting Members to submit for clearance and settlement all eligible secondary market transactions to which they are a counterparty (the ''Trade Submission Requirement'').[14] The Proposed Rule change includes a definition of ''Eligible Secondary Market Transaction'' by reference to the Treasury Clearing Rules.[15] FICC states the proposed definition of Eligible Secondary Market Transaction is designed to, among other things, ensure that the Trade Submission Requirement is consistent with the Treasury Clearing Rules.[16]

Second, the Proposed Rule Change would adopt provisions designed to enable FICC to identify and monitor Netting Members' ongoing compliance with the Trade Submission Requirement.[17] The Proposed Rule Change includes affirmative obligations on Netting Members to notify FICC of non-compliance with the Trade Submission Requirement.[18] The Proposed Rule Change would also extend FICC's existing authority to request information or review a Netting Member's books and records to FICC's monitoring and verification, as needed, of compliance with the Trade Submission Requirement.[19]

The Proposed Rule Change would also adopt disciplinary measures that FICC would take if a Netting Member fails to meet its obligations under the new rules, which would include a fine and notifications to applicable regulatory authorities.[20] The fine would be incorporated into the GSD Fine Schedule and would be waived for any Netting Member that self-reports non-compliance and remediates such non-compliance within a specified timeframe.[21]

Finally, the Proposed Rule Change would make non-substantive revisions to re-organize, clarify, and conform the GSD Rules to improve their accuracy and transparency.[22]

[13] *See* Notice of Filing at 42571–72, *supra* note 5.
[14] *See* Notice of Filing at 42572–73, *supra* note 5.
[15] *See id.; see also* 17 CFR 240.17ad–22(a).
[16] *See* Notice of Filing at 42571–72, *supra* note 5.
[17] *See* Notice of Filing at 42573–74, *supra* note 5.
[18] *See* Notice of Filing at 42574, *supra* note 5.
[19] *See id.*
[20] *See* Notice of Filing at 42574–75, *supra* note 5.
[21] *See id.*
[22] *See* Notice of Filing at 42575, *supra* note 5.

III. Summary of Partial Amendment No. 1 to the Proposed Rule Change

On September 10, 2026, FICC filed Partial Amendment No. 1 to the Proposed Rule Change.[23] Partial Amendment No. 1 would modify the Proposed Rule Change by making revisions to the (1) requirements on Netting Members to notify FICC of non-compliance with the Trade Submission Requirement, and (2) enforcement provisions for non-compliance with the Trade Submission Requirement.[24]

1. Requirement To Notify FICC of Non-Compliance

As originally proposed in the Proposed Rule Change, the requirement on Netting Members to notify FICC of non-compliance with the Trade Submission Requirement would include, among other things, the identification and contact information of the member of the Netting Member's Controlling Management that is overseeing the matter.[25] The GSD Rules define the term ''Controlling Management'' to mean the Chief Executive Officer, the Chief Financial Officer, and the Chief Operations Officer, or their equivalents.[26] Partial Amendment No. 1 would modify the original proposal by removing the requirement to identify a member of the Netting Member's Controlling Management, instead, requiring the Netting Member to identify an officer in the Netting Member's compliance group (or equivalent function) that is overseeing the matter.[27] Additionally, Partial Amendment No. 1 would modify the original proposal by adding a statement to the GSD Rules providing that FICC will make available to Netting Members technical details regarding submission and guidelines on the content for notifications of non-compliance with the Trade Submission Requirement.[28]

As originally proposed in the Proposed Rule Change, the requirement on Netting Members to notify FICC of non-compliance with the Trade Submission Requirement would include, among other things, information regarding the Netting Member's efforts to remediate the non-compliance.[29] Partial Amendment No. 1 would provide that FICC would determine, in its sole discretion, whether the evidence of, or plan for, remediation provided by the Netting Member is both adequate and appropriate in consideration of the facts and circumstances surrounding the occasion of non-compliance.[30] FICC states that it is appropriate to retain flexibility in assessing the remediation efforts of Netting Members because the circumstances in which non-compliance could occur may vary widely.[31] For example, human error could lead to one or a few Eligible Secondary Market Transactions from being submitted or, alternatively, a wider scope operational failure could cause many transactions to fail to be submitted over a period of time.[32] FICC states that the remediation of different occasions of non-compliance would likewise vary.[33] Partial Amendment No. 1 would clarify to Netting Members that such remediation may include, for example, addressing the root cause of the occasion of non-compliance and, where practical and appropriate, submission of any Eligible Secondary Market Transactions that had not been submitted as a result of the non-compliance.[34] Partial Amendment No. 1 would also make clear that a plan for remediation may be acceptable, for example, when remediation of a larger operational issue may take some time to implement.[35]

2. Enforcement of Trade Submission Requirement

As originally proposed in the Proposed Rule Change, a Netting Member that fails to comply with the Trade Submission Requirement would be subject to a fine of $10,000.[36] However, a Netting Member that notifies FICC of its non-compliance with the Trade Submission Requirement before such non-compliance is independently discovered by FICC would be provided a cure period of 30 Business days before the applicable disciplinary measures are taken.[37]

Partial Amendment No. 1 would make several revisions to the Fine Schedule as originally proposed in the Proposed Rule Change.[38] Partial Amendment No.

[23] *See* Partial Amendment No. 1, *supra* note 9.
[24] *See id.*
[25] *See* Notice of Filing at 42574, *supra* note 5.
[26] *See* GSD Rule 1, *supra* note 3.
[27] *See* Partial Amendment No. 1, *supra* note 9.
[28] *See id.*
[29] *See* Notice of Filing at 42574, *supra* note 5.
[30] FICC states that while it would retain discretion in assessing Netting Members' evidence or, or plan for, remediation, FICC would work closely with Netting Members to ensure remediation efforts are both adequate and appropriate. *See* Partial Amendment No. 1, *supra* note 9.
[31] *See id.*
[32] *See id.*
[33] *See id.*
[34] *See id.*
[35] *See id.*
[36] *See* Notice of Filing at 42575, *supra* note 5.
[37] *See id.*
[38] *See* Partial Amendment No. 1, *supra* note 9.

1 would replace the $10,000 fine with an escalating scale of fines that would re-set every 12 months.[39] The first occasion of non-compliance with the Trade Submission Requirement would result in a warning letter issued to the Netting Member.[40] FICC's issuance of the warning letter to the Netting Member would commence the rolling 12-month period.[41] The second occasion of non-compliance during the rolling 12-month period would result in a $5,000 fine, and each subsequent occasion of non-compliance during the rolling 12-month period would result in a $10,000 fine.[42] FICC would determine each occasion of non-compliance, in its sole discretion, as resulting from the same root cause, highlighting that one occasion of non-compliance may include one or more related Eligible Secondary Market Transactions that were not submitted for central clearing.[43]

Partial Amendment No. 1 would also revise the Fine Schedule to provide that the fine would be assessed by FICC either on the Business Day FICC determines the Netting Member has failed to comply with the Trade Submission Requirement, or for matters that have been reported by a Netting Member, on a Business Day at least 30 Business Days following such report, when FICC has determined, in its sole discretion, that the Netting Member has not provided adequate evidence of remediation or a plan for remediation.[44]

IV. Proceedings To Determine Whether To Approve or Disapprove the Proposed Rule Change, as Modified by Partial Amendment No. 1, and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act[45] to determine whether the Proposed Rule Change, as modified by Partial Amendment No. 1, should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the Proposed Rule Change, as modified by Partial Amendment No. 1. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the Proposed Rule Change, as modified by Partial Amendment No. 1.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,[46] the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, consistency of the Proposed Rule Change, as modified by Partial Amendment No. 1, with Section 17A of the Exchange Act[47] and the rules thereunder, including the following provisions:

- Section 17A(b)(3)(F) of the Exchange Act,[48] which requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions; to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible; and, in general, to protect investors and the public interest;
- Section 17A(b)(3)(G) of the Exchange Act,[49] which requires, among other things, that the rules of a clearing agency provide its participants shall be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction;
- Section 17A(b)(3)(I) of the Exchange Act,[50] which requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act;
- Rule 17ad–22(e)(18)(iv)(A) under the Exchange Act,[51] which requires a covered clearing agency that provides central counterparty services for transactions in U.S. Treasury securities to require that any direct participant of such covered clearing agency submit for clearance and settlement all of the eligible secondary market transactions to which such direct participant is a counterparty;
- Rule 17ad–22(e)(18)(iv)(B) under the Exchange Act,[52] which requires a covered clearing agency that provides central counterparty services for transactions in U.S. Treasury securities to identify and monitor its direct participants' submission of transactions for clearing as required in Rule 17ad–22(e)(18)(iv)(A), including how the covered clearing agency would address a failure to submit transactions in accordance with Rule 17ad–22(e)(18)(iv)(A); and
- Rule 17ad–22(e)(23)(ii) under the Exchange Act,[53] which requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in the covered clearing agency.

V. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the Proposed Rule Change, as modified by Partial Amendment No. 1. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Sections 17A(b)(3)(F), (G), and (I)[54] of the Exchange Act and Rules 17ad–22(e)(18)(iv)(A) and (B), and (e)(23)(ii)[55] under the Exchange Act, or any other provision of the Exchange Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.[56]

Interested persons are invited to submit written data, views, and arguments regarding whether the Proposed Rule Change, as modified by Partial Amendment No. 1, should be approved or disapproved by October 15, 2026. Any person who wishes to file a rebuttal to any other person's

[39] *See id.*
[40] *See id.*
[41] *See id.*
[42] *See id.*
[43] *See id.*
[44] *See id.*
[45] 15 U.S.C. 78s(b)(2)(B).
[46] *Id.*
[47] 15 U.S.C. 78q–1.
[48] 15 U.S.C. 78q–1(b)(3)(F).
[49] 15 U.S.C. 78q–1(b)(3)(G).
[50] 15 U.S.C. 78q–1(b)(3)(I).
[51] 17 CFR 240.17ad–22(e)(18)(iv)(A).
[52] 17 CFR 240.17ad–22(e)(18)(iv)(B).
[53] 17 CFR 240.17ad–22(e)(23)(ii).
[54] 15 U.S.C. 78q–1(b)(3)(F) and (G).
[55] 17 CFR 240.17ad–22(e)(18)(iv)(A) and (B), and (e)(23)(ii).
[56] Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. *See* Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

submission must file that rebuttal by October 21, 2026.

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–FICC–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.

All submissions should refer to file number SR–FICC–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 the filing will be available for inspection and copying at the principal office of FICC and on DTCC's website (*www.dtcc.com/legal/sec-rule-filings*). 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–FICC–2026–007 and should be submitted on or before OCTOBER 14, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[57]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19957 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

[57] 17 CFR 200.30–3(a)(12) and (a)(57).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106502; File No. SR–NYSE–2026–37]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Amend Sections 303A.00 and 303A.07 of the NYSE Listed Company Manual

September 25, 2026.

On July 31, 2026, New York Stock Exchange LLC (''NYSE'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Sections 303A.00 and 303A.07 of the NYSE Listed Company Manual to extend the transition period in which a listed company must establish an internal audit function. The proposed rule change was published for comment in the **Federal Register** on August 18, 2026.[3]

Section 19(b)(2) of the Act[4] provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is October 2, 2026. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised therein. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[5] designates November 16, 2026, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–NYSE–2026–37).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[6]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19953 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 106128 (August 13, 2026), 91 FR 53448. Comment letters on the proposed rule change are available at *https://www.sec.gov/rules-regulations/public-comments/sr-nyse-2026-37.*

[4] 15 U.S.C. 78s(b)(2).

[5] *Id.*

[6] 17 CFR 200.30–3(a)(31).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106490; File No. SR–GEMX–2026–33]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 To Establish Fees for Liquid-Cooled Cabinets

September 25, 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 14, 2026, Nasdaq GEMX, LLC (''GEMX'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule General 8 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power in the Exchange's expanded data center. While these amendments are immediately effective, the Exchange proposes to implement the proposed fees during the fourth calendar quarter (''Q4'') of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings,* and at the principal office of the Exchange.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange's current data center in Carteret, New Jersey, consists of the original data center, also known as ''NY11,'' and expansion areas NY11–4 and NY11–5. The Exchange proposes to amend Rule General 8, Section 1 to establish fees for Liquid-Cooled Cabinets installation, Liquid-Cooled Cabinet Power Installation, and Liquid-Cooled Cabinet Power in NY11–5. The Exchange previously filed to expand its co-location services by offering Liquid-Cooled Cabinets in NY11–5.[3] In that filing, the Exchange stated that it would submit a separate fee filing to establish fees for those services. This proposed rule change establishes those fees.

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1. In an earlier proposal, the Exchange introduced an additional cabinet option in NY11–5. Specifically, the Exchange introduced a cabinet featuring liquid cooling, a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet''). Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. The Liquid-Cooled Cabinet option is only offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center. The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of co-location services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Liquid-Cooled Cabinets are an optional premium co-location offering designed to support customer equipment with enhanced cooling capabilities. Co-location services, including the proposed offering, are voluntary, and each customer may determine whether any co-location option is appropriate for its business needs.

The Exchange proposes to establish separate installation fees for Liquid-Cooled Cabinets under Rule General 8, Section 1(a). Customers may elect to use a Nasdaq-provided Liquid-Cooled Cabinet or, unlike traditional air-cooled cabinets that must be Nasdaq-provided, may supply their own Liquid-Cooled Cabinet for use within the dedicated liquid-cooling enclosure in NY11–5. For a Nasdaq-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $5,490 and no ongoing monthly fee. The proposed $5,490 installation fee is the same NY11–4/–5 installation fee currently applicable to a standard Cabinet under Rule General 8, Section 1(a). For a customer-provided Liquid-Cooled Cabinet, the Exchange proposes to assess an installation fee of $2,500 and no ongoing monthly fee.

Providing both options is appropriate because the Liquid-Cooled Cabinet offering is purpose-built for the customer within a dedicated enclosure specifically designed to support the customer's liquid-cooling infrastructure requirements. Depending on the customer's particular equipment and infrastructure needs, a customer-provided cabinet may be more appropriate, while other customers may prefer the convenience of a Nasdaq-provided cabinet. The proposed customer-provided cabinet installation fee reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, while the proposed Nasdaq-provided cabinet installation fee reflects the furnishing and installation of a Nasdaq-provided Liquid-Cooled Cabinet. Unlike the installation of a traditional air-cooled cabinet, installation of a Liquid-Cooled Cabinet involves specialized infrastructure within the dedicated NY11–5 liquid-cooling environment and additional coordination to support the customer's liquid-cooling requirements.

The Exchange also proposes to establish installation and ongoing monthly fees for Liquid-Cooled Cabinet Power as follows.

Liquid-Cooled Cabinet Power would be available only in connection with Liquid-Cooled Cabinets in NY11–5 and would be subject to a one-year, two-year, or three-year commitment, as selected by the customer. The installation fee for Liquid-Cooled Cabinet Power would consist of the applicable standard NY11–4/–5 cabinet power installation fee, as set forth in Rule General 8, Section 1(c), plus an additional per-kVA [4] Liquid-Cooled

[3] *See* Securities Exchange Act Release No. 105007 (Mar. 16, 2026), 91 FR 13389 (Mar. 19, 2026) (SR–GEMX–2026–06).

[4] Kilovolt-Amperes (kVA) is a unit of *apparent power* used to describe the capacity of electrical circuits and equipment. In alternating current (AC) systems, power consists of two components: real power (kW) and reactive power (kVAR). Real power, or kW, is the actual usable power that performs work, such as running servers or cooling systems, whereas reactive power, or kVAR, is the power that sustains the magnetic and electric fields in equipment but does not perform useful work. Because AC systems often have both real and reactive components, kVA measures the total apparent power, which is the combination of real and reactive power—the full load the circuit must carry. The relationship between kilowatts and kVA depends on the power factor (PF) which reflects how efficiently electrical power is converted into useful work: kW = kVA × PF. In the context of data center operations, electrical power is commonly expressed in two units: kilowatts (kW) and kilovolt-amperes (kVA). While these terms measure different aspects of electrical power—kW representing real power consumed by equipment and kVA representing apparent power supplied—they are closely correlated in environments where the power factor approaches unity. Modern data centers typically operate at or near a power factor of 1.0,

Cabinet Power installation charge. The additional per-kVA installation charge would be $1,800 per kVA for a one-year commitment, $1,650 per kVA for a two-year commitment, and $1,500 per kVA for a three-year commitment. The ongoing monthly fee would be assessed per kVA based on the customer's selected commitment term: $1,000 per kVA per month for a one-year commitment, $900 per kVA per month for a two-year commitment, and $800 per kVA per month for a three-year commitment.

The Exchange calculates the amount of power associated with each Liquid-Cooled Cabinet Power option using the same general power-based methodology reflected in its existing cabinet power fee schedule. For single-phase power options, the Exchange calculates kVA by multiplying volts by amps and dividing by 1,000. For three-phase power options, the Exchange calculates kVA by multiplying volts by amps by the square root of three, and then dividing by 1,000.[5]

For the Single Phase 240 Volt 20 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 20 amps, divided by 1,000, which equals 4.80 kVA.

The ongoing monthly fee is calculated by multiplying 4.80 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $4,800 for a one-year commitment, $4,320 for a two-year commitment, and $3,840 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $12,240 for a one-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,800; $11,520 for a two-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,650; and $10,800 for a three-year commitment, calculated as $3,600 plus 4.80 kVA multiplied by $1,500.

For the Single Phase 240 Volt 32 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 32 amps, divided by 1,000, which equals 7.68 kVA. The ongoing monthly fee is calculated by multiplying 7.68 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $7,680 for a one-year commitment, $6,912 for a two-year commitment, and $6,144 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $17,424 for a one-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,800; $16,272 for a two-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,650; and $15,120 for a three-year commitment, calculated as $3,600 plus 7.68 kVA multiplied by $1,500.

For the Single Phase 240 Volt 40 Amp option, the Exchange calculates the associated kVA as 240 volts multiplied by 40 amps, divided by 1,000, which equals 9.60 kVA. The ongoing monthly fee is calculated by multiplying 9.60 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $9,600 for a one-year commitment, $8,640 for a two-year commitment, and $7,680 for a three-year commitment. The installation fee is calculated by adding the applicable $3,600 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $20,880 for a one-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,800; $19,440 for a two-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,650; and $18,000 for a three-year commitment, calculated as $3,600 plus 9.60 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 20 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 20 amps multiplied by the square root of three, divided by 1,000, which equals approximately 14.38 kVA. The ongoing monthly fee is calculated by multiplying approximately 14.38 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $14,375.60 for a one-year commitment, $12,938.04 for a two-year commitment, and $11,500.48 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $30,436.08 for a one-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,800; $28,279.74 for a two-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,650; and $26,123.40 for a three-year commitment, calculated as $4,560 plus approximately 14.38 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 32 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 32 amps multiplied by the square root of three, divided by 1,000, which equals approximately 23.00 kVA. The ongoing monthly fee is calculated by multiplying approximately 23.00 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $23,000.96 for a one-year commitment, $20,700.86 for a two-year commitment, and $18,400.77 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $45,961.73 for a one-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,800; $42,511.58 for a two-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,650; and $39,061.44 for a three-year commitment, calculated as $4,560 plus approximately 23.00 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 40 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 40 amps multiplied by the square root of three, divided by 1,000, which equals approximately 28.75 kVA. The ongoing monthly fee is calculated by multiplying approximately 28.75 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $28,751.20 for a one-year commitment, $25,876.08 for a two-year commitment, and $23,000.96 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the

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resulting in minimal variance between kW and kVA. Accordingly, these measures, kW and kVA, are often treated as interchangeable for practical purposes.

[5] The kilovolt-ampere (kVA) rating for each circuit was calculated using standard electrical formulas based on circuit type as follows. Single-phase circuits: ''kVA'' = (''Volts'' × ''Amps'')/1000. This converts the product of voltage and current into kilovolt-amperes. Three-phase circuits (balanced load): ''kVA'' = ($\sqrt{3}$ × ''Volts'' × ''Amps'')/1000 (1.732 × ''Volts'' × ''Amps'')/1000. The factor $\sqrt{3}$ accounts for the three-phase power configuration. These formulas were applied to each circuit type in the table to determine its kVA capacity, which was then multiplied by the proposed per kVA rates to calculate the new fee. For readability, table values reflect rounded kVA figures and fees rounded to the nearest cent. In internal calculations, the Exchange compute fees using full-precision kVA (*e.g.,* ~10.794 kVA before display rounding), which can yield penny-level variances relative to fees computed from rounded kVA values. These minor differences arise solely from the sequence of rounding (rounding kVA before vs. after fee computation) and do not affect the uniform application of the $550/kVA rate or the comparability of fees across circuit options.

proposed installation fee would be $56,312.16 for a one-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,800; $51,999.48 for a two-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,650; and $47,686.80 for a three-year commitment, calculated as $4,560 plus approximately 28.75 kVA multiplied by $1,500.

For the 3 Phase 415 Volt 60 Amp option, the Exchange calculates the associated kVA as 415 volts multiplied by 60 amps multiplied by the square root of three, divided by 1,000, which equals approximately 43.13 kVA. The ongoing monthly fee is calculated by multiplying approximately 43.13 kVA by the applicable monthly per-kVA rate. Accordingly, the proposed ongoing monthly fee would be $43,130 for a one-year commitment, $38,817 for a two-year commitment, and $34,504 for a three-year commitment. The installation fee is calculated by adding the applicable $4,560 standard NY11–4/–5 installation fee to the additional per-kVA Liquid-Cooled Cabinet Power installation charge. Accordingly, the proposed installation fee would be $82,194 for a one-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,800; $75,724.50 for a two-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,650; and $69,255 for a three-year commitment, calculated as $4,560 plus approximately 43.13 kVA multiplied by $1,500.

The proposed installation and ongoing monthly fees therefore scale with the amount of electrical capacity associated with the selected Liquid-Cooled Cabinet Power option and the length of the customer's selected commitment term. This structure applies the same calculation consistently across the available Liquid-Cooled Cabinet Power options while providing customers that elect longer commitment terms with lower per-kVA rates.

The Exchange proposes separate cabinet installation fees and tiered Liquid-Cooled Cabinet Power pricing to reflect the optional nature of the offering and the different services customers may elect. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a), and no ongoing monthly cabinet fee would apply. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet reflects the separate installation work associated with permitting the customer to use its own Liquid-Cooled Cabinet within the dedicated NY11–5 liquid-cooling environment, and no ongoing monthly cabinet fee would apply. The proposed tiered pricing for Liquid-Cooled Cabinet Power provides customers with lower effective rates for longer-term commitments, which supports the Exchange's continued investment in making this specialized optional offering available. The proposed fees are higher than the fees applicable to standard air-cooled cabinets and associated power because Liquid-Cooled Cabinets are a premium product that provide enhanced liquid-cooling functionality and require specialized infrastructure, shared cooling capacity, and additional operational support beyond those required for standard co-location cabinets. The Exchange believes that the proposed fees are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering.

The proposed Liquid-Cooled Cabinet offering is optional. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange, to maintain co-location services, or to access any Exchange system. Customers may continue to use existing cabinet and power offerings under Rule General 8, Section 1, as applicable. Customers that elect the Liquid-Cooled Cabinet offering may choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs.

The Exchange is offering Liquid-Cooled Cabinets in response to customer demand for infrastructure capable of supporting increasingly power-dense computing equipment. Although the Exchange is not aware of another exchange that currently offers a comparable liquid-cooled cabinet product in its co-location fee schedule, liquid-cooling technology is available in the broader data center industry and is not novel in data center or communications infrastructure. Accordingly, the proposal reflects the Exchange's effort to make available, as an optional premium co-location service, an infrastructure option that is responsive to evolving customer equipment and cooling needs. The Exchange proposes to implement the proposed fees during Q4 of 2026. The Exchange will notify customers of the implementation date by Trader Alert.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed fees are reasonable because they are designed to reflect the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets and Liquid-Cooled Cabinet Power, while helping to support the Exchange's continued investment in this optional premium offering. The proposed $5,490 installation fee for a Nasdaq-provided Liquid-Cooled Cabinet is reasonable because it is consistent with the existing NY11–4/–5 installation fee for a standard Cabinet under Rule General 8, Section 1(a) and because installation of a Liquid-Cooled Cabinet is more involved than installation of a traditional air-cooled cabinet due to the specialized infrastructure and coordination required within the dedicated NY11–5 liquid-cooling environment. The proposed $2,500 installation fee for a customer-provided Liquid-Cooled Cabinet is reasonable because it applies only where the customer provides the cabinet and reflects the separate installation work associated with making the customer-provided cabinet available for use within that specialized, dedicated NY11–5 liquid-cooling environment.

The proposed Liquid-Cooled Cabinet Power installation fees are reasonable because they apply to the initial provisioning of Liquid-Cooled Cabinet Power and reflect the specialized infrastructure, configuration, and dedicated capacity associated with making the service available to a customer. The proposed ongoing monthly fees for Liquid-Cooled Cabinet Power are reasonable because they reflect the continuing availability of enhanced liquid-cooling functionality, specialized infrastructure, and capacity throughout the customer's selected commitment term.

The Exchange believes that the proposed tiered pricing is reasonable because it offers customers lower

installation and monthly rates when they elect longer commitment terms. Longer-term commitments provide the Exchange with greater certainty regarding use of the specialized infrastructure and shared capacity required to support Liquid-Cooled Cabinets, and the proposed discounts are designed to encourage such commitments while allowing customers to choose the term that best fits their business needs.

The Exchange believes that the proposed fees are equitably allocated and not unfairly discriminatory because they will apply uniformly to all similarly situated customers that elect the same Liquid-Cooled Cabinet and Liquid-Cooled Cabinet Power options in NY11–5. Customers that choose a Nasdaq-provided Liquid-Cooled Cabinet will be assessed the same Nasdaq-provided cabinet installation fee, and customers that choose a customer-provided Liquid-Cooled Cabinet will be assessed the same customer-provided cabinet installation fee. The service is optional, and customers that do not require liquid-cooling functionality may continue to use the Exchange's existing co-location cabinet and power offerings, as applicable.

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 fees apply only to an optional premium co-location service. Customers are not required to purchase Liquid-Cooled Cabinet installation, Liquid-Cooled Cabinet Power Installation or Liquid-Cooled Cabinet Power to connect to the Exchange or to receive co-location services, and customers will continue to have existing options for cabinet and power offerings to satisfy their business needs.

The Exchange believes that the proposal may enhance competition by expanding the range of optional co-location services available to customers, including customers that seek infrastructure options designed to support increasingly power-dense equipment. The proposal also gives customers flexibility to choose between a Nasdaq-provided Liquid-Cooled Cabinet and a customer-provided Liquid-Cooled Cabinet based on their business and infrastructure needs. The proposed fee structure reflects the value of the enhanced functionality, specialized infrastructure, customer choice, and dedicated capacity associated with Liquid-Cooled Cabinets, Liquid-Cooled Cabinet Power Installation and Liquid-Cooled Cabinet Power, and customers remain free to use existing cabinet and power offerings to satisfy their business needs. Accordingly, the Exchange does not believe that the proposal will impose any burden on intermarket or intramarket competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[6]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–GEMX–2026–33 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–GEMX–2026–33. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–GEMX–2026–33 and should be submitted on or before October 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19947 Filed 9–29–26; 8:45 am]

BILLING CODE 8011–01–P

[6] 15 U.S.C. 78s(b)(3)(A)(ii).

[7] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21810 and #21811; INDIANA Disaster Number IN–20023]

Presidential Declaration Amendment of a Major Disaster for Public Assistance Only for the State of Indiana

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Indiana (FEMA–4933–DR), dated August 25, 2026.

Incident: Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

DATES: Issued on September 24, 2026.

Incident Period: August 11, 2026 through August 24, 2026.

Physical Loan Application Deadline Date: October 25, 2026.

Economic Injury (EIDL) Loan Application Deadline Date: May 25, 2027.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Shaquille Lewis, Office of Disaster Recovery, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of Indiana, dated August 25, 2026, is hereby

amended to include the following areas as adversely affected by the disaster.

Primary Counties: Carroll, Cass, Fountain, Grant, Marion, Morgan, Parke, Pike, Pulaski, Putnam, Randolph, Rush, Starke, Union, Vermillion, Warren.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)
(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery.

[FR Doc. 2026–19941 Filed 9–29–26; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21847 and #21848; TEXAS Disaster Number TX–20090]

Presidential Declaration Amendment of a Major Disaster for Public Assistance Only for the State of Texas

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Texas (FEMA–4935–DR), dated September 1, 2026. Incident: Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

DATES: Issued on September 24, 2026.

Incident Period: July 12, 2026 through August 4, 2026.

Physical Loan Application Deadline Date: November 2, 2026.

Economic Injury (EIDL) Loan Application Deadline Date: June 1, 2027.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Shaquille Lewis, Office of Disaster Recovery, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of Texas, dated September 1, 2026, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties: Grimes, Live Oak, McMullen, Schleicher.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)
(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery.

[FR Doc. 2026–19942 Filed 9–29–26; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21807 and #21808; INDIANA Disaster Number IN–20022]

Presidential Declaration Amendment of a Major Disaster for the State of Indiana

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of Indiana (FEMA–4933–DR), dated August 25, 2026.

Incident: Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

DATES: Issued on September 24, 2026.

Incident Period: August 11, 2026 through August 24, 2026.

Physical Loan Application Deadline Date: October 25, 2026.

Economic Injury (EIDL) Loan Application Deadline Date: May 25, 2027.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Shaquille Lewis, Office of Disaster Recovery, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for the State of Indiana, dated August 25, 2026, is hereby amended to include the following areas as adversely affected by the disaster:

Primary Counties (Physical Damage and Economic Injury Loans): Cass, Pike, Putnam.

Contiguous Counties (Economic Injury Loans Only):

Indiana: Daviess, Dubois, Gibson, Knox, Warrick.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)
(Authority:13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery.

[FR Doc. 2026–19943 Filed 9–29–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF STATE

[Public Notice: 13137]

Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: ''Fantasy and Reality: The Art of Johan Tobias Sergel'' Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to agreements with their foreign owners or custodians for temporary display in the exhibition ''Fantasy and Reality: The Art of Johan Tobias Sergel'' at The Morgan Library & Museum, New York, New York, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202–632–6471; email: *section2459@state.gov*). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA–5), Suite 5H03, Washington, DC 20522–0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.;* 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236–3 of August 28, 2000, and Delegation of Authority No. 523 of December 22, 2021.

Sherry C. Keneson-Hall,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026–19979 Filed 9–29–26; 8:45 am]

BILLING CODE 4710–05–P

DEPARTMENT OF STATE

[Public Notice: 13136]

Notice of Determinations; Culturally Significant Objects Being Imported for Conservation and Exhibition—Determinations: ''Painting With Fire: Susanne de Court and the Art of Enamel'' Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to agreements with their foreign owners or custodians for temporary conservation and display in the exhibition ''Painting with Fire: Susanne de Court and the Art of Enamel'' at The Frick Collection, New York, New York, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary conservation and exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202–632–6471; email: *section2459@state.gov*). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA–5), Suite 5H03, Washington, DC 20522–0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.;* 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236–3 of August 28, 2000, and Delegation of Authority No. 523 of December 22, 2021.

Sherry C. Keneson-Hall,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026–19974 Filed 9–29–26; 8:45 am]

BILLING CODE 4710–05–P

DEPARTMENT OF STATE

[Public Notice: 13140]

Notice of Determinations; Culturally Significant Object Being Imported for Exhibition—Determinations: ''Making History: Manet's 'Execution of Maximilian' From the National Gallery, London'' Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that a certain object being imported from abroad pursuant to an agreement with its foreign owner or custodian for temporary display in the exhibition ''Making History: Manet's 'Execution of Maximilian' from the National Gallery, London'' at the Norton Simon Museum of Art, Pasadena, California, and at possible additional exhibitions or venues yet to be determined, is of cultural significance, and, further, that its temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202–632–6471; email: *section2459@state.gov*). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA–5), Suite 5H03, Washington, DC 20522–0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.;* 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236–3 of August 28, 2000, and Delegation of Authority No. 523 of December 22, 2021.

Sherry C. Keneson-Hall,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026–19975 Filed 9–29–26; 8:45 am]

BILLING CODE 4710–05–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Industry Day, Aviation Spectrum Interference Detection Solution

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of public event; Industry Day.

SUMMARY: The FAA is hosting an Industry Engagement Event for a Spectrum Interference Detection Solution October 13–15, 2026. The FAA will use the information from vendor responses during event registration to assist in determining any future phases of market investigation and engagement. The FAA does not commit to an acquisition with this notice.

DATES: Send comments on or before 28 SEP2026. The unclassified portion of the registration is being extended until 11:59 p.m. EST on Friday, October 2, 2026.

ADDRESSES: The full announcement and market survey questions for this event can also be found at: *https://sam.gov/workspace/contract/opp/d62d0987495f4afba55a071142cc6a1f/view.*

FOR FURTHER INFORMATION CONTACT: Gilbert Park, FAA Contracting Officer, Training & Aviation Acquisition Branch (AAQ–740), *gilbert.n.park@faa.gov,* (405) 954–7898, FAA Headquarters, 800 Independence Ave. SW, Washington, DC.

SUPPLEMENTARY INFORMATION: The FAA is hosting an Industry Engagement Event for a Spectrum Interference Detection Solution October 13–15, 2026 for the following purposes:

1. Communicate emerging need to industry for a new mission capability resulting from unprecedented spectrum utilization, requests, auctions, and technology proliferation.

2. Provide background, historical events, and use case vision to inform industry about the FAA's interference detection capability gaps and inquire about possible solutions and technologies necessary to detect and locate spectrum interference in any one of the bands utilized for aviation.

3. Gather information to assess the availability of solution(s). Registration will include a response to a short list of survey questions that one designated participant per vendor company will need to upload. Conduct follow-up with vendors, as needed, to understand RFI responses.

4. Assess industry interest and availability of solutions among vendors

and determine where challenges exist in producing the needed capabilities for such a system.

The FAA seeks to understand industry interest and capabilities to modernize and accelerate the real-time detection, characterization, and reporting of interference affecting spectrum-dependent aviation systems. Potential solutions should proactively monitor the radio frequency (RF) environment and, to the greatest extent practicable, detect, identify, characterize, geolocate, and alert on RF interference, jamming, spoofing, and other anomalous conditions that could degrade aviation communications, navigation, surveillance, or other spectrum-dependent aviation capabilities. The ideal solution will continuously monitor RF activity relevant to aviation operations, collect and analyze spectrum metrics and system performance data to identify abnormal or unauthorized emissions, correlate information across multiple sensors, platforms, and geographic locations, and provide timely reporting to support rapid assessment and mitigation. Desired capabilities include signal detection and classification, emitter characterization, geolocation where feasible, waveform and protocol analysis, trend analysis, and identification of potential interference sources and contributing factors.

The solution should collect, retain, and report data to enable timely operational response by the FAA, as well as short-term operational assessments and long-term trend analysis. The solution should identify and visualize interference, congestion, and other RF activity patterns over time and across geographic locations. Historical data should be retained in a searchable repository and support flexible querying, export, visualization, and reporting. The solution should support post-event analysis by correlating RF conditions with aircraft operations and other relevant operational data, where available.

The FAA is interested in solutions applicable across the National Airspace System (NAS), including airport surface, terminal, and enroute environments; continental United States (CONUS) and outside the continental United States (OCONUS); domestic and oceanic operations; and both ground-based and airborne systems. The system should be able to monitor all aviation frequencies in use. Solutions should be capable of supporting scalable deployment across distributed sensor networks while providing centralized data aggregation, analysis, and visualization.

The FAA seeks to understand the stage of evolution of proposed solutions, including whether they are in the design, development, implementation, integration, operational, or commercially deployable phase. Respondents should also identify the role(s) they envision, such as technology developer, systems integrator, service provider, or system operator.

Events: The Industry Day event is October 13–15, 2026.

Industry Engagement Day 1: This day will include presentations by the FAA to describe the FAA interest and objectives for an aviation spectrum interference detection solution. Presentation topics include current aviation spectrum environment and interference challenges, FAA vision and exploration of potential solutions, and desired technical capabilities (monitoring, detection, analytics, data, architecture, and integration). The FAA is interested in feedback on potential acquisition solutions and the possibility of purchasing as a service. The first portion of the day will be open to all registrants and available in-person or online, while the second portion will be classified at the Secret level and restricted to registrants with a Secret Clearance and in-person only. The event will be held at The MITRE Corporation in McLean, VA.

Vendor One-on-One Sessions (Days 2 and 3): The FAA may invite vendors to attend a One-On-One Session, either unclassified (in-person or virtual) or classified at the Secret level (in-person only). Sessions with individual vendors will be scheduled at the discretion of the FAA, based on vendor survey responses included in the event registration. If requested to provide additional information, brief vendor presentations are encouraged and vendors should expect discussion and questions from the FAA regarding their solution(s). The sessions will be held at The MITRE Corporation in McLean, VA.

Registration

All attendees (virtual or in-person) wishing to participate in any portion of the event must complete registration at *https://na.eventscloud.com/888200* by September 25, 2026. One registrant per vendor will be asked to act as the organization's designated point of contact and will be required to answer the vendor survey questions.

Additionally, if you wish to participate in a Vendor One-on-One Session, include this request in the registration form. Note that participation in a Vendor One-on-One Session is at the discretion of the FAA and will be based on FAA personnel availability and need. The FAA will notify you of their availability and time for this session by October 2, 2026.

The FAA may hold conversations, as needed, with respondents to clarify any technical or interpretive questions regarding the request for information.

Authority: 14 CFR 450.153.

Issued in Washington, DC.

Sandra A. Wright,

Manager, FAA Spectrum Engineering Services Group, Spectrum Planning and International Team (AJW–192).

[FR Doc. 2026–19986 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2025–1282]

Electronic Logging Device Requirements: Application for Exemption; Federation of Professional Truckers

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of final disposition; denial of application for exemption.

SUMMARY: FMCSA announces its decision to deny the application from the Federation of Professional Truckers (FOPT) requesting an exemption from the electronic logging device (ELD) requirements. FOPT requests an exemption to allow professional drivers the option to record their records of duty status (RODS) manually, instead of using an ELD. FMCSA analyzed the application and public comments and determined that the exemption would not achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption.

FOR FURTHER INFORMATION CONTACT: Mr. Richard Clemente, FMCSA Driver and Carrier Operations Division, Office of Carrier, Driver and Vehicle Safety Standards; *richard.clemente@dot.gov.* If you have questions on viewing or submitting material to the docket, contact Docket Services via telephone at (202) 366–9826.

SUPPLEMENTARY INFORMATION:

I. Public Participation

Viewing Comments and Documents

To view any documents mentioned as being available in the docket, go to *https://www.regulations.gov/docket/FMCSA-2025-1282/document* and choose the document to review. To view

comments, click this notice, then click ''Document Comments.'' If you do not have access to the internet, you may view the docket online by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366–9317 or (202) 366–9826 before visiting Dockets Operations.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the Federal Motor Carrier Safety Regulations. FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including the applicant's safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses, and public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved absent such exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the person or class of persons granted the exemption, the regulatory provision(s) from which the person or class of persons is exempt, the effective period, and all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

Current Regulatory Requirements

Under 49 CFR 395.8(a)(1)(i), drivers required to prepare RODS must do so using an ELD. Under 49 CFR 395.8(a)(1)(iii)(A)(*1*), a motor carrier may allow its drivers to prepare RODS manually, rather than use an ELD, if the driver is operating a commercial motor vehicle (CMV) ''[i]n a manner requiring completion of a record of duty status on not more than 8 days within any 30-day period.''

Applicant's Request

FOPT's application for exemption was described in detail in a **Federal Register** notice on February 9, 2026 (91 FR 5800) and will not be repeated as the facts have not changed.

IV. Public Comments

The Agency received a total of 901 public comments, with 890 unique comments. Most commenters were individuals who supported the exemption. The Truck Safety Coalition, Citizens for Reliable and Safe Highways, and Parents Against Tired Truckers submitted a joint comment and said, ''First, FOPT fails to provide any information regarding scope of the exemption request—*i.e.* the number of carriers involved, the number of drivers, how many miles will be driven, etc. They also fail to mention what the requirements are to be an ELD-exempt FOPT Member—are there any safety assurances or validations required to be a FOPT Member that might suggest these drivers prioritize safety beyond compliance?'' The American Trucking Associations (ATA) said, ''ATA disagrees with arguments about negative impacts from drivers trying to 'beat the clock' of an ELD. ELD usage and compliance require no changes of hours-of-service regulations. It is the responsibility of fleets and drivers to plan routes and contingencies within the same hours of service regulations, regardless of whether ELDs or paper logs are in use.'' The Institute for Safer Trucking and Road Safe America jointly commented in opposition stating, ''ELDs are a data-driven, effective tool for reducing fatigue-related crashes, improving compliance, and increasing accountability. Reverting to paper logs would undermine safety gains and increase risk for all road users. We encourage FMCSA to deny the exemption request.'' The Buchanan Law Firm, LLC said, ''ELDs are not perfect, and I do not claim they are. However, FOPT's key that paper logbooks are 'safety equivalent' to ELDs is contradicted by the entire legislative history of MAP–21. FMCSA's May 2023 'Effects of the Hours-of-Service Regulations Report to Congress—2021' found that inspections with at least one hours-of-service violation fell from 274,441 in 2018 to 191,797 in 2020.The report also found that the decrease in the number of inspections with at least one HOS violation post-adoption of the ELD requirement *was statistically significant*'' (emphasis in original).

Common themes of commenters who support granting FOPT's request for an exemption include the potential to reduce driver stress and improve safety by giving drivers more flexibility and autonomy, and reducing overall costs to the trucking company. Many commenters also raised the issue of finding adequate truck parking. George Kincaid said, ''It should be a carrier's choice as to which type of logs they use. ELDs are just another expense that not everyone needs or wants. With the regular decertification of numerous ELDs, it can be said that it's a flawed system as well, with some instances of them causing damage to a truck's ECM also.'' Samuel Thorne said, ''Without ELDs being required, that puts control back into the drivers hands. Even if they technically have hours to drive or work, they don't have to be forced to work when it's unsafe to do so. They now have the control to tell their company or dispatcher when the truck will move again so the driver can get adequate rest to drive safely.'' WMR Transportation said, ''Restoring the manual logging capability will remove driver pressure to perform against a device that is auto computing and counting and each and every move. Safety is an aggregate responsibility shared by employers and employees but ultimately dictated by the employer. The ELD's are nothing more than a production tool designed to force on road mile(s) production putting safety at risk.'' Lazar Gacevski said, ''Independent contractors and all CDL drivers that are running under small carriers authority need to be able to choose to log their HOS in paper logs instead of being under constant pressure of rushing to make the 'clock.' The ELD's malfunction all the time due to numerous technical issues with the devices and other truck related electronic issues, giving the driver false information of available driving hours, which affects their current or next load decision planning [sic]. These wrong decisions based on faulty info from the ELD, affects their pick up, transit and delivery times, which directly affects road safety and puts a heavy financial burden on them.''

Bruce Thompson commented neither for nor against the FOPT request and stated, ''As a 28 year driver I have seen all the different log rules and changes through the years and in my personal opinion it's not paper or electronic, but the actual rules . . . and hours of service that need to be changed so that drivers aren't on a timer they will be more relaxed, safer on the road not racing to do as many miles as they can and racing the next guy to get in a spot before their timer runs out and they have to park illegally on a posted ramp or on the side of the road.''

V. FMCSA Decision

FMCSA evaluated FOPT's application and public comments and denies the exemption request. Section 32301(b) of

the Commercial Motor Vehicle Safety Enhancement Act, enacted as a part of the Moving Ahead for Progress in the 21st Century Act (MAP–21) (Pub. L. 112–141, July 6, 2012, 126 Stat 405, 765), mandated that the Secretary adopt regulations requiring that CMVs involved in interstate commerce operated by drivers who are required to keep RODS be equipped with ELDs. The Agency is therefore bound by this Congressional mandate and cannot grant a blanket exemption for any driver or carrier that wishes to be exempt.

FMCSA further concludes that FOPT's application does not provide information establishing that the requested exemption would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption. FOPT indicated that it would educate its members to ensure accuracy in paper log completion, that participating carriers would conduct random internal audits, and that violations of HOS limits by paper log users would result in exclusion from the exemption program. However, FOPT proposed that the exemption would apply to all drivers who wanted to use the exemption, not just to FOPT members. FOPT does not explain how its proposed safety countermeasures would apply to an unknown population of drivers or how violators would be excluded from the exemption program.

For the above reasons, the FOPT exemption application is denied.

Derek D. Barrs,

Administrator.

[FR Doc. 2026–20043 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2016–0050]

Hours of Service of Drivers; Parts and Accessories Necessary for Safe Operation; Exemption Renewal for Cleveland-Cliffs Steel LLC

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of provisional renewal of exemption; request for comments.

SUMMARY: FMCSA announces its decision to provisionally renew and consolidate two exemptions previously granted to Cleveland-Cliffs Steel LLC (Cliffs), formerly ArcelorMittal Indiana Harbor, LLC, from certain hours-of-service (HOS) and parts and accessories requirements of the Federal Motor Carrier Safety Regulations (FMCSRs). The provisional renewal allows Cliffs' employee-drivers with commercial driver's licenses (CDLs) who transport steel coils or scrap metal between the company's production and shipping locations to work up to 16 consecutive hours in a duty period and return to work following at least 8 hours off duty when necessary. The exemption also allows Cliffs to continue using certain specialized coil carrier commercial motor vehicles (CMVs) that do not meet the definition of a ''heavy hauler trailer,'' the requirements concerning the height of rear side marker lamps, tire loading restrictions, and the commodity-specific cargo securement requirements for metal coils. The relief from the requirements of 49 CFR part 393 applies only to Cliffs' specialized coil carrier CMVs; the scrap trucks remain subject to the applicable parts and accessories requirements. FMCSA requests public comment on the provisional renewal and consolidation of the exemptions.

DATES: This exemption is effective September 23, 2026, through March 23, 2027, 11:59 p.m. local time, unless revoked earlier. Comments must be received on or before October 30, 2026.

ADDRESSES: You may submit comments identified by Docket Number FMCSA–2016–0050 by any of the following methods:

- *Federal eRulemaking Portal: www.regulations.gov.* See the Public Participation and Request for Comments section below for further information.
- *Mail:* Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58–213, West Building, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* 1200 New Jersey Avenue SE, W58–213, West Building, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* (202) 493–2251.
- Each submission must include the Agency name and the docket number (FMCSA–2016–0050) for this notice. Note that DOT posts all comments received without change to *www.regulations.gov,* including any personal information included in a comment. Please see the Privacy Act heading below.

Privacy Act: In accordance with 49 U.S.C. 31315(b), DOT solicits comments from the public to better inform its exemption process. DOT posts these comments, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice DOT/ALL–14 FDMS (Federal Docket Management System (FDMS)), which can be reviewed at *https://www.transportation.gov/individuals/privacy/privacy-act-system-records-notices.* The comments are posted without edit and are searchable by the name of the submitter.

FOR FURTHER INFORMATION CONTACT: Mr. David Sutula, Chief, Vehicle and Roadside Operations Division, Office of Carrier, Driver, and Vehicle Safety, FMCSA; *MCPSV@dot.gov.*

SUPPLEMENTARY INFORMATION:

I. Public Participation and Request for Comments

FMCSA encourages interested persons to participate in this proceeding by submitting comments and related materials regarding Cliffs' application for renewal and consolidation of its exemptions.

A. Submitting Comments

If you submit a comment, please include the docket number for this notice (FMCSA–2016–0050), indicate the specific section of this document to which the comment applies, and provide a reason for your suggestions or recommendations. You may submit your comments and material online or by fax, mail, or hand delivery, but please use only one of these means. FMCSA recommends that you include your name and a mailing address, an email address, or a phone number in the body of your document so the Agency can contact you if it has questions regarding your submission.

To submit your comment online, go to *https://www.regulations.gov/docket/FMCSA-2016-0050/document,* click on this notice, click ''Comment,'' and type your comment into the text box on the following screen.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing.

FMCSA will consider all comments and material received during the comment period. Comments received after the comment closing date will be filed in the public docket and will be considered to the extent practicable.

B. Confidential Business Information (CBI)

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to the notice contain commercial or financial information

that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to the notice, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission that constitutes CBI as ''PROPIN'' to indicate it contains proprietary information. FMCSA will treat such marked submissions as confidential under the Freedom of Information Act, and they will not be placed in the public docket of the notice. Submissions containing CBI should be sent to Brian Dahlin, Chief, Regulatory Evaluation Division, Office of Policy, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590–0001 or via email at *brian.g.dahlin@dot.gov.* At this time, you need not send a duplicate hardcopy of your electronic CBI submissions to FMCSA headquarters. Any comments FMCSA receives not specifically designated as CBI will be placed in the public docket for this notice.

C. Viewing Comments and Documents

To view comments, as well as any documents mentioned in this preamble as being available in the docket, go to *https://www.regulations.gov,* insert FMCSA–2016–0050 in the keyword box, select the document tab and choose the document to review. To view comments, click this notice, then click ''Browse Comments.'' If you do not have access to the internet, you may view the docket by visiting Dockets Operations in the DOT West Building, 1200 New Jersey Avenue SE, W58–213, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the Federal Motor Carrier Safety Regulations (FMCSRs). FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including the applicant's safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses, and public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved absent such exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the regulatory provision(s) from which the exempted party will be exempt, the effective period, and all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

Current Regulatory Requirements

Under 49 CFR 395.3(a), drivers of property-carrying CMVs may not drive after having been on duty for a period of 14 consecutive hours until they have been off duty for a minimum of 10 consecutive hours, or the equivalent of at least 10 consecutive hours off duty. Section 393.5 defines the term ''heavy hauler trailer.'' Section 393.11, Table 1—Footnote 4, specifies requirements concerning the mounting height of rear side marker lamps. Section 393.75(f) establishes tire loading restrictions. Section 393.120 establishes commodity-specific cargo securement requirements for metal coils.

Prior Exemptions

Cliffs operates a steel plant at 3001 Dickey Road in East Chicago, Indiana. Public roads pass through portions of the facility, requiring Cliffs to cross public roadways when moving steel coils and scrap metal between areas of the plant for further processing or shipment.

A. Steel Coils

Cliffs uses specialized tractor-trailer combinations designed to transport steel coils within the facility. The trailers are designed with cradles that hold between one and five steel coils. According to Cliffs, the tractor-trailer combinations have an unloaded gross combination weight of approximately 77,000 pounds and may weigh as much as 263,171 pounds when fully loaded. The vehicles have a maximum speed of approximately 30 to 33 miles per hour and operate at approximately 15 miles per hour when fully loaded. The trailers also use off-road tires necessary for the surface conditions and loads encountered within the facility.

The coil carriers cross public roadways at two locations. The first crossing is at Riley Road and is approximately 80 feet in length. The second is at Dickey Road and 129th Street and involves approximately 0.2 mile of travel on a public roadway. Cliffs states that both crossings are controlled intersections and that it currently averages approximately 32 crossings per day at each location.

FMCSA originally granted the steel-coil exemptions in 2016 (81 FR 65574). The Agency renewed the exemptions effective September 23, 2021, through September 23, 2026 (86 FR 54285). The HOS exemption permits covered employee-drivers to work up to 16 consecutive hours in a duty period and return to work following at least 8 hours off duty when necessary. The part 393 exemption is limited to Cliffs' coil carrier CMVs and provides relief from §§ 393.5; 393.11, Table 1—Footnote 4; 393.75(f); and 393.120. The vehicles may use the exemption only at the Riley Road and Dickey Road/129th Street crossings.

B. Scrap-Truck Exemption

Cliffs also operates two trucks that transport scrap metal across the same two public-roadway crossings used by the coil carriers. On May 11, 2022, FMCSA granted Cliffs a separate exemption from the HOS requirements in 49 CFR part 395 for the drivers of these scrap trucks (87 FR 28860). The exemption is effective through May 11, 2027.

Under that exemption, Cliffs' scrap-truck drivers may work up to 16 consecutive hours in a duty period and return to work following at least 8 hours off duty when necessary. The exemption is limited to the same Riley Road and Dickey Road/129th Street crossings. Unlike the specialized coil carriers, the scrap trucks are not exempt from the requirements of §§ 393.5, 393.11, 393.75(f), or 393.120 and must comply with all applicable requirements in part 393.

Cliffs states that the scrap-truck drivers work the same schedules and are subject to the same safety controls as the coil-carrier drivers. Cliffs also states that each scrap truck is weighed before movement to ensure that it does not exceed 80,000 pounds.

Application for Renewal and Consolidation of Exemptions

On July 21, 2026, Cliffs applied for a 5-year renewal of both the steel coil and scrap metal exemptions and requested that FMCSA consolidate them into a single exemption. Cliffs states that both exemptions arise from the same plant operation, involve the same two public-roadway crossings, and impose the same HOS terms and safety controls. Cliffs therefore requested that the Agency administer the relief under a single effective period.

Cliffs states that driving constitutes approximately 10 percent of the covered employees' workday and that employees

do not work more than 16 hours per day, with a 16-hour workday being the exception rather than the rule. Cliffs explained that its drivers generally work an 8-hour shift plus overtime while the production and shipping areas operate 12-hour shifts. Without the exemption, the difference in schedules creates a potential gap in the movement of coils and scrap between portions of the facility.

Cliffs also states that there have been no safety-related incidents or accidents attributable to operations under the exemptions during the past 10 years and that its operations remain substantially the same as when FMCSA granted the existing exemptions.

IV. Equivalent Level of Safety Analysis

FMCSA is not aware of any evidence showing that Cliffs' operations in accordance with the terms and conditions of the existing exemptions have resulted in a degradation in safety.

The exemptions continue to apply under limited operating conditions. The covered CMVs travel only short distances on public roads within or immediately adjacent to Cliffs' East Chicago facility. The crossings occur at controlled intersections. The coil carriers operate at low speeds when loaded, and Cliffs marks and flags the vehicles as oversize loads and uses conspicuity tape to increase their visibility to other motorists. Covered drivers hold CDLs and remain subject to all other applicable FMCSRs. These considerations formed part of FMCSA's safety determination when the Agency originally granted and subsequently renewed the steel-coil exemption.

The scrap-truck exemption involves the same HOS relief, routes, and short public-road exposure. When FMCSA granted that exemption in 2022, the Agency determined that Cliffs' overall safety performance, together with the short distances and low speeds involved in the operation, would provide a level of safety equivalent to or greater than compliance with the otherwise applicable requirements.

Cliffs reports that these operating conditions and safety controls remain substantially unchanged and that no safety-related incidents or accidents have been attributable to operations under the exemptions. Therefore, for the reasons discussed above and in FMCSA's previous decisions, FMCSA concludes that provisionally renewing and consolidating the exemptions for an additional 5 years, subject to the terms and conditions below, would likely maintain a level of safety equivalent to, or greater than, the level of safety achieved without the exemptions.

V. Exemption Decision

A. Grant of Exemption

FMCSA provisionally renews and consolidates Cliffs' two existing exemptions for six months, subject to the terms and conditions of this decision and the absence of adverse public comments that would cause the Agency to revoke the exemption. The consolidated exemption is effective September 23, 2026, through March 23, 2027, 11:59 p.m. local time, unless revoked earlier.

Effective September 23, 2026, this consolidated exemption supersedes the steel-coil exemption renewed effective September 23, 2021, and the separate scrap-truck exemption granted effective May 11, 2022.

B. Applicability of Exemption

The exemption from the requirements of 49 CFR 395.3(a) is restricted to Cliffs' employee-drivers with CDLs who transport steel coils or scrap metal between the production and shipping locations identified in Cliffs' application. Drivers utilizing the exemption may work up to 16 consecutive hours in a duty period and return to work following at least 8 hours off duty when necessary.

The exemption from §§ 393.5; 393.11, Table 1—Footnote 4; 393.75(f); and 393.120 is restricted exclusively to Cliffs' specialized CMVs used to transport steel coils. Cliffs' scrap trucks are not covered by the exemptions from these provisions and must comply with all applicable requirements of part 393.

CMVs operating under this exemption may use the public roadways only at Riley Road, where the vehicles travel approximately 80 feet, and at the intersection of Dickey Road and 129th Street, where the vehicles travel approximately 0.2 mile, and only for the purpose of moving steel coils or scrap metal between portions of Cliffs' facility.

All drivers operating under this exemption must hold CDLs. Drivers and vehicles must comply with all other applicable provisions of the FMCSRs. Cliffs must maintain any oversize or overweight permits required by State or local authorities.

C. Notification to FMCSA

Cliffs must notify FMCSA within 5 business days of any accident, as defined in 49 CFR 390.5, involving a CMV operating pursuant to this exemption. The notification must be submitted to *MCPSV@dot.gov* and include the following information:

1. Exemption identifier: ''Cleveland-Cliffs Steel LLC'';
2. Name and USDOT number of the motor carrier;
3. Date of the accident;
4. City or town, and State, in which the accident occurred, or which is closest to the scene of the accident;
5. Driver's name and driver's license number;
6. Vehicle number and State license number;
7. Number of individuals suffering physical injury;
8. Number of fatalities;
9. The police-reported cause of the accident;
10. Whether the driver was cited for violation of any traffic laws or motor carrier safety regulations; and
11. The total driving time and total on-duty time of the CMV driver at the time of the accident.

D. Preemption

In accordance with 49 U.S.C. 31315(d), as implemented by 49 CFR 381.600, during the period this exemption is in effect, no State shall enforce any law or regulation that conflicts with or is inconsistent with this exemption with respect to a person operating under the exemption. States may, but are not required to, adopt the same exemption with respect to operations in intrastate commerce.

E. Revocation

The exemption will be valid for 5 years as provided in section V.A., unless revoked earlier by FMCSA. FMCSA does not believe that Cliffs, its drivers, or the CMVs operating under this exemption will experience any deterioration in their safety record. However, should this occur, FMCSA will take all steps necessary to protect the public interest, including revocation of the exemption without prior notice.

FMCSA will immediately revoke the exemption if: (1) Cliffs, its drivers, or CMVs fail to comply with the terms and conditions of the exemption; (2) the exemption results in a lower level of safety than was maintained before it was granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of 49 U.S.C. 31136 or chapter 313.

VI. Request for Comments

In accordance with 49 U.S.C. 31315(b), FMCSA requests public comment from all interested persons on Cliffs' application to renew and consolidate its existing exemptions. FMCSA specifically requests information concerning the safety performance of Cliffs' drivers and CMVs operating under the exemption and whether the consolidated exemption

would maintain the requisite statutory level of safety.

All comments received before the close of business on the comment closing date of this notice will be considered and will be available for examination in the docket. Comments received after the comment closing date will be filed in the public docket and considered to the extent practicable.

Derek D. Barrs,

Administrator.

[FR Doc. 2026–20048 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2025–0226]

Commercial Driver's License Standards: Application for Exemption; Agri-Tech Aviation

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of final disposition; denial of application for exemption.

SUMMARY: FMCSA announces its decision to deny the application from Agri-Tech Aviation requesting an exemption to allow its commercial learner's permit (CLP) holders who have passed the commercial driver's license (CDL) skills test but not yet obtained a CDL license to drive its commercial motor vehicles (CMV) without being accompanied by a CDL holder in the passenger seat. FMCSA analyzed the application and public comments and determined there is insufficient basis to conclude the exemption would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption.

FOR FURTHER INFORMATION CONTACT: Ms. Bernadette Walker, FMCSA Driver and Carrier Operations Division; Office of Carrier, Driver and Vehicle Safety Standards; (202) 507–0363; *bernadette.walker@dot.gov*. If you have questions on viewing or submitting material to the docket, contact Docket Services, telephone (202) 366–9826.

SUPPLEMENTARY INFORMATION:

I. Public Participation

Viewing Comments and Documents

To view any documents mentioned as being available in the docket, go to *https://www.regulations.gov/docket/FMCSA-2025-0226/document* and choose the document to review. To view comments, click this notice, then click ''Document Comments.'' If you do not have access to the internet, you may view the docket online by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366–9317 or (202) 366–9826 before visiting Dockets Operations.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the Federal Motor Carrier Safety Regulations (FMCSRs). FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including the applicant's safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses and, public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved absent such exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the regulatory provision from which the exempted party will be exempt, the effective period, and all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

Current Regulatory Requirements

Section 383.25(a)(1) of the FMCSRs requires a CDL holder with the proper CDL class and endorsements necessary to operate the CMV to accompany a CLP holder and be physically present in the front seat of the CMV next to the CLP holder at all times or, in a commercial passenger vehicle, directly behind or in the front row behind the driver and must have the CLP holder under observation and direct supervision.

Applicant's Request

Agri-Tech Aviation's application for exemption was described in detail in a **Federal Register** notice on November 24, 2025 (90 FR 53049) and will not be repeated as the facts have not changed.

IV. Public Comments

The Agency received 38 comments. None of the comments supported granting the exemption. The main theme of all opposing comments highlighted concerns about safety while urging FMCSA to adhere to all existing regulations without exceptions.

Allen Taylor commented, ''The safety of the American citizen demands that those who manage the most dangerous equipment on the roadway MUST be tested and licensed. There cannot be an exemption for heavy trucks just because an untested, incapable driver wishes to do a good deed. As an equivalent, I personally should not be licensed to fly a commercial aircraft just because I may wish to bring food to Zimbabwe. The intention is NOT the critical factor—the ability to manage ALL aspects heavy trucks is. The safety of our roadways demands nothing less.'' Michael Hinchley commented, ''As a CDL A driver, absolutely NOT. School & test requirements are REQUIRED by law for many reasons. Understanding & speaking English also needs to be required, otherwise citizens are at a very serious risk. Moving freight is expensive & no reason to allow unqualified people operating 30,000+ lb vehicles with proper qualifications.'' Neil Lemerise commented, ''Student driver's need to have an experienced CDL holder in the passenger seat to adequately mentor them. Do not give an exemption to the current regulations.'' Dale Richards commented, ''This seems to be adding a lot of risk to the general public without any rewards. I would urge the FMCSA to not allow this exemption.''

V. FMCSA Decision

FMCSA evaluated Agri-Tech Aviation's application and public comments and denies the exemption request. The request from Agri-Tech Aviation raises safety concerns because of multiple complicating factors identified in the application, including the potential use of CLP holders to transport hazardous materials (HM).

Agri-Tech Aviation's exemption application states that it transports between 500 to 900 gallons of jet fuel and 1350 gallons of crop protection products, some of which require placarding. The applicant does not address any safety countermeasures relating to the transportation of HM under the exemption. In addition, 49 CFR 383.93(b) provides that all drivers of vehicles that require an HM placard must have an HM CDL endorsement

unless waived by the State under 49 CFR 383.3(i).

Although the applicant's CLP holders for whom the exemption is sought have passed the CDL skills test, 49 CFR 383.93(a)(2) prohibits CLP holders from obtaining an HM endorsement. The applicant's statement that it takes time to get a Class A CDL with a HM endorsement and that the exemption would allow its drivers to ''get real driving experience while obtaining a Class A CDL'' suggest that the applicant would use its CLP holders to transport material that requires an HM endorsement if the exemption were granted. The applicant does not address how it would achieve an equivalent level of safety while using drivers to transport placarded HM without a HM endorsement.

Other than the statement that all drivers are fully trained to meet FMCSA regulations, the applicant does not provide any information on how it would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption. This is not sufficient information for FMCSA to make a finding that granting the exemption would likely result in an equivalent level of safety as would be achieved under the regulations.

Derek D. Barrs,

Administrator.

[FR Doc. 2026–20046 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2026–0167]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Request for Comment; Consolidated Labeling Requirements for Motor Vehicles (Except the VIN)

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

ACTION: Notice and request for comments on a reinstatement with modification of a previously-approved information collection.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (PRA), this notice announces that the Information Collection Request (ICR) summarized below will be submitted to the Office of Management and Budget (OMB) for review and approval. The ICR describes the nature of the information collection and its expected burden. This document describes a collection of labeling information on nine Federal Motor Vehicle Safety Standards (FMVSS) for which NHTSA intends to seek OMB approval. The labeling requirements include brake fluid warning for vehicles with a GVWR greater than 3,500 kilograms (7,716 pounds), brake fluid warning for vehicles with a GVWR of 3,500 kilograms (7,716 pounds) or less, glazing labeling, air bag warning labels, seat belt labeling, compressed natural gas (CNG) vehicle fuel label, CNG fuel container labels, hydrogen fueled vehicle fueling label, and hydrogen fuel container labels. NHTSA is also requesting a modification of this collection to include three existing label requirements that were not previously included in this ICR and two recently established labeling requirements. The label requirements added to this ICR are for requirements contained in 49 CFR parts 571.208, 303, 304, 307, and 308. A **Federal Register** Notice with a 60-day comment period soliciting comments on the following information collection was published on April 8, 2026. No comments were received.

DATES: Comments must be submitted on or before October 30, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection, including suggestions for reducing burden, should be submitted to the Office of Management and Budget at *www.reginfo.gov/public/do/PRAMain.* To find this particular information collection, select ''Currently under Review—Open for Public Comment'' or use the search function.

FOR FURTHER INFORMATION CONTACT: For additional information or access to background documents, contact Mr. James Myers, Office of Crashworthiness Standards. You can reach this official by phone at 202–366–1810. Address: National Highway Traffic Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Washington, DC 20590. Please identify the relevant collection of information by referring to its OMB Control Number.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501 *et seq.*), a Federal agency must receive approval from the Office of Management and Budget (OMB) before it collects certain information from the public, and a person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid OMB control number. In compliance with those requirements, this notice announces that the following information collection request is being submitted to OMB.

Title: ''Consolidated Labeling Requirements for Motor Vehicles (except the VIN).''

OMB Control Number: 2127–0512.

Form Number: N/A.

Type of Request: Reinstatement and modification of a previously-approved information collection.

Type of Review Requested: Regular.

Length of Approval Requested: Three years from date of approval.

Summary of the Collection of Information: 49 U.S.C. 30111 authorizes the issuance of Federal motor vehicle safety standards (FMVSS). The agency, in prescribing a FMVSS, considers available relevant motor vehicle safety data, and consults with other agencies, as it deems appropriate. Further, the statute mandates that in issuing any FMVSS, the agency considers whether the standard is ''reasonable, practicable and appropriate for the particular type of motor vehicle or item of motor vehicle equipment for which it is prescribed,'' and whether such a standard will contribute to carrying out the purpose of the Act.

This document describes a collection of labeling information on nine Federal Motor Vehicle Safety Standards (FMVSS) for which NHTSA intends to seek OMB approval. NHTSA is also requesting a modification of this collection to include three existing label requirements that were not previously included in this ICR and two recently established labeling requirements. The associated standards are the only standards requesting this information, meaning there is no duplication of effort. These collections provide consumers with information on safety and proper use. The information is present on every product affected by each standard. Collecting the information less frequently or not at all would increase the safety risk posed to consumers. The Secretary is authorized to invoke such rules, as deemed necessary to carry out these requirements. Using this authority, the agency issued the following FMVSS, specifying labeling requirements to aid the agency in achieving many of its safety goals:

FMVSS No. 105, ''Hydraulic and electric brake systems,''

FMVSS No. 135, ''Light vehicle brake systems,''

FMVSS No. 205, ''Glazing materials,''

FMVSS No. 208, ''Occupant crash protection,''

FMVSS No. 209, ''Seat belt assemblies,''

FMVSS No. 303, ''Fuel system integrity of compressed natural gas vehicles,''
FMVSS No. 304, ''Compressed natural gas fuel container integrity,''
FMVSS No. 307, ''Fuel system integrity of hydrogen vehicles,'' and
FMVSS No. 308, ''Compressed hydrogen storage system integrity.''

Description of the Need for the Information and Proposed Use of the Information: All labeling included in this collection is placed on motor vehicle equipment at the time it is manufactured. All safety labeling requirements are necessary for vehicle use on the nation's highways. The lack of labeling could allow improper items of motor vehicle equipment to be installed on motor vehicles and could be the subject of failures or inadequate injury mitigations—increasing the risk for vehicle crashes, severe injuries, and even deaths. Lack of air bag warning labels could encourage placement of children in the front passenger seating position, where the child would be less safe in an accident than if placed in a back-row seating position. The lack of CNG vehicle and container labeling could result in improper use of CNG containers resulting in a fire or explosion. The lack of hydrogen vehicle and hydrogen storage system container labeling could result in improper use of hydrogen containers resulting in a fire or explosion.

As for the identification of glazing manufacturers, the collection of information is only required one time. Absence of this DOT code mark would mean the glazing material would be available to the public without manufacturer's proof that the material passed minimum safety standards. Additionally, if the information were not collected, the ability to determine the identification of the glazing manufacturer in crashes involving defects would be placed in jeopardy.

60-Day Notice: A **Federal Register** notice with a 60-day comment period soliciting public comments on the following information collection was published on April 8, 2026 (91 FR 17832). The closing date for comments was June 8, 2026. No comments were received on the information collection.

Affected Public: Vehicle manufacturers and Vehicle Parts Suppliers.

Estimated Number of Respondents: 115 Vehicle Manufacturers and 85 Vehicle Parts Suppliers.

Frequency: On occasion.

Estimated Number of Responses: NHTSA anticipates that approximately 22 glazing manufacturers per year will contact the agency and request a manufacturer's identification number for their production facility. These glazing manufacturers must submit one application, one time, identifying their company's production facility. In turn, the agency responds by assigning them a unique manufacturer's number for their facility. For other collections in this notice, no response is necessary from manufacturers. These labels are only required to be placed on each master cylinder reservoir, glazing pane, sun visor, dashboard, each seat belt, each CNG vehicle, each motor vehicle CNG container, each hydrogen vehicle, and each motor vehicle hydrogen storage system container intended for retail sale in the United Sates. Therefore, the number of respondents is limited to the glazing manufacturers requesting a manufacturer identification number.

Estimated Total Annual Burden Hours: 35,126 hours.

FMVSS Nos. 105 and 135 require that each vehicle have a brake fluid warning statement in letters at least one-eighth of an inch high on the master cylinder reservoirs. The lettering shall be permanently affixed, engraved, or embossed and located so as to be visible by direct view. If not engraved or embossed, it should be a color that contrasts with its background. Vehicle manufacturers provide warning statements on hydraulic brake reservoirs for an estimated 1,000 vehicle models.[1] Although the required statements have been in use for many years, there is an annual 2-hour burden for manufacturers to have a Mechanical Drafter [2] reverify that their statements still meet the regulatory requirements. The annual burden for this reverification is 2,000 hours (1,000 vehicle model lines * 2 hours per model line) and $95,660 (1,000 vehicle models * 2 hours per label * $33.62 labor rate per hour ÷ 70.3% of labor rate as fraction of total wage compensation).

FMVSS No. 205 provides labeling requirements for glazing and motor vehicle manufacturers. In accordance with the standard, each new motor vehicle glazing manufacturer must request a unique identifying number. This number is used in their self-certification label, which also identifies the glazing type, and is permanently attached to each piece of motor vehicle glazing. Certain specialty glazing items, such as standee windows in buses, roof openings, and interior partitions made of plastic require that the manufacturer affix an additional, removable label to each item. This removable label specifies cleaning instructions to minimize the loss of transparency. Other information may be provided by the manufacturer.

Glazing manufacturers are required to have a DOT manufacturer's code mark for each of their glazing production facilities. This code mark is part of the manufacturer's certification label applied to glazing covered by FMVSS No. 205. An annual average of 22 glazing manufacturers completes an online request for a new DOT manufacturer's code mark. New code mark applications take an hour for a Project Management or Business Operations Specialist,[3] to complete. This places an annual burden on applicants of 66 hours (22 manufacturers * 3 hours per manufacturer) and $4,736 (66 hours * $50.44 per hour wage ÷ 70.3% of labor rate as total wage compensation) to obtain new DOT manufacturer's code marks. In addition, it is estimated a Mechanical Drafter will require 40.0 hours to develop a certification label template for a new code mark, for an annual burden of 880 hours (22 manufacturers * 40.0 hours per manufacturer) and $42,090 (22 manufacturers * 40 hours per manufacturer * $33.62 per hour wage ÷ 70.3% of labor rate as total wage compensation). All glazing manufacturers will annually require 2.0 hours for a Mechanical Drafter to insert and verify correct information for each certification label for the estimated 10,463 [4] glazing model lines produced

[1] 1,000 vehicle model lines equals 656 heavy vehicle models with a GVWR greater than 3,500 kilograms (7,716 pounds) and 344 light vehicle models with a GVWR 3,500 kilograms (7,716 pounds) or less.

[2] The Bureau of Labor Statistics (BLS) estimates the mean hourly wage for a Mechanical Drafter, occupational code 17–3013, to be $33.62. (*https://www.bls.gov/oes/current/oes173013.htm,* accessed February 12, 2025). Further, the BLS estimates the hourly wage to represent only 70.3% of the total compensation for workers.

[3] The Bureau of Labor Statistics (BLS) estimates the mean hourly wage for a Project Management or Business Operations Specialists, occupational code 13–1198, to be $50.44. U.S. Bureau of Labor Statistics, Occupational Employment and Wages, May 2023, occupant category 13–1082 *Project Management Specialists https://www.bls.gov/oes/2023/may/oes131082.htm,* accessed February 12, 2025.

[4] It is estimated that there are 147 passenger vehicle models requiring 8 glazing model numbers, 197 light truck models requiring 15 glazing model numbers, 56 medium/heavy truck models requiring 9 glazing model numbers, 150 light and medium bus models requiring 8 glazing models, 450 motorcycle models requiring 1 glazing model, 108 slide-in camper models requiring 2 glazing model numbers, 438 camper models requiring 7 glazing model numbers, 9 pick-up bed cover window sets requiring 3 glazing models, and 33 low speed vehicle models requiring 4 glazing model numbers. The total estimated number of glazing model numbers is 10,463 [(147 * 8) + (197 * 15) + (56 *

Continued

annually, for a burden of 20,926 hours (2.0 hours per glazing certification label * 10,463 glazing model needing certification label) and $1,000,891 (10,463 glazing model labels * 2.0 hours per glazing model label * $33.62 per hour wage ÷ 70.3% of labor rate as total wage compensation).

Certain types of glazing material, generally used in standee partitions of transit buses, require a cleaning label. Although the required statements have been in use for many years, there is an annual 2-hour burden for manufacturers to have a Mechanical Drafter reverify their statements still meet the regulatory requirements. This adds a burden of 72 hours and $3,444 (36 glazing cleaning labels[5] [6] * 2.0 hours per cleaning label * $33.62 per hour wage ÷ 70.3% of labor rate as total wage compensation). The total annual labor and opportunity costs associated with the burden hours due to the labeling requirements of FMVSS No. 205 is 21,944 hours and $1,051,161.

FMVSS No. 208, specifies requirements for both active and passive occupant crash protection systems for passenger cars, multipurpose passenger vehicles, trucks, and small buses. A label is to be affixed to either side of the sun visor at each front outboard seating position that is equipped with an inflatable restraint. The label warns of dangers a deploying air bag poses to children 12 and under. Each vehicle that is equipped with an inflatable restraint for the passenger position shall have a label attached to a location on the dashboard or steering wheel hub that is clearly visible from all front seating positions. These labels advise occupants to always use seat belts, the back seat is the safest place for children, and to never place a rear-facing child seat in the front. Additionally, if a vehicle manufacturer recommends periodic maintenance or replacement of an inflatable restraint system installed in a vehicle, that vehicle must be labeled with the recommended schedule for maintenance or replacement.

It is estimated that vehicle manufacturers provide air bag warning labels for 550 vehicle models. Text and graphics for the warning labels are supplied in the Regulatory text, and these labels have been in use for many years. A Mechanical Drafter performs the 1 hour of annual work per vehicle model necessary to confirm the label design prior to it being printed onto sun visors. The annual burden to manufacturers for the warning label reviews is 550 hours (550 vehicle model lines * 1 hour per model line) and $26,307 (550 vehicle models[7] * 1 hour per label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation).

Vehicle manufacturers provide an estimated 550 vehicle models with dashboard warning labels. Text and graphics for the dashboard labels are supplied in the Regulatory text, and these labels have been in use for many years. A Mechanical Drafter performs the 1 hour of annual work per vehicle model necessary to confirm the dashboard label design. The annual burden to manufacturers for the dashboard label reviews is 550 hours (550 vehicle model lines * 1 hour per model line) and $26,307 (550 vehicle models[8] * 1 hour per label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation).

No vehicle manufacturers are currently using air bags that require replacement or periodic maintenance. Since no manufacturers equip vehicles with air bags requiring maintenance or replacement, there is no annual administrative burden to include such information on any vehicle label. The combined total annual labor and opportunity costs associated with the burden hours to vehicle manufacturers from the dashboard and sun visor warning labels is 1,100 hours and $52,614.

FMVSS No. 209 requires safety belts to be labeled with the year of manufacture, the model, and the name or trademark of the manufacturer.[9] Additionally, seat belt assemblies for use only in specifically stated motor vehicles, other than a seat belt assembly installed in a motor vehicle by an automobile manufacturer, shall either be permanently and legibly marked or labeled with the following statement, or the statement shall be in the instruction sheet required for seat belt assemblies not installed in a motor vehicle by an automotive manufacturer:

This seat belt assembly is for use only in [insert specific seating position(s), *e.g.,* ''front right''] in [insert specific vehicle make(s) and model(s)].[10]

It is estimated manufacturers choose to include this statement in installation instruction sheets required for spare parts as a more cost-efficient method compared to labeling all seat belt assemblies for a particular vehicle model.

It is estimated that vehicle manufacturers provide labels on 4,894[11] different seat belt assembly models. Manufacturers have provided seat belt assemblies with the required labels for many years. It is estimated each manufacturer has a generalized label template which only requires population with the correct model number and manufacturing date. There is an annual 2.0-hour burden for manufacturers to have a Mechanical Drafter put the correct information into a label template to create a model specific label. The annual burden for this label creation is 9,788 hours (4,894 seat belt models * 2 hours per model label) and $468,160 (4,894 seat belt models * 2 hours per model label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation).

FMVSS No. 303 specifies requirements for the integrity of motor vehicle fuel systems using compressed natural gas (CNG), including the CNG fuel systems of bi-fuel, dedicated, and dual fuel CNG vehicles. Each CNG must have a permanent label which lists the CNG service pressure and a statement directing vehicle users/operators to instructions for inspection and service life of the fuel container. It is estimated that CNG vehicle manufacturers provide labels on 37 different CNG vehicle models. Manufacturers have provided CNG vehicles with the required labels for many years, it is estimated each manufacturer has a generalized label template which only requires population with the service pressure. Each manufacturer only needs two different labels since there are only two service pressures, 3,000 and 3,600 psi, for refueling CNG vehicles. There is an annual 1.0-hour burden for manufacturers to have a Mechanical Drafter put the correct information into a label template to create a model specific label. The annual burden for

9) + (150 * 8) + (475 * 1) + (108 * 2) + (438 * 7) + (9 * 3) + (33*4)].

[5] There are 36 manufacturers producing transit buses. Source: David Czerwinski et al., *The US Transit Bus Manufacturing Industry* (Mineta Transportation Institute, 2016), 10.

[6] Each manufacturer can use a common cleaning label for all of their vehicle models.

[7] NHTSA estimates there are 550 vehicle models requiring sun visor labels annually (147 passenger car, 197 light truck, 56 medium/heavy truck, and 150 large/medium bus models). Vehicle model data from 2020 Wards Intelligence data.

[8] NHTSA estimates there are 550 vehicle models requiring sun visor labels annually (147 passenger car, 197 light truck, 56 medium/heavy truck, and 150 large/medium bus models). Vehicle model data from 2020 Wards Intelligence data.

[9] FMVSS No. 209, S4.1(j).

[10] FMVSS No. 209, S4.1(k).

[11] For the estimated 147 passenger car, 197 light truck, 150 medium/heavy truck, 156 medium/heavy bus, 438 camper models, and 33 low speed vehicle models there are an estimated average of 5, 7, 5, 3, 2, and 5 unique seat belt assemblies, respectively, per vehicle type. Additionally, it is estimated there are approximately 500 non-OEM aftermarket seat belt assembly models sold annually. Each seat belt assembly has 1 label per seat belt assembly model. This equates to a total of 4,894 unique seat belt assembly model labels.

this label creation is 74 hours (37 CNG vehicle model labels * 1 hour per model label * 2 labels per manufacturer) and $3,539 (37 CNG vehicle model labels * 1 hour per model label * 2 labels per manufacturer * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation). These hours and cost burdens represent a new addition to this information collection request because they were inadvertently omitted from previous clearances.

FMVSS No. 304 specifies requirements for the integrity of compressed natural gas (CNG) motor vehicle fuel containers. Each CNG fuel container must have a permanent label containing information relating to the proper use, installation, and maintenance of the CNG container. It is estimated that CNG container manufacturers provide labels on 100 different CNG container models. Manufacturers have provided CNG containers with the required labels for many years. It is estimated each manufacturer has a generalized label template which only requires population with the correct model number and manufacturing date. Each manufacturer only needs two different labels since there are only two service pressures, 3,000 and 3,600 psi, for refueling CNG vehicles. However, each vehicle model will require only 1 label. There is an annual 1.0-hour burden for manufacturers to have a Mechanical Drafter put the correct information into a label template to create a model specific label. The annual burden for this label creation is 200 hours (100 CNG container model labels * 1.0 hours per model label) and $9,566 (200 CNG container models labels * 1.0 hours per model label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation). These hours and cost burdens represent a new addition to this information collection request because they were inadvertently omitted from previous clearances.

FMVSS No. 307 specifies requirements for the integrity of motor vehicle fuel systems using compressed hydrogen as a fuel source. Each hydrogen vehicle must have a permanent label which lists the fuel type, service pressure, and a statement directing vehicle users/operators to instructions for inspection and service life of the fuel container. It is estimated that vehicle manufacturers will provide labels on 10 different hydrogen vehicle models. Since manufacturers have provided CNG vehicles with similar required labels for many years, it is estimated that manufacturers will have a generalized label template which only requires only minor adjustments for hydrogen and then population with the service pressure. There is an annual 1.0-hour burden for manufacturers to have a Mechanical Drafter put the correct information into a label template to create a model specific label. The annual burden for this label creation is 10 hours (10 hydrogen vehicle model labels * 1 hour per model label) and $478 (10 hydrogen vehicle model labels * 1 hour per model label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation). These hours and cost burdens represent a new addition to this information collection request because the standard was promulgated after the request's previous approval.

FMVSS No. 308 specifies requirements for the integrity of compressed hydrogen storage systems (CHSS). Each hydrogen container must have a permanent label containing manufacturer contact information, the container serial number, manufacturing date, date of removal from service, and applicable BP_O burst pressure. It is estimated that vehicle manufacturers will provide labels on 10 different hydrogen container models. Since manufacturers have provided CNG containers with similar labels for many years, it is estimated that manufacturers will have a generalized label template which only requires only minor adjustments for hydrogen and then population with their current contact information, the container serial number, manufacturing date, date of removal from service, and applicable BP_O burst pressure. There is an annual 1.0-hour burden for manufacturers to have a Mechanical Drafter put the correct information into a label template to create a model specific label. The annual burden for this label creation is 10 hours (10 hydrogen container model labels [12] * 1.0 hour per model label) and $478 (10 hydrogen container models labels * 1.0 hour per model label * $33.62 labor rate per hour ÷ 70.3% of labor rate as total wage compensation). These hours and cost burdens represent a new addition to this information collection request because the standard was promulgated after the request's previous approval.

TABLE 1—ESTIMATED ANNUAL LABOR AND OPPORTUNITY COSTS ASSOCIATED WITH THE BURDEN HOURS

FMVSS	Type respondent	Estimated yearly burden hours	Labor rate	Estimated yearly cost burden
105	Brake reservoir cap manufacturers	1312	$47.83	$62,753
135	Brake reservoir cap manufacturers	688	47.83	32,907
205	New glazing manufacturer—DOT ID	66	71.75	4,736
	Glazing manufacturers—new templates	880	47.83	42,090
	Glazing manufacturers—label design	20,926	47.83	1,000,891
	Glazing manufacturers—bus cleaning labels.	72	47.83	3,444
208	Vehicle manufacturers—replacement air bags.	0	47.83	0.00
	Vehicle manufacturers—sun visor label	550	47.83	26,307
	Vehicle manufacturers—dashboard label	550	47.83	26,307
209	Seat belt manufacturers	9,788	47.83	468,160
303	CNG Vehicle manufacturers	74	47.83	3,539
304	CNG Fuel Container Manufacturers	200	47.83	9,566
307	Hydrogen vehicle manufacturers	10	47.83	478
≤308	Compressed hydrogen container manufacturers.	10	47.83	478
Total		35,126		1,681,656

[12] NHTSA estimates there are annually 10 motor vehicle hydrogen containers requiring labels (3 passenger car models, 4 medium/heavy trucks models, and 3 transit bus models). Each vehicle model will have only one unique label that is applied to each of that model's containers.

Estimated Total Annual Burden Cost: $23,608,215 (rounded).

NHTSA estimates it costs manufacturers producing vehicles covered by FMVSS Nos. 105 and 135 an additional $0.01839 per reservoir plug or cap for the added material and contrasting color needed to put the required label statement on each part. For the purpose of this evaluation, an estimate of 1,295,694 reservoir plugs and caps [13] per year is used for vehicles covered by FMVSS No. 105 and 14,694,582 reservoir plugs and caps [14] per year is used for vehicles covered by FMVSS No. 135. Allowing for an added 10% production for spare parts, the total annual cost to apply labels to the reservoir plugs and caps is $323,467 ((1,295,694 + 14,694,582) * 1.1 * $0.01839). This cost also reflects manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

FMVSS No. 205 requires a certification label on each motor vehicle glazing panel. For the purpose of this evaluation, a point estimate of 124,754,397 glazing panels [15] per year is used to estimate annualized costs. Two different methods are used to affix the required markings to glazing panels. One method utilizes a ceramic paint process. It is estimated that 90% of glazing panels are marked using this method, costing on average $0.01839 per glazing panel. The remaining 10% of the panels are marked using a sand blasting method, costing on average $0.05517 per glazing panel. This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part. Allowing for an added 10% production for spare parts, the total annual cost to apply labels to the glazing panels is $3,028,388.28 (0.90 * 124,754,397 * 1.1 * 0.01839 + 0.10 * 124,754,397 * 1.1 * 0.05517).

FMVSS No. 205 also requires a cleaning label, removable by hand, to be affixed to certain types of glazing panels. It is estimated that this type of glazing is used as standee partitions in transit buses. There are an estimated 5,300 transit buses produced annually, with an average of two partitions per bus, at an estimated cost of $0.895 per label. This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part. Allowing an added 10% production for spare parts, the total annual cost to apply these removable labels to the glazing panels is $15,653.20 (5,300 * 1 * 3 * 1.1 * $0.8950).

FMVSS No. 208 requires air bag warning labels to be in covered vehicles. Each of the covered 15,206,157 [16] vehicles are required to have an air bag warning label at each front outboard seating position equipped with an inflatable restraint. These vehicles are also required to have an air bag warning label, which need not be permanent, attached to a location on the dashboard or the steering wheel hub that is clearly visible from all front seating positions. Each sun visor label is estimated to cost $0.228. The dash warning label is estimated to cost $0.472. Total annual cost for the required air bag warning labels is $15,517,429 ((30,392,314 * 1.1 * $0.228) + (15,206,157 * 1.1 * 0.472)).

FMVSS No. 209 requires each motor vehicle seat belt assembly to have a label. An estimate of 100,510,374 seat belt assemblies [17] per year is used to determine annualized costs. It is further estimated that an additional 10% of the seat belt assemblies are produced as spare parts. NHTSA estimates manufacturers have a $0.0423 cost burden per label applied to each seat belt assembly. The total annual cost to make and apply labels to the seat belt assemblies is $4,676,747.70 (100,510,374 * 1.1 * $0.04230). This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

FMVSS No. 303 requires CNG vehicle manufacturers to attach a permanent label to each CNG vehicles. An estimate of 10,000 CNG vehicles produced annually is used to determine annualized costs. NHTSA estimates manufacturers create and apply labels to CNG vehicles at a cost of $0.7300 per label. The total annual cost to make and apply labels to the CNG vehicles is $7,300.00 (10,000 * $0.7300). This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

FMVSS No. 304 requires each CNG fuel container to have a label. An estimate of 40,000 CNG fuel containers is used to determine annualized costs. NHTSA estimates each applied label costs manufacturers $0.7300 to apply the label to a container. The total annual cost to make and apply labels to the CNG containers is $29,200.00 (40,000 * $0.73). This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

FMVSS No. 307 requires each hydrogen powered vehicle to have a label containing specified information. It is estimated that 3,239 hydrogen powered vehicles are produced each year. NHTSA estimates manufacturers create and apply labels to hydrogen vehicles at a cost of $0.7300 per label. The total annual cost to make and apply labels to hydrogen vehicles is $2,364.47 (3,239 * $0.7300). This cost also reflects the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

FMVSS No. 308 requires each hydrogen storage container unit to have a label. An estimate of 10,500 hydrogen containers [18] produced per year is used to determine annualized costs. NHTSA estimates each applied label costs manufacturers $0.73. The total annual cost to make and apply labels to the hydrogen containers is $7,665.00 (10,500 * $0.73). This cost also reflects

[13] There is one cap or plug per vehicle covered by FMVSS No. 105. There are 806,800 medium/heavy trucks, 20,000 medium/large buses, and 468,894 RV campers produced annually which are covered by this standard. The total covered vehicles, or total cap and plugs, is 1,295,694 (806,800 + 20,000 + 468,894).

[14] There is one cap or plug per vehicle covered by FMVSS No. 135. It is estimated that there are 14,694,582 reservoir caps required for the 3,094,840 passenger cars and 11,599,743 light truck vehicles produced annually which are covered under FMVSS No. 135.

[15] It is estimated that there are 3,094,840 passenger cars each with 8 glazing units, 11,599,743 light truck vehicles each with 8 glazing units, 491,573 medium/heavy truck vehicles each with 6 glazing units, 20,000 medium and heavy bus vehicles each with 8 glazing units, 550,000 motorcycles each with 1 glazing unit, 11,000 slide-in campers each with 3 glazing units, 464,757 campers each with 7 glazing units, 8,000 pick-up bed covers each with 4 glazing units, and 55,000 low speed vehicles with 4 glazing units. The total estimated number of glazing units is 124,754,397 [(3,094,840 * 8) + (11,599,743 * 8) + (491,574 * 6) + (20,000 * 8) + (550,000 * 1) + (11,000 * 3) + (464,757 * 7) + (8,000 * 4) + (55,000 * 4)].

[16] NHTSA estimates there are total of 15,206,156 vehicles requiring air bag labels annually. This total includes 3,094,840 passenger cars; 11,599,743 light truck vehicles, 491,573 medium and heavy trucks; and 20,000 medium and heavy buses. Buses only have one front outboard seating position requiring an air bag warning label. The total number of sun visors requiring warning labels is 30,392,314 (2 * (3,094,840 + 11,599,743 + 491,573) + 20,000).

[17] It is estimated that there are 3,094,840 passenger cars each with 5 unique seat belt assemblies; 11,599,743 light truck vehicles each with 7 unique seat belt assemblies; 491,574 medium/heavy truck vehicles each with 5 glazing units, 20,000 medium and heavy bus vehicles each with 3 unique seat belt assemblies; 464,757 campers each with 2 unique seat belt assemblies; and 50,000 universal seat belt assemblies (not specific to a vehicle). The total estimated number of seat belt assemblies is 100,510,374 [(3,094,840 * 5) + (11,599,743 * 7) + (491,574 * 5) + (20,000 * 3) + (464,757 * 2) + (50,000)].

[18] An estimated 3 labels are required for each of the 2,978 hydrogen powered passenger cars, 6 labels for each of the 100 hydrogen powered medium/heavy trucks, and 6 labels for each of the 161 hydrogen powered transit buses. One label will be at the fueling port of each vehicle and the remaining labels will each be on the vehicles' hydrogen storage containers, one label per container.

the manufacturer's allocation of capital expenditures and equipment depreciation to the cost of each part.

The total estimated annual burden costs are detailed in Table 2.

TABLE 2—SUMMARY ESTIMATE OF TOTAL ANNUALIZED COST TO RESPONDENTS OR RECORDKEEPERS

FMVSS No.	Brief title	Total yearly cost
105	Hydraulic and electric brake systems	$26,211
135	Light vehicle brake systems	297,257
205	Glazing Material	3,044,041
208	Occupant Crash Protection	15,517,429
209	Seat Belt Assemblies	4,676,748
303	CNG Vehicles	7,300
304	CNG Fuel Containers	29,200
307	Hydrogen Vehicles	2,364
308	Hydrogen Storage System	7,665
Total		23,608,215

Since NHTSA last requested approval for this collection, the estimated hour burden has increased to 35,126 hours and cost has increased to $25,289,871. These increased hours and costs account for a change in the estimated number of vehicles and vehicle models that will be produced each year, an increase in the estimated hourly labor costs, and the addition of five FMVSSs to this collection.

Public Comments Invited: You are asked to comment on any aspects of this information collection, including: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; 49 CFR 1.49; and DOT Order 1351.29A.

Shashi Kuppa,

Acting Associate Administrator, Rulemaking.

[FR Doc. 2026–19962 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2026–1849]

Agency Information Collection Activities; Notice and Request for Comment; Generic Clearance for the Collection of Qualitative Feedback on Agency Service Delivery

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

ACTION: Notice and request for comments on a request for renewal with change of a previously-approved information collection.

SUMMARY: The National Highway Traffic Safety Administration (NHTSA) invites public comments about our intention to request approval from the Office of Management and Budget (OMB) to renew with change a currently approved information collection. Before a Federal agency can collect certain information from the public, it must receive approval from OMB. Under procedures established by the Paperwork Reduction Act of 1995, before seeking OMB approval, Federal agencies must solicit public comment on proposed collections of information, including extensions and reinstatements of previously approved collections. This document describes a collection of information for which NHTSA intends to seek OMB approval on generic clearance for qualitative feedback on agency service delivery. This renewal request includes a modification to the information collection. Specifically, NHTSA is adding annual tracking studies for its high-visibility enforcement (HVE) campaigns (four per year) to report campaign metrics for evidence plans and additional customer satisfaction surveys. NHTSA added campaign performance metrics to the agency's annual Evidence Plan for the Office of Management and Budget (OMB) to measure the success of its HVE campaigns through its media buys. Because these HVE tracking studies were not included in the previously approved fast-track reinstatement package, their inclusion results in an increase in both total annual respondents and burden hours.

DATES: Written comments should be submitted by November 30, 2026.

ADDRESSES: You may submit comments, identified by Docket No. DOT–NHTSA–2026–1849 through one of the following methods:

- *Electronic Submissions:* Go to the Federal eRulemaking Portal at *http://www.regulations.gov*. Follow the online instructions for submitting comments.
- *Fax:* 1–202–493–2251.
- *Mail or Hand Delivery:* Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W58–213, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except on Federal holidays. To be sure someone is there to help you, please call (202) 366–9322 before coming.

Instructions: All submissions must include the agency name and docket number for this notice. Note that all comments received will be posted without change to *http://www.regulations.gov,* including any personal information provided. Please see the Privacy Act heading below.

Privacy Act: Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act

Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78) or you may visit *https://www.transportation.gov/privacy.*

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov* or the street address listed above. Follow the online instructions for accessing the dockets via internet.

FOR FURTHER INFORMATION CONTACT: For additional information or access to background documents, contact Kil-Jae Hong, NCO–0200, 202–577–1190, Office of Communications and Consumer Information, W44–301, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590. Please identify the relevant collection of information by referring to its OMB Control Number.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), before an agency submits a proposed collection of information to OMB for approval, it must first publish a document in the **Federal Register** providing a 60-day comment period and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB's regulation (at 5 CFR 1320.8(d)), an agency must ask for public comment on the following: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) how to enhance the quality, utility, and clarity of the information to be collected; and (d) how to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses. In compliance with these requirements, NHTSA asks for public comments on the following proposed collection of information for which the agency is seeking approval from OMB.

Title: Generic Clearance for the Collection of Qualitative Feedback on Agency Service Delivery.

OMB Control Number: 2127–0682.

Form Number(s): To be determined by specific collections.

Type of Request: Renew with changes of a currently approved information collection.

Type of Review Requested: Regular.

Requested Expiration Date of Approval: Three years from date of approval.

Summary of the Collection of Information: Executive Order 12862 directs Federal agencies to provide the highest quality service possible to the public. This proposed information collection provides a means to garner qualitative customer and stakeholder feedback in an efficient, timely manner, in accordance with the Administration's commitment to improving service delivery.

This feedback collected through this information collection will provide insights into customer or stakeholder perceptions, experiences and expectations; provide early warning of issues with service; or focus attention on areas where communication, training, or changes in operations might improve delivery of products or services. The feedback will allow for ongoing, collaborative and actionable communication between the Agency and its customers and stakeholders. This information collection will also allow feedback to contribute directly to the improvement of program management.

The Agency will only submit a collection for approval under this generic clearance if it meets the following conditions:

- The collection is voluntary;
- The collection is low-burden for respondents (based on considerations of total burden hours, total number of respondents, or burden-hours per respondent) and is low-cost for both the respondents and the Federal Government;
- The collection is non-controversial and does not raise issues of concern to other Federal agencies;
- Any collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the near future;
- Personally identifiable information is collected only to the extent necessary and is not retained;
- Information gathered is intended to be used only internally for general service improvement and program management purposes and is not intended for release outside of the agency (if released, the agency must indicate the qualitative nature of the information);
- Information gathered will not be used for the purpose of substantially informing influential policy decisions; and
- Information gathered will yield qualitative information; the collections will not be designed or expected to yield statistically reliable results or used as though the results are generalizable to the population of study.

Feedback collected under this generic clearance provides useful information, but it does not yield data that can be generalized to the overall population. This type of generic clearance for qualitative information will not be used for quantitative information collections that are designed to yield reliably actionable results, such as monitoring trends over time or documenting program performance. Such data uses require more rigorous designs that address: the target population to which generalizations will be made, the sampling frame, the sample design (including stratification and clustering), the precision requirements or power calculations that justify the proposed sample size, the expected response rate, methods for assessing potential non-response bias, the protocols for data collection, and any testing procedures that were or will be undertaken prior to fielding the study. Depending on the degree of influence the results are likely to have, such collections may still be eligible for submission for other generic mechanisms that are designed to yield quantitative results.

As a general matter, information collections under this request will not result in any new system of records containing privacy information and will not ask questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

Description of the Need for the Information and Proposed Use of the Information:

Improving agency programs requires ongoing assessment of service delivery—systematic review of the operation of a program compared to a set of explicit or implicit standards—as a means of contributing to the continuous improvement of those programs. The Agency will collect, analyze, and interpret information gathered through this generic clearance to identify strengths and weaknesses of current services and make improvements in service delivery based on that feedback. The solicitation of feedback will target areas such as: timeliness, appropriateness, accuracy of information, courtesy, efficiency of service delivery, and resolution of issues with service delivery. Responses will be assessed to plan and inform efforts to improve or maintain the

quality of service offered to the public. If this information were not collected, vital feedback from customers and stakeholders on the Agency's services would be unavailable and the Agency would not know if adjustments would be warranted.

Affected Public: Individuals and Households, Businesses and Organizations, State, Local or Tribal Government.

Estimated Number of Respondents: 42,192.

Frequency: On Occasion, per request.

Number of Responses: 42,192.

Estimated Total Annual Burden Hours: 5,472.

The 5,472 annual burden hours requested are based on the number of collections we expect to conduct over the requested period for this clearance.

A variety of instruments will be used to collect information from respondents including satisfaction surveys, campaign tracking studies, focus groups, small group discussions, and usability studies. The estimated 5,472 annual burden hours are based on the number of anticipated collections over the requested period for this clearance. It represents an increase of 1,437 hours from the last collection due to additional annual tracking studies for its HVE campaigns (four per year) to report performance metrics to support successful performance of campaigns. It is expected that the primary respondents for these collections are State and local workers. To calculate the opportunity cost associated with this submission, NHTSA estimated the total opportunity costs associated with these burden hours by looking at the average wage for State and local workers. The Bureau of Labor Statistics estimates that the average hourly wage for State and local workers is $40.82/hour. The estimated annual opportunity cost is approximately $290,383.12 and the total three-year opportunity cost is approximately $871,149.36. Table 1 below outlines the expected collections and the corresponding estimated annual burden hours and opportunity costs.

TABLE 1—ESTIMATED ANNUAL BURDEN HOURS AND ASSOCIATED OPPORTUNITY COSTS

Type of collection	Number of respondents	Time per response (mins)	Estimated burden hours	Opportunity cost per response	Estimated opportunity cost
User Experience Surveys	21,320	3	1066	$2.65	$56,572.62
Customer Satisfaction Surveys	2,132	6	213.2	5.31	11,314.52
Focus Groups	312	75	390	66.34	20,697.30
Online Tracking Studies	17,550	10	2925	8.85	155,229.75
Small Group Discussions	813	60	812.5	53.07	43,119.38
Usability Study	65	60	65	53.07	3,449.55
Total	42,192		5,472		290,383.12

Estimated Total Annual Burden Cost: $0.

Participation in this collection is voluntary, and there are no costs to respondents beyond the time spent participating in the surveys.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (b) the accuracy of the Department's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; and 49 CFR 1:49; and DOT Order 1351.29A.

Juliette Marie Vallese,

Associate Administrator, Office of Communications and Consumer Information.

[FR Doc. 2026–20051 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2026–1222]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Request for Comment; Consolidated Labeling Requirements and Procedures for Selecting Lines To Be Covered by the Theft Prevention Standard

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

ACTION: Notice and request for comments on a request for reinstatement of a previously approved information collection.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (PRA), this notice announces that the Information Collection Request (ICR) summarized below will be submitted to the Office of Management and Budget (OMB) for review and approval. The ICR describes the nature of the information collection and its expected burden. NHTSA intends to seek OMB approval on Consolidated Labeling Requirements for 49 CFR parts 541 and Procedures for Selecting Lines to be Covered by the Theft Prevention Standard for 542—Federal Motor Vehicle Theft Prevention Standard. A **Federal Register** Notice with a 60-day comment period soliciting comments on the following information collection was published on March 20, 2026 (91 FR 13696). No comments were received.

DATES: Comments must be submitted on or before October 30, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection, including suggestions for reducing burden, should be submitted to the Office of Management and Budget at *www.reginfo.gov/public/do/PRAMain.* To find this particular information collection, select ''Currently under Review—Open for Public Comment'' or use the search function.

FOR FURTHER INFORMATION CONTACT: For additional information or access to

background documents, contact Mr. Walter Lysenko (*walter.lysenko@dot.gov*). Address: National Highway Traffic Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590. Mr. Lysenko's telephone number is (202) 366–1810. Please identify the relevant collection of information by referring to its OMB Control Number.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501 *et seq.*), a Federal agency must receive approval from the Office of Management and Budget (OMB) before it collects certain information from the public and a person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid OMB control number. In compliance with these requirements, this notice announces that the following information collection request will be submitted OMB.

Title: Consolidated Labeling Requirements and Procedures for Selecting Lines to be Covered by the Theft Prevention Standard.

OMB Control Number: 2127–0539.

Form Number(s): N/A.

Type of Request: Request for reinstatement of a previously approved information collection.

Type of Review Requested: Regular.

Length of Approval Requested: Three years from approval date.

Summary of the Collection of Information: This information collection pertains to 49 CFR part 541, Federal Motor Vehicle Theft Prevention Standard, and 49 CFR part 542, Procedures for Selecting Lines to be Covered. Under 49 U.S.C. Chapter 331, manufacturers of certain passenger motor vehicles and light-duty trucks must:

(1) mark major component parts and replacement parts with identifying numbers for vehicle lines designated as high theft;

(2) submit target area information identifying the location of required markings;

(3) submit evaluations of whether new light-duty truck lines are likely to be high-theft; and

(4) submit evaluations of whether new light-duty truck lines share interchangeable major parts with high-theft passenger motor vehicle lines.

Manufacturers must comply annually with parts-marking requirements for each covered line and must submit reports when they introduce new vehicle lines that may trigger coverage under 49 CFR parts 541 and 542. Approximately 23 manufacturers are expected to submit target-area reports annually, and one manufacturer per year is expected to submit each of the two evaluations under Part 542.

Description of the Need for the Information and Proposed Use of the Information: NHTSA collects this information to determine which vehicle lines must comply with the Federal Motor Vehicle Theft Prevention Standard, to evaluate whether new vehicle lines are high-theft, and to ensure that manufacturers properly mark major component parts as required by statute. These submissions allow NHTSA to carry out its statutory responsibilities under 49 U.S.C. Chapter 331. The information also supports enforcement and ensures consistent application of theft-prevention requirements across the vehicle fleet.

60-Day Notice: A **Federal Register** Notice with a 60-day comment period soliciting public comments on the following information collection was published on March 20, 2026 (91 FR 13696). No comments were received.

Affected Public: Motor vehicle manufacturers of passenger motor vehicles and light-duty trucks subject to the Federal Motor Vehicle Theft Prevention Standard.

Estimated Number of Respondents: Approximately 21 manufacturers for annual target-area submissions and one manufacturer per year for each type of evaluation under 49 CFR part 542.

Frequency: Target-area reports: Annual; High-theft determinations and parts-interchangeability evaluations: As needed, typically one per year.

Estimated Number of Responses: For the four information collections in Part 541 and Part 542, NHTSA estimates the annual number of responses as follows: (1) 4.5 million responses for the parts-marking requirement; (2) 23 for submissions of target area information; (3) 1 for reporting on whether a LDT line is likely to be high-theft; and (4) 1 for reporting on whether a LDT line shares interchangeable parts with a high theft line subject to the parts-marking requirements.

Estimated Total Annual Burden Hours: 150,550 hours.

This total consists of 150,000 hours for parts-marking of approximately 4.5 million vehicles, 460 hours for reporting of target areas to NHTSA (23 responses from 21 manufacturers at 20 hours per response), 45 hours for one annual high-theft determination under Part 542, and 45 hours for one annual interchangeability determination under Part 542.

Estimated Total Annual Burden Cost: $24,003,000.

NHTSA estimates that the average cost to print each label is $0.38. There are an average 14 parts per vehicle to label; therefore, the printing cost per vehicle is $5.33. At present, the agency estimates that 4.5 million motor vehicles annually must have their major parts marked. The total annual fleet costs are estimated to be $24,003,000 for label identifiers ($5.33 × 4.5 million vehicles).

Information collection	Number of parts labeled per vehicle	Printing cost per label	Total printing cost per vehicle	Number of vehicles per year (million)	Total estimated printing cost
541: Parts-Marking on 14 major parts (49 CFR 541.5(a)	14	$0.381	$5.33	4.5	$24,003,000

Target area submissions require no additional costs to the respondents above and beyond the labor costs.

Public Comments Invited: You are asked to comment on any aspects of this information collection, including (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as

amended; 49 CFR 1.49; and DOT Order 1351.29A.

Shashi Kuppa,

Acting Associate Administrator Rulemaking.

[FR Doc. 2026–19961 Filed 9–29–26; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

[Docket No. CDFI–2026–0200]

Agency Information Collection Activities; Proposed Collection; Comment Request; Community Development Financial Institutions Program—Certification Application

ACTION: Notice of Information Collection; and request for public comment.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury, is soliciting comments concerning the Community Development Financial Institutions Program—Certification Application, which Applicants will submit through the CDFI Fund's Awards Management Information System (AMIS).

DATES: Written comments must be received on or before November 30, 2026 to be assured of consideration.

ADDRESSES: You may submit comments via the Federal eRulemaking Portal at *www.regulations.gov* Docket No. CDFI–2026–0200. Follow the instructions on the website for the submission of comments. In general, all comments will be available for inspection at *www.regulations.gov.* Comments, including attachments and other supporting materials, are part of the public record. Do not submit any information in your comments or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Shannon McKay, Acting Program Manager for the Office of Certification Policy and Evaluation, CDFI Fund, U.S. Department of the Treasury, 1500 Pennsylvania Ave. NW, Washington DC 20220 or by phone at (202) 653–0300. Other information regarding the CDFI Fund and its programs may be obtained through the CDFI Fund's website at *http://www.cdfifund.gov.*

SUPPLEMENTARY INFORMATION:

Title: Community Development Financial Institutions Program—Certification Application.

OMB Control Number: 1559–0028.

Abstract: A certified Community Development Financial Institution (CDFI) is a specialized financial institution that works in markets that are underserved by traditional financial institutions. CDFIs provide a range of financial products and services in economically distressed target markets, such as mortgage financing for low-income and first-time homebuyers and not-for-profit developers, flexible underwriting and risk capital for needed community facilities, and technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas. CDFIs include regulated institutions such as community development banks and credit unions, and non-regulated institutions such as loan and venture capital funds. CDFI certification is a designation conferred by the CDFI Fund and is a requirement for accessing Financial Assistance awards from the CDFI Fund through the Community Development Financial Institutions Program (CDFI Program), the Native American CDFI Assistance Program (NACA Program), and the Small Dollar Loan Program (SDL Program), and bond guarantees through the CDFI Bond Guarantee Program, as well as certain benefits under the Bank Enterprise Award Program (BEA Program), to support an organization's established community development financing programs. In order to be eligible to apply for the Capital Magnet Fund Program, a bank must be a Certified CDFI.

The CDFI Fund is authorized by the Riegle Community Development Banking and Financial Institutions Act of 1994 (Pub. L. 103–325, 12 U.S.C. 4701 *et seq.*) (the Act). The regulations governing CDFI certification are found at 12 CFR 1805.201 (the Regulations). Capitalized terms found in this notice are defined in the regulations that govern the CDFI Program, at 12 CFR 1805.104.

Since 1997, the universe of Certified CDFIs has grown from 196 to nearly 1,300 organizations, with nearly $437 billion in total assets and headquarters in all fifty states, the District of Columbia, Guam, and Puerto Rico. The significance of CDFI Certification also has increased over the years, as CDFI status has come to serve as a qualifier for other Federal government and private sector programs and benefits.

In December 2023, the CDFI Fund released a revised version of the CDFI Certification Application which was the culmination of an effort begun in January 2017 to ensure the CDFI Certification policies and procedures continue to meet statutory and regulatory requirements, are responsive to the evolving nature of the CDFI industry, and protect government resources. Now that the CDFI Fund has reviewed close to 1,400 CDFI Certification Applications that used the revised version of the Application released in December 2023, there are some additional CDFI Certification policy changes, as well as changes to the CDFI Certification Application and its supporting tools that the CDFI Fund is seeking public comment on. These changes ensure CDFI Certification is aligned with the Administration's executive orders and efforts to reduce waste, fraud, and abuse within federal programs.

In the Basic Information Section of the Application, several questions have been added to assess the Applicant's and any relevant Affiliate's past administrative proceedings history and compliance in other federal award programs. In addition, the subsection on ''BOARD AND EXECUTIVE STAFF DEMOGRAPHIC INFORMATION'' will be eliminated except for two questions on the total size of governing leadership members and total size of Executive Staff. In the Target Market Section of the Application, ''Other Targeted Population—African American,'' ''Other Targeted Population—Hispanic,'' ''Other Targeted Population—Other Pacific Islander,'' ''Other Targeted Population—Filipino,'' and ''Other Targeted Population—Vietnamese'' will no longer be eligible Target Market types. The CDFI Fund will no longer allow any Other Targeted Population (OTPs) Target Market types that are based on the race and/or ethnicity of the borrower. This policy change extends to any Section Zero Application submission proposing approval of a new Target Market type.

The CDFI Fund will revise the current CDFI Certification requirement that in order to be certified as a CDFI, an entity must maintain accountability to each component of its CDFI Certification Market through board representation to instead replace board representation with Target Market activity. As a result, the updated version of the CDFI Certification Application will no longer

have a separate ''Accountability'' section or the separate subsection on ''NATIVE COMMUNITIES ACCOUNTABILITY'' in the Native American CDFI Designation section. Accountability will instead be measured through the Target Market activity section of the CDFI Certification Application.

There are other minor changes to question wording or answer choices throughout the Application to better align the form with the current version in AMIS. The CDFI Fund anticipates that the overall effect of the changes to the Application will be a net reduction in burden to Applicants.

Current Actions: Revision of a currently approved collection.

Type of Review: Regular.

Form: CDFI Certification Application.

Affected Public: Businesses or other for-profit institutions, non-profit entities, and State, local, and Tribal entities participating in CDFI Fund programs.

Estimated Number of Respondents: 150.

Frequency of Responses: Annually.

Estimated Total Number of Annual Responses: 150.

Estimated Annual Time per Respondent: 55 hours.

Estimated Total Annual Burden Hours: 8,250 hours.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record at *http://www.cdfifund.gov.* The CDFI Fund is seeking input on the content of the revised CDFI Certification Application. The application and related guidance may be obtained on the CDFI Fund's website at *https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx.* Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

In addition, the CDFI Fund requests comments in response to the following questions:

1. Are certain questions or tables redundant or unnecessary?

2. Should any questions or tables be added to ensure collection of relevant information?

3. Are there questions where the intent or the purpose of the question is not clear? If so, which questions, and what needs to be clarified in order to provide a comprehensive response?

4. Are there questions that would require additional guidance to respond adequately? If so, which questions, and what type of instructions would be helpful in order to be able to provide a response?

5. With the proposed change to eligible Target Market types, currently Certified CDFIs with an approved Target Market component of ''Other Targeted Population—African American'', ''Other Targeted Population—Hispanic'', ''Other Targeted Population—Other Pacific Islander'', ''Other Targeted Population—Filipino'', and/or ''Other Targeted Population—Vietnamese'' will no longer qualify as Target Markets for CDFI Certification and therefore, must seek approval to serve one of the remaining eligible Target Market Components. The CDFI Fund is planning on a one-year transition period for Certified CDFIs that currently rely on a now-prohibited Target Market, to qualify under one or more of the remaining eligible Target Market types. With the exception of a longer transition period, is there anything that the CDFI Fund could do to make this deadline more feasible for your organization?

6. Currently Applicants are allowed to submit CDFI Certification Applications at any time throughout the year. The CDFI Fund is considering transitioning to a set submission schedule, which would allow Applicants to submit CDFI Certification Applications only within a specific time period on annual basis. Should the CDFI Fund transition to an annual CDFI Certification Application cycle, similar to its award programs?

7. Are there certain questions that should be added to the Application to ensure CDFI Certification is adequately addressing the Administration's concerns around waste, fraud, and abuse in federal programs?

8. To strengthen the financial entity portion of the Application, the CDFI Fund is considering whether to require the submission of audited financial statements for any questions referencing the most recently completed fiscal year balance sheets. What would the estimated burden hours be for an institution to comply with this requirement?

9. Under current policy, in order to apply for CDFI Certification, Applicants need to have closed at a minimum, one (1) financial product in their proposed Target Market during their most recently completed fiscal year prior to the CDFI Certification Application submission date. The CDFI Fund is considering raising this threshold. What is a reasonable threshold that Applicants should meet in order to be eligible to apply for CDFI Certification? Should this threshold vary by the financial institution type or other organizational defining characteristics such as years in operation, financial product offerings (*i.e.* residential mortgages v. small business loans v. small dollar loans)?

10. In revising the Accountability requirement to be measured through Target Market activity rather than board representation, the CDFI Fund is evaluating whether minimum thresholds of Target Market activity should be set for entities that are approved to serve more than one Target Market type. What should be the minimum threshold per approved Target Market type for an institution to comply?

(Authority: 12 U.S.C. 4703, 4703 note, 4704, 4706, 4707, 4717; 12 CFR part 1805.).

Dated: September 28, 2026.

Christopher Miller,

Director, Community Development Financial Institutions Fund.

[FR Doc. 2026–20047 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–70–P

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

[Docket No. CDFI–2026–0199]

Agency Information Collection Activities; Proposed Collection; Comment Request; Annual Certification and Data Collection Report Form and Abbreviated Transaction Level Report

ACTION: Notice of information collection; request for public comment.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the Community Development

Financial Institutions Fund (CDFI Fund), Department of the Treasury, is soliciting comments concerning the Annual Certification and Data Collection Report (ACR) and the abbreviated Transaction Level Report (TLR), which CDFI Certification Applicants and Certified CDFIs will submit through the CDFI Fund's Awards Management Information System (AMIS).

DATES: Written comments must be received on or before November 30, 2026, to be assured of consideration.

ADDRESSES: You may submit comments via the Federal eRulemaking Portal at *www.regulations.gov* Docket No. CDFI–2026–0199. Follow the instructions on the website for the submission of comments. In general, all comments will be available for inspection at *www.regulations.gov.* Comments, including attachments and other supporting materials, are part of the public record. Do not submit any information in your comments or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Shannon McKay, Acting Program Manager for the Office of Certification Policy and Evaluation, CDFI Fund, U.S. Department of the Treasury, 1500 Pennsylvania Ave. NW, Washington DC 20220 or by phone at (202) 653–0300. Other information regarding the CDFI Fund and its programs may be obtained through the CDFI Fund's website at *http://www.cdfifund.gov.*

SUPPLEMENTARY INFORMATION:

Title: Annual Certification and Data Collection Report Form and abbreviated Transaction Level Report

OMB Control Number: 1559–0046.

Abstract: A certified Community Development Financial Institution (CDFI) is a specialized financial institution that works in markets that are underserved by traditional financial institutions. CDFIs provide a range of financial products and services in economically distressed target markets, such as mortgage financing for low-income and first-time homebuyers and not-for-profit developers, flexible underwriting and risk capital for needed community facilities, and technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas. CDFIs include regulated institutions such as community development banks and credit unions, and non-regulated institutions such as loan and venture capital funds.

CDFI certification is a designation conferred by the CDFI Fund and is a requirement for accessing various CDFI Fund programs. A financial institution seeking to become a Certified CDFI and qualify to apply for assistance from the CDFI Fund must complete the CDFI Certification Application (OMB Control Number 1559–0028). CDFI Certification and the Annual Certification and Data Collection Report (ACR) are requirements of Certified CDFIs. The Transaction Level Report (TLR) is a requirement of CDFIs that receive Financial Assistance (FA) awards from the CDFI Fund.

The CDFI Fund is authorized by the Riegle Community Development Banking and Financial Institutions Act of 1994 (Pub. L. 103–325, 12 U.S.C. 4701 *et seq.*) (the Act). The regulations governing CDFI certification are found at 12 CFR 1805.201 (the Regulations). In December 2023, the CDFI Fund released a revised version of the ACR and introduced the abbreviated TLR form which was the culmination of an effort begun in January 2017 to ensure the CDFI Certification policies and procedures continue to meet statutory and regulatory requirements, are responsive to the evolving nature of the CDFI industry, and protect government resources. Now that the CDFI Fund has reviewed close to 1,400 CDFI Certification Applications that used the revised version of the Application released in December 2023, there are some additional CDFI Certification policy changes, as well as changes to the CDFI Certification Application and its supporting tools (ACR and abbreviated TLR) that the CDFI Fund is seeking public comment on. These changes ensure CDFI Certification is aligned with the Administration's executive orders and efforts to reduce waste, fraud, and abuse within federal programs.

The proposed changes to the ACR and abbreviated TLR are to bring them in alignment with the proposed changes to the CDFI Certification Application. These changes include the elimination of any references to ''Other Targeted Population—African American,'' ''Other Targeted Population—Hispanic,'' ''Other Targeted Population—Other Pacific Islander,'' ''Other Targeted Population—Filipino,'' and ''Other Targeted Population—Vietnamese'' which will no longer be eligible Target Market types. The CDFI Fund will no longer allow any Other Targeted Population (OTPs) Target Market types that are based on the race and/or ethnicity of the borrower. This policy change extends to any Section Zero Application submission proposing approval of a new Target Market type.

The Abbreviated TLR will no longer include any data fields collecting information about minority status or sex of the business owner as well as climate-centered financing. Several questions are being added to the ACR to assess the Certified CDFI's and any relevant Affiliate's changes in administrative proceedings history and compliance in other federal award programs. In addition, the ACR's subsection on ''BOARD AND EXECUTIVE STAFF DEMOGRAPHIC INFORMATION'' will be eliminated except for two questions on the total size of governing leadership members and total size of Executive Staff. The CDFI Fund will also be eliminating the ''Accountability'' section and the ''Native American TM Accountability Attestation'' question related to board accountability from the ACR. There will no longer be a requirement of CDFI Certification connecting Target Market Accountability to board representation instead Accountability will be measured through Target Market activity. There are other minor changes to question wording or answer choices throughout the ACR and ATLR to better align the forms with the current versions in AMIS. The CDFI Fund anticipates that the overall effect of the changes to the Application will be a net reduction in burden to Certified CDFIs and CDFI Certification Applicants.

Current Actions: Revision of a currently approved collection.

Type of Review: Regular.

Form: Annual Certification and Data Collection Report.

Affected Public: Certified CDFIs.

Estimated Number of ACR Respondents: 1,277.

Frequency of ACR Responses: Annually.

Estimated Total Number of ACR Annual Responses: 1,277.

Estimated Annual Time per ACR Respondent: 20 hours.

Estimated Total ACR Annual Burden Hours: 25,540 hours.

Form: Abbreviated Transaction Level Report.

Affected Public: Non-Financial Assistance Certified CDFIs seeking Recertification (699) and new CDFI Certification Applicants (150).

Estimated Number of abbreviated TLR Respondents: 849.

Frequency of ATLR Responses: Annually.

Estimated Total Number of ATLR Annual Responses: 849.

Estimated Annual Time Per ATLR Respondent: 20 hours.

Estimated Total ATLR Annual Burden Hours: 16,980 hours.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record at *http://www.cdfifund.gov.* The CDFI Fund is seeking input on the content of the revised CDFI Certification Application. The application and related guidance may be obtained on the CDFI Fund's website at *https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx.*

Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

In addition, the CDFI Fund requests comments in response to the following questions:

1. With the proposed change to eligible Target Market types, currently Certified CDFIs with an approved Target Market component of ''Other Targeted Population—African American,'' ''Other Targeted Population—Hispanic,'' ''Other Targeted Population—Other Pacific Islander,'' ''Other Targeted Population—Filipino,'' and/or ''Other Targeted Population—Vietnamese'' will no longer qualify as Target Markets for CDFI Certification and therefore, must seek approval to serve one of the remaining eligible Target Market Components. The CDFI Fund is planning on a one-year transition period for Certified CDFIs that currently rely on a now-prohibited Target Market, to qualify under one or more of the remaining eligible Target Market types. With the exception of a longer transition period, is there anything that the CDFI Fund could do to make this deadline more feasible for your organization?

2. Are there certain questions that should be added to the ACR and abbreviated TLR to ensure CDFI Certification is adequately addressing the Administration's concerns around waste, fraud, and abuse in federal programs?

3. To strengthen the financial entity portion of the ACR, the CDFI Fund is considering whether to require the submission of audited financial statements for any questions referencing the most recently completed fiscal year balance sheets. What would the estimated burden hours be for an institution to comply with this requirement?

4. Under current policy, in order to maintain CDFI Certification, Certified CDFIs need to have closed at a minimum, one (1) financial product in their proposed Target Market during their most recently completed fiscal year prior to the ACR submission date. The CDFI Fund is considering raising this threshold. What is a reasonable threshold that Certified CDFIs should meet in order to be eligible to retain CDFI Certification? Should this threshold vary by the financial institution type or other organizational defining characteristics such as years in operation, financial product offerings (*i.e.,* residential mortgages v. small business loans v. small dollar loans)?

5. For consumer loans only, regulated entities currently report their activity at an aggregated level by census tract. This aggregation makes it difficult for CDFI Fund staff to verify which loan transactions go to which designated Target Market type if an Applicant or Certified CDFI has multiple Target Market types applicable to different loan transactions in that census tract. To solve this problem, the CDFI Fund is considering eliminating the current Consumer Loan Report (CLR) and requiring regulated entities to report their consumer loans at an individual loan level using the abbreviated TLR or the full-length TLR. Would this policy change impose a burden on a regulated entity's ability to complete and submit their ACR and TLR in a timely manner?

6. In revising the Accountability requirement to be measured through Target Market activity rather than board representation, the CDFI Fund is evaluating whether minimum thresholds of Target Market activity should be set for entities that are approved to serve more than one Target Market type. What should be the minimum threshold per approved Target Market type for an institution to comply?

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: September 28, 2026.

Christopher Miller,

Director, Community Development Financial Institutions Fund.

[FR Doc. 2026–20040 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–70–P

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

[Docket No. CDFI–2026–0203]

Notice of Information Collection and Request for Public Comment

ACTION: Notice and request for public comment.

SUMMARY: The U.S. Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104–13 (44 U.S.C. 3506(c)(2)(A)). Currently, the Community Development Financial Institutions Fund (CDFI Fund), the Department of the Treasury, is soliciting comments concerning the Uses of Awards Report Form. The Uses of Award Report Form is an online form submitted through the CDFI Fund's Awards Management Information System (AMIS).

DATES: Written comments must be received on or before November 30, 2026, to be assured of consideration.

ADDRESSES: You may submit comments via the Federal eRulemaking Portal at *www.regulations.gov* Docket No. CDFI–2026–0203. Follow the instructions on the website for the submission of comments. In general, all comments will be available for inspection at *www.regulations.gov.* Comments, including attachments and other supporting materials, are part of the public record. Do not submit any information in your comments or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Trefor Henry, Acting Program Manager, CDFI Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220, (202) 653–0423 (not a toll-free number). Other information regarding the CDFI Fund and its programs may be obtained on the CDFI Fund website at *https://www.cdfifund.gov.*

SUPPLEMENTARY INFORMATION:

Title: Uses of Award Report Form.

OMB Control Number: 1559–0032.

Abstract: Recipients of the Bank Enterprise Award Program (BEA Program), the Community Development Financial Institutions Program (CDFI Program), the Native American CDFI Assistance Program (NACA Program), and the Small Dollar Loan Program (SDL Program) submit the Uses of Award Report via the CDFI Fund's AMIS once a year, three (3) months after their Period of Performance (BEA Program) end date or fiscal year end (CDFI, NACA and SDL Programs). Recipients respond to the questions below by providing numerical figures, ''yes'' or ''no'' answers, or narrative responses, as appropriate. This report is used to determine Recipient compliance with the applicable performance goals in their Award or Assistance Agreement, and to demonstrate how award funds are expended. There is no significant content change to the form.

Current Actions: Extension without change of currently approved collection.

Type of Review: Regular.

Affected Public: Businesses or other for-profit institutions, non-profit entities, and State, local and Tribal entities participating in the CDFI Fund programs.

Estimated Number of Respondents: 1,114.

Frequency of Responses: Annually.

Estimated Total Number of Annual Responses: 2,228.

Estimated Annual Time per Respondent: 0.75 hours.

Estimated Total Annual Burden Hours: 1,671 hours.

Requests for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget (OMB) approval. All comments will become a matter of public record and may be published on the CDFI Fund website at *http://www.cdfifund.gov.* Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

(Authority: 12 U.S.C. 4704, 4713, 4719; 12 CFR parts 1805, 1806, 1815.)

Dated: September 28, 2026.

Christopher Miller,

Director, Community Development Financial Institutions Fund.

[FR Doc. 2026–20050 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–70–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Action

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice

SUMMARY: The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing the names of one or more persons that have been placed on OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) based on OFAC's determination that one or more applicable legal criteria were satisfied. All property and interests in property subject to U.S. jurisdiction of these persons are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

DATES: This action was issued on August 7, 2026. See **SUPPLEMENTARY INFORMATION** for relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Associate Director for Global Targeting, 202–622–2420; Assistant Director for Licensing, 202–622–2480; Assistant Director for Sanctions Compliance, 202–622–2490; or *https://ofac.treasury.gov/contact-ofac.*

SUPPLEMENTARY INFORMATION:

Electronic Availability

The SDN List and additional information concerning OFAC sanctions programs are available on OFAC's website: *https://ofac.treasury.gov.*

Notice of OFAC Actions

On August 7, 2026, OFAC determined that the property and interests in property subject to U.S. jurisdiction of the following persons are blocked under the relevant sanctions authorities listed below.

Individuals

1. GHASEMPOUR, Saeed (Arabic: سعید قاسم پور) (a.k.a. GHASEMPUR, Sa'id), Iran; DOB 10 Feb 1980; POB Babol, Iran; nationality Iran; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; National ID No. 2060455065 (Iran) (individual) [IRAN-EO13902] (Linked To: BANK-E SHAHR).

   Designated pursuant to section 1(a)(iv) of Executive Order 13902 of September 28, 2010, "Imposing Sanctions With Respect to Additional Sectors of Iran," 85 FR 2003, 3 CFR, 2020 Comp., p. 299 (E.O. 13902), for having acted or purported to act for or on behalf of, directly or indirectly, BANK-E SHAHR, a person whose property and interests in property are blocked pursuant to E.O. 13902.

2. MOHAMMAD, Peivand (a.k.a. MOHAMMAD, Peyvand), Iran; DOB 21 Jan 1991; POB Iran; nationality Iran; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; National ID No. 0013132229 (Iran) (individual) [IRAN-EO13902] (Linked To: FARAB SOROUSH AFAGH QESHM COMPANY).

   Designated pursuant to section 1(a)(iv) of E.O. 13902 for having acted or purported to act for or on behalf of, directly or indirectly, FARAB SOROUSH AFAGH QESHM COMPANY, a person whose property and interests in property are blocked pursuant to E.O. 13902.

3. SHARIFI, Shima (Arabic: شیما شریفی), Iran; DOB 28 Jun 1992; POB Tehran, Iran; nationality Iran; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Female; National ID No. 0014985241 (Iran) (individual) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

4. HENDI, Amir (Arabic: امیر هندی), Iran; DOB 05 Nov 1982; POB Tehran, Iran; nationality Iran; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; National ID No. 0074773585 (Iran) (individual) [IRAN-EO13902] (Linked To: TITAN EXCHANGE).

   Designated pursuant to section 1(a)(iv) of E.O. 13902 for having acted or purported to act for or on behalf of, directly or indirectly, TITAN EXCHANGE, a person whose property and interests in property are blocked pursuant to E.O. 13902.

Entities

1. ALPS INTERNATIONAL L.L.C-FZ, Dubai, United Arab Emirates; Organization Established Date 20 Dec 2022; License 2205337.01 (United Arab Emirates); alt. License DE7365 (United Arab Emirates) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

2. CAILAFANG PTE. LTD., 60, Paya Lebar Square, 54, Paya Lebar Road, Singapore; Organization Established Date 15 Jan 2024; Registration Number 202402130H (Singapore) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

3. OVIEDO OVERSEAS COMPANY LIMITED, Room 11, 8/F, On Cheong Factory Building, No. 19 Tai Yip Street, Kwun Tong, Hong Kong, China; Organization Established Date 09 Sep 2025; Business Registration Number 78761549 (Hong Kong) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

4. AYDENIZ GENERAL TRADING L.L.C, Office 1205, Riggat Al Buteen, Dubai, United Arab Emirates; Organization Established Date 18 Jul 2023; License 1210220 (United Arab Emirates); alt. License CH5145 (United Arab Emirates) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

5. BLUE DASH GENERAL TRADING COMPANY LIMITED, Unit 32, 3/F, Block A, The K-Star, Manning Industrial Building 118, How Ming St, Kwun Tong, Kowloon, Hong Kong, China; Organization Established Date 31 Jul 2019; Company Number 2858512 (Hong Kong); Business Registration Number 71017662 (Hong Kong) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

6. GLEAMING HK TRADING LIMITED, Unit 33A, 3/F, The K-Star, Manning Industrial Center, 116-118, How Ming St, Kwun Tong, Kowloon, Hong Kong, China; Organization Established Date 09 Jun 2020; Company Number 2950107 (Hong Kong); Business Registration Number 71948314 (Hong Kong) [IRAN-EO13902].

   Designated pursuant to section 1(a)(i) of E.O. 13902 for operating in the financial sector of the Iranian economy.

7. TITAN EXCHANGE (a.k.a. TITAN ENERGY PETROLEUM PRODUCTS TRADING CO. L.L.C; a.k.a. TITAN LAND PETROCHEMICALS TRADING L.L.C), Dubai, United Arab Emirates; License 1288764 (United Arab Emirates); alt. License 820100 (United Arab Emirates); alt. License BC2364 (United Arab Emirates); alt. License DA7564 (United Arab Emirates) [IRAN-EO13902] (Linked To: BANK-E SHAHR).

   Designated pursuant to section 1(a)(iii) of E.O. 13902 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, BANK-E SHAHR, a person whose property and interests in property are blocked pursuant to E.O. 13902.

(Authority: E.O. 13902)

Lisa M. Palluconi,

Deputy Director, Office of Foreign Assets Control.

[FR Doc. 2026–20032 Filed 9–29–26; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0933]

Agency Information Collection Activity Under OMB Review: Request for Retroactive Induction for a Period Previously Completed Under Chapter 33

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Benefits Administration (VBA), Department of Veterans Affairs, will submit the collection of information abstracted below to the Office of Management and Budget (OMB) for review and comment. The PRA submission describes the nature of the information collection and its expected cost and burden, and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by October 30, 2026.

ADDRESSES: To submit comments and recommendations for the proposed information collection, please type the following link into your browser: *www.reginfo.gov/public/do/PRAMain,* select ''Currently under Review—Open for Public Comments'', then search the list for the information collection by Title or ''OMB Control No. 2900–0933.''

FOR FURTHER INFORMATION CONTACT: *VA PRA information:* Dorothy Glasgow, 202–461–1084, *VAPRA@va.gov.*

SUPPLEMENTARY INFORMATION:

Title: VA Form 28–10286, Request for Retroactive Induction for a Period Previously Completed under Chapter 33.

OMB Control Number: 2900–0933. *https://www.reginfo.gov/public/do/PRASearch.*

Type of Review: Revision of a currently approved collection.

Abstract: VA Form 28–10286 is primarily used to gather the necessary information for Veterans to request a retroactive induction for a period previously completed under Chapter 33 benefits. Without this information, a retroactive induction for a period previously completed under Chapter 33 benefits could not be determined.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The **Federal Register** Notice with a 60-day comment period soliciting comments on this collection of information was published at 91 FR 43453, July 15, 2026.

Affected Public: Individuals or Households.

Estimated Annual Burden: 48,333.33 hours.

Estimated Average Burden per Respondent: 20 minutes.

Frequency of Response: example: One time.

Estimated Number of Respondents: 144,601 per year.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

Alternate, VA PRA Clearance Officer, Office of Information and Technology/Office of Data Governance and Analytics, Department of Veterans Affairs.

[FR Doc. 2026–20025 Filed 9–29–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0938]

Agency Information Collection Activity: Servicemembers' Group Life Insurance—Spouse Coverage Election and Certificate Form

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Veterans Benefits Administration (VBA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice.

DATES: Comments must be received on or before November 30, 2026.

ADDRESSES: Comments must be submitted through *www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT:

Program-Specific information: Kendra McCleave, 202–461–9760, *Kendra.Mccleave@va.gov.*

VA PRA information: Dorothy Glasgow, 202–461–1084, *VAPRA@va.gov.*

SUPPLEMENTARY INFORMATION: Under the PRA of 1995, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. This request for comment is being made pursuant to Section 3506(c)(2)(A) of the PRA.

With respect to the following collection of information, VBA invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of VBA's functions, including whether the information will have practical utility; (2) the accuracy of VBA's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

Title: Service Members' Group Life Insurance—Spouse Coverage (FSGLI) Election and Certification Form SGLV 8286A.

OMB Control Number: 2900–0938. *https://www.reginfo.gov/public/do/PRASearch* (Once at this link, you can enter the OMB Control Number to find the historical versions of this Information Collection).

Type of Review: Extension of a currently approved collection.

Abstract: Family Servicemembers' Group Life Insurance (FSGLI) provides insurance coverage to spouses of Servicemember's Group Life Insurance (SGLI) insured individuals. SGLI and all associated insurance programs are VA benefits. The SGLV 8286A form is used by Service Members and their spouses when the Service Member is unable to access their Servicemembers Group Life Insurance Online Enrollment System (SOES) account to electronically elect, increase, decrease or decline coverage. If the member is increasing or electing coverage on their spouse after prior declination or reduction and the spouse has health issues, the member's uniformed service reviews the request and sends to the primary insurer for the SGLI program, The Prudential Insurance Company of America (Prudential), through its' Office of Servicemembers' Group Life Insurance (OSGLI), to underwrite and make a decision on coverage. This form ensures members, and their spouses can continue to use the form to manage their FSGLI spousal benefits.

Affected Public: Individuals and households.

Estimated Annual Burden: 267 hours.

Estimated Average Burden per Respondent: 10 minutes.

Frequency of Response: One time.

Estimated Number of Respondents: 1,600.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

Alternate, VA PRA Clearance Officer, Office of Information and Technology/Office of Data Governance and Analytics, Department of Veterans Affairs.

[FR Doc. 2026–20029 Filed 9–29–26; 8:45 am]

BILLING CODE 8320–01–P

FEDERAL REGISTER

Vol. 91 Wednesday,

No. 188 September 30, 2026

Part II

Department of Homeland Security

8 CFR Parts 106 and 216

U.S. Citizenship and Immigration Services Employment-Based Immigrant Visa, Fifth Preference (EB–5) Fee Rule; Final Rule

DEPARTMENT OF HOMELAND SECURITY

8 CFR Parts 106 and 216

[CIS No. 2846–26; DHS Docket No. USCIS–2025–0139]

RIN 1615–AC93

U.S. Citizenship and Immigration Services Employment-Based Immigrant Visa, Fifth Preference (EB–5) Fee Rule

AGENCY: U.S. Citizenship and Immigration Services, DHS.

ACTION: Final rule.

SUMMARY: This final rule adjusts the Employment-Based Immigration, Fifth Preference (EB–5) immigration benefit request fees charged by U.S. Citizenship and Immigration Services (USCIS). It also codifies provisions of the EB–5 Reform and Integrity Act of 2022, implements new statutory requirements, and addresses public comments received on the proposed fee rule published on October 23, 2025.

DATES: This final rule is effective November 30, 2026. Any application, petition, or request postmarked on or after this date must be accompanied by the fees established by this final rule.

FOR FURTHER INFORMATION CONTACT: Office of the Chief Financial Officer, U.S. Citizenship and Immigration Services (USCIS), Department of Homeland Security, 5900 Capital Gateway Drive, Camp Springs, MD 20746; telephone (240) 721–3000. Individuals with hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 711.

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Table of Abbreviations

ABC Activity-Based Costing
AIIA American Immigrant Investor Alliance
AILA American Immigration Lawyers Association
APA Administrative Procedure Act
BLS Bureau of Labor Statistics
CEQ Council on Environmental Quality
CFR Code of Federal Regulations
CPI–U Consumer Price Index for All Urban Consumers
CRA Congressional Review Act
DHS Department of Homeland Security
DOL Department of Labor
EB–5 Employment-Based Immigration, Fifth Preference
E.O. Executive Order
FDNS Fraud Detection and National Security Directorate
FR Federal Register
FY Fiscal Year
IEFA Immigration Examinations Fee Account
IPO Immigrant Investor Program Office
JCE Job Creating Entity
NCE New Commercial Enterprise
NEPA National Environmental Policy Act
NPRM Notice of Proposed Rulemaking
PRA Paperwork Reduction Act
RFA Regulatory Flexibility Act
RIA Regulatory Impact Analysis
SBREFA Small Business Regulatory Enforcement Fairness Act of 1996
TEA Targeted Employment Area
VPC Volume Projection Committee
UMRA Unfunded Mandates Reform Act
USCIS U.S. Citizenship and Immigration Services

I. Executive Summary

A. Purpose of the Regulatory Action

DHS is adjusting EB–5 immigration benefit request fees and implementing related provisions of the EB–5 Reform and Integrity Act of 2022, div. BB of the Consolidated Appropriations Act, 2022, Public Law 117–103 (EB–5 Reform Act), to ensure adequate funding for program administration, enhance integrity measures, and comply with statutory requirements. This rule establishes an updated fee schedule, introduces a technology fee, codifies Integrity Fund fees and penalties, and clarifies procedures for certain EB–5 filings.

B. Legal Authority

DHS is publishing this rule under the authority of the EB–5 Reform Act. The EB–5 Reform Act repealed prior statutory provisions for the Regional Center Program (Pub. L. 102–395, 106 Stat. 1828, sec. 610) and amended the Immigration and Nationality Act (INA) to reform the regional center program of the EB–5 category, effective May 14, 2022, through September 30, 2027.[1]

The EB–5 Reform Act authorizes DHS to conduct a fee study and set fees for EB–5 program-related immigration benefit requests.[2] Under section 106 of the EB–5 Reform Act, DHS is establishing the fees in this rule to recover the full costs of administering the EB–5 program and seek to attain statutory processing time goals. *See* Public Law 117–103, div. BB, sec. 106(b).

The EB–5 Reform Act also authorizes DHS to include costs for reduced or no-fee applications and up to one percent of the petition fee for technology improvements. *See* Public Law 117–103, div. BB, sec. 106(c).

The EB–5 Reform Act further requires DHS to collect EB–5 Integrity Fund fees (INA sec. 203(b)(5)(J), 8 U.S.C. 1153(b)(5)(J)), including annual fees from regional centers and penalties for late or nonpayment.

C. Changes From the Proposed Rule

As explained more fully in section III and later in this preamble, DHS is making several changes in this final rule based on comments received on the proposed rule or in exercising its authority to establish fees while balancing policy objectives as supported by data. The main changes are as follows:

[1] This rule and its supporting analysis assume that the program will be extended and will not sunset on this date, as Congress has a history of reauthorizing the program when it is set to end. *See, e.g.,* Public Law 112–176, 126 Stat. 1325.

[2] Although the deadline provided in section 106(b) for promulgation of the regulations has passed, the Supreme Court has repeatedly held that ''if a statute does not specify a consequence for noncompliance with statutory timing provisions''—which the EB–5 Reform Act does not—the agency is not deprived of its power to act. *Barnhart* v. *Peabody Coal Co.,* 537 U.S. 149, 159 (2003) (quoting *United States* v. *James Daniel Good Real Prop.,* 510 U.S. 43, 63 (1993)).

1. Change in Current Fees

On November 12, 2025, the United States District Court for the District of Colorado issued a decision in *Moody* v. *Noem,* 2025 WL 3157554 (D. Colo.), staying certain EB–5 related fees that were codified by DHS and became effective April 1, 2024.[3] The court determined that the EB–5 Reform Act precluded DHS from adjusting EB–5 program fees in the FY 2022/2023 fee rule. *Moody* at 10. DHS and USCIS believe the Court's decision is incorrect but have implemented it. On November 12, 2025, USCIS reverted to accepting the EB–5 fees that were in effect until March 31, 2024. As such, the current fees shown in this preamble are the fees which were in effect before the FY 2022/2023 fee rule instead of the current fees listed in the proposed rule and those codified at 8 CFR 106.2(a).[4]

2. Revised Fees

DHS proposed a range of Immigration Examinations Fee Account (IEFA) fees from $55 to $29,935 in the proposed rule. In this final rule, DHS sets revised fees to respond to comments and incorporate current data. Table 1 later in this preamble compares current, proposed, and final fees. As explained later in this preamble, the revised fees are mainly the result of changes to budget and workload assumptions. We revised budget and workload estimates to use more recent planning information in response to comments.

3. Revisions to the EB–5 Fee Study

In this final rule, DHS updates the EB–5 fee study to incorporate FY 2026/2027 projections and to reflect public comments, replacing the FY 2024/2025 assumptions used in the proposed rule. *See* 90 FR 48516, 48522–48526. A more detailed discussion of the changes highlighted below is provided in section III.C of this preamble.

- Receipt forecasts for EB–5 filings have been revised using FY 2026/2027 estimates from the Volume Projection Committee (VPC), increasing projected average annual EB–5 receipts from 11,262 to 16,604. Completion rate estimates have also been updated using more recent Immigrant Investor Program Office (IPO) data, while remaining aligned with the processing time goals in the EB–5 Reform Act.
- Regarding costs, the prior IEFA non-premium annual average cost projection of $5.316 billion for FY 2024/2025 is replaced with an updated FY 2026/2027 cost projection of approximately $6.960 billion. In the proposed rule, EB–5 program-specific costs were approximately $86 million. In this final rule, the revised EB–5 program-specific costs are about $105 million.
- Using current EB–5 fees and the updated assumptions, projected EB–5 revenue is approximately $56.6 million, resulting in a cost-revenue gap of roughly $48.4 million. The final EB–5 fee schedule, consistent with the proposed rule, is designed to close this gap and align revenue with projected costs, consistent with INA sec. 286(m), 8 U.S.C. 1356(m), and the EB–5 Reform Act.
- The estimated cost of regional center terminations and reaffirmations is also updated, and, in response to public comments, those costs are now allocated only to initial Form I–956, Application for Regional Center Designation, and Form I–956F, Application for Approval of an Investment in a Commercial Enterprise, rather than to Form I–956 amendments.

4. Change to Inflation Adjustment to EB–5 Integrity Fund Fees

DHS proposed to increase EB–5 Integrity Fund fees by the rate of inflation using the Consumer Price Index for All Urban Consumers (CPI–U) from the first half of 2022 to the first half of 2024 and noted that the time period may change to reflect the current inflation at the time the final rule is issued. *See* 90 FR 48516, 48531–48532. In this final rule, DHS maintains an adjustment for inflation, as authorized by statute, but changes the time period to reflect the CPI data from 2022 to 2025. As such, the resulting increase in this final rule is 10 percent. DHS thus increases the I–526E Integrity Fund fee from $1,000 to $1,100; the Regional Center fee from $10,000 to $11,000; and for certain Regional Center the fee goes from $20,000 to $22,000.[5] These adjustments help ensure sufficient funding for program integrity activities.

D. Summary of Final Fees

Table 1 below summarizes the EB–5 program fees established by this rule pursuant to the EB–5 Reform Act (Public Law 117–103, div. BB). The Current Fee(s) column reflects the fees that DHS currently collects as explained earlier in this executive summary and later in this preamble.[6] The Final Fee(s) column shows the new fees set by this rule, with the last two columns displaying the dollar and percentage differences. In some cases, the final fee includes an additional technology fee, as authorized under section 106(c) of the EB–5 Reform Act, to support improvements to USCIS information technology systems. Other fees include the cost of regional center terminations and reaffirmations, as explained later in this preamble. All adjusted fees are incorporated into the revised Form G–1055, Fee Schedule, included in the rulemaking docket.

[3] *See U.S. Citizenship and Immigration Services Fee Schedule and Changes to Certain Other Immigration Benefit Request Requirements,* 89 FR 6194, 6169, 6209 (Jan. 31, 2024) (FY 2022/2023 fee rule).

[4] *See U.S. Citizenship and Immigration Services Employment-Based Immigrant Visa, Fifth Preference (EB–5) Fee Rule,* 90 FR 48516, 48517 (Oct. 23, 2025).

[5] *See* section III.E. of this preamble for additional information. *See also* 8 U.S.C. 1153(b)(5)(J)(ii).

[6] Please note that 8 CFR 106.2 reflects the EB–5 fees set in the FY 2022/2023 fee rule. As such, the EB–5 fees in 8 CFR 106.2 do not reflect the current fees USCIS collects, as explained earlier in this executive summary and section III.A of this preamble.

Table 1: EB-5 Fee Comparison

Immigration Benefit Request	Current Fee (Reinstated on Nov. 13, 2025)	Proposed Fee(s)	Final Fee(s)	$ Difference from Current Fee	% Difference from Current Fee
I-526 Immigrant Petition by Standalone Investor (with EB-5 Technology Fee)	$3,675	$9,625	$7,615	$3,940	107%
I-526E Immigrant Petition by Regional Center Investor - Initial (with EB-5 Technology Fee)	$3,675	$9,625	$7,850	$4,175	114%
I-526E Immigrant Petition by Regional Center Investor - Amendment	$3,675	$9,530	$7,775	$4,100	112%
I-527 Amendment to Legacy Form I-526	$0	$8,000	$10,330	$10,330	N/A
I-829 Petition by Investor to Remove Conditions on Permanent Resident Status	$3,750	$7,860	$5,000	$1,250	33%
I-956 Application for Regional Center Designation - Initial (with Regional Center Termination cost)	$17,795	$28,895	$44,115	$26,320	148%
I-956 Application for Regional Center Designation - Amendment	$17,795	$18,480	$9,835	($7,960)	-45%
I-956F Application for Approval of Investment in a Commercial Enterprise (with Regional Center Termination cost)	$17,795	$29,935	$42,675	$24,880	140%

Immigration Benefit Request	Current Fee (Reinstated on Nov. 13, 2025)	Proposed Fee(s)	Final Fee(s)	$ Difference from Current Fee	% Difference from Current Fee
I-956G Regional Center Annual Statement - Initial, amendment, or supplement	$3,035	$2,740	$2,165	($870)	-29%
I-956H Bona Fides of Persons Involved with Regional Center Program	$0	$55	$65	$65	N/A
I-956K Registration for Direct and Third-Party Promoters	$0	$2,740	$2,165	$2,165	N/A
I-526E EB-5 Integrity Fund Fee	$1,000	$1,085	$1,100	$100	10%
Regional Center Integrity Fund Fee (20 or fewer total investors)	$10,000	$10,825	$11,000	$1,000	10%
Regional Center Integrity Fund Fee	$20,000	$21,650	$22,000	$2,000	10%

E. Summary of Costs and Benefits

The fee schedule DHS finalizes will impact about 16,600 EB–5 program form filings annually and increase form fees by about 70.7 percent, or by about $2,945.90 (based on a weighted average) to individual investors, regional centers, and other persons or businesses involved in promoting program investments. DHS estimates that the 10-year and annualized monetized costs will be about $8.06 million and $0.81 million, in order, in undiscounted terms. At 3 and 7 percent discount rates, in order, the ten-year (FY 2026 through FY 2035) figures will be $6.88 million and $5.66 million. Impacts associated with filing the new Form I–527, as well as a few expected Form I–829 filings from dependents separate from the principal filers, are categorized as costs, as are changes in forms' time burdens. The final fee changes (for EB–5 program forms that currently exist) will constitute transfer payments from requestors to DHS, which are estimated at $416.74 million and $343.14 million, over a 10-year period at 3 and 7 percent discount rates, in order. Penalties and fees are also classified as costs but are not estimated and quantified.

Based on limited data and information, DHS determined that most regional centers and almost all New Commercial Enterprises (NCEs) and Job-Creating Entities (JCEs) involved in program investment activity will be small entities under the Regulatory Flexibility Act of 1980 (RFA).

II. Background

A. The EB–5 Program

Congress established the EB–5 program in 1990 to promote U.S. economic growth through job creation and capital investment by immigrant investors. Public Law 101–649, 104 Stat. 4978 (Nov. 29, 1990). The regional center program was added in 1992 (Pub. L. 102–395, sect. 610, 106 Stat. 1828) and repealed in 2022. As amended by the EB–5 Reform Act, the program allocates approximately 10,000 visas annually to qualified immigrants and dependents who invest at least $1,050,000, or $800,000 in a targeted employment area (TEA) or infrastructure project, in a U.S. business that creates at least 10 full-time jobs. *See* INA sec. 203(b)(5)(A)–(C), 8 U.S.C. 1153(b)(5)(A)–(C). Up to 90 percent of job creation may be satisfied through indirect jobs in a new commercial enterprise associated with a designated regional center. INA sec. 203(b)(5)(E)(iv), 8 U.S.C. 1153(b)(5)(E)(iv).

USCIS administers the EB–5 program and maintains program integrity, including through the IPO established in FY 2013. The EB–5 Reform Act requires enhanced fraud, national security, and public safety measures, such as site visits, background checks, and compliance audits. *See* INA sec. 203(b)(5)(F)(iv), (H)(iii), (N)–(O), (R), 8 U.S.C. 1153(b)(5)(F)(iv), (H)(iii), (N)–(O), (R); INA sec. 103(a)(3), 8 U.S.C. 1103(a)(3); 8 CFR 103.2(b)(1). USCIS conducts investigations, site visits, and audits to verify eligibility and supporting evidence. Adverse findings may result in denial, revocation, or termination of status.

The EB–5 Reform Act authorizes DHS to set fees to recover costs for adjudication, program management, audits, and compliance activities. *See* Public Law 117–103, div. BB, sec. 106(b), 106(c). These costs are detailed in subsequent sections of this rule.

B. USCIS Fees

USCIS is primarily funded by fees charged to applicants, petitioners, and requesters for immigration and naturalization benefit requests. USCIS manages the following four fee accounts:

- The IEFA, which includes premium processing revenues (INA secs. 286(m), (n), (t), and (u); 8 U.S.C. 1356(m), (n), (t), and (u));
- The Fraud Prevention and Detection Account (INA secs. 214(c)(12) and (13), 286(v); 8 U.S.C. 1184(c)(12) and (13), 1356(v));
- The H–1B Nonimmigrant Petitioner Account (INA secs. 214(c)(9) and (11), 286(s);8 U.S.C. 1184(c)(9) and (11), 1356(s)); and
- The EB–5 Integrity Fund (INA sec. 203(b)(5)(J), 8 U.S.C. 1153(b)(5)(J)).

When USCIS provides adjudication and naturalization services, it is authorized to set IEFA fees at a level that will ensure recovery of the full costs of providing all such services. *See* INA sec. 286(m), 8 U.S.C. 1356(m). The fees that are collected from individuals and entities filing immigration benefit requests are deposited into the IEFA. *Id.* These fees fund the cost of adjudicating immigration benefit requests, including those provided without charge to refugee, asylum, and certain other applicants or petitioners. The IEFA accounted for approximately 95 percent of total funding for USCIS in the FY 2025 full-year budget.[7] The EB–5 Integrity Fund represented less than 1 percent of FY 2025 funding. The remaining USCIS funding came from appropriations (approximately 4 percent) or other fee accounts (approximately 1 percent) in FY 2025. While premium processing funds are also IEFA fees, this rule does not make premium processing fee changes or consider premium processing costs or revenue as part of the EB–5 fee setting approach described in the proposed rule. *See* 90 FR 48516, 48522–48530.

The Fraud Prevention and Detection Account[8] and H–1B Nonimmigrant Petitioner Account[9] are both funded by fees for which the dollar amount is set by statute. DHS has no authority to adjust the fees for these accounts. The EB–5 Integrity Fund, a new account established in FY 2023, is discussed later in this preamble and in a separate section of the proposed rule. *See* section III.C and IV.F of this preamble; *see also* 90 FR 48516, 48530–48535l.

Since its inception, the EB–5 program has been funded by fees set by DHS under the IEFA authority. Historically, fees charged for USCIS services are deposited into the IEFA are generally described as ''IEFA fees.'' *See, e.g.,* 89 FR 6194. The costs to provide such services, which are generally used as the basis to develop the IEFA fees, are described as ''IEFA costs.'' *Id.* A court ruling in 2025 reverted the EB–5 fees to those set in 2016, as explained below.[10]

C. Status of Previous EB–5 Fee Regulations

In the FY 2022/2023 fee rule, DHS adjusted the USCIS fee schedule, including EB–5 program fees, using a full cost recovery model based on Activity-Based Costing (ABC) under INA section 286(m), 8 U.S.C. 1356(m), consistent with OMB Circular A–25. *See* 89 FR 6194 (Jan. 31, 2024); 88 FR 402, 418 (Jan. 4, 2023). That rule allocated IEFA costs across benefit types and generally did not cap EB–5 fees below the amounts indicated by the full cost recovery model. Because the EB–5-specific fee study required by the EB–5 Reform Act had not yet been completed, those EB–5 fees were not set using the statute's processing time goals and narrower program-specific parameters. By contrast, the EB–5 fees in this final rule are based on the EB–5 Reform Act framework, its anticipated processing times, and a revised fee study.

On November 12, 2025, the United States District Court for the District of Colorado issued a decision in *Moody* v. *Noem,* 2025 WL 3157554 (D. Colo.), staying certain EB–5-related fees established in the FY 2022/2023 fee rule, which became effective April 1, 2024. *See* 89 FR 6194. The court concluded that the EB–5 Reform Act precluded DHS from adjusting EB–5 program fees in that rule. *Moody,* at *10–11. As of November 12, 2025, USCIS reverted to accepting the EB–5 fees that were in effect until March 31, 2024.[11]

D. Related Rulemakings and Policies

DHS is engaged in multiple immigration-related rulemakings that are at various stages of development. DHS recognizes that policy and regulatory changes can affect USCIS staffing needs, costs, fee revenue, and processing times, including those for EB–5 workloads. Consistent with prior practice, DHS has considered other relevant rules for peripheral, overlapping, or interrelated effects on this EB–5 fee rule and has analyzed, to the extent possible, the potential effects of rules that may impact or substantively overlap with this action.

DHS has also considered, to the extent practicable, the effects on this rule of intervening or anticipated legislation and policy changes of which USCIS is aware. Immigration policy changes frequently, and some initiatives may not be fully reflected in this rule due to the time required for rule development and finalization. DHS therefore cannot represent that it has accounted for every future policy change at all levels of the U.S. Government that may directly or indirectly affect the EB–5 program.

However, DHS believes it has examined and considered all relevant aspects of the issues addressed by this rulemaking, responded to all substantive public comments, and provided a reasoned explanation for the EB–5 fee changes and related provisions consistent with applicable statutory authorities, including the EB–5 Reform

[7] *See* DHS, USCIS Budget Overview: FY 2026 Congressional Justification, *https://www.dhs.gov/sites/default/files/2025-06/25_0613_uscis_fy26-congressional-budget-justificatin.pdf.*

[8] The Fraud Prevention and Detection fees charged to certain employers petitioning for nonimmigrant workers in the H–1B, H–2B, and L–1 visa classifications are set by statute. Revenue is used for activities related to preventing and detecting fraud in immigration benefit requests. *See* 8 U.S.C. 1356(v)(2)(B) (''One-third of the amounts deposited into the Fraud Prevention and Detection Account shall remain available to the Secretary of Homeland Security until expended for programs and activities to prevent and detect immigration benefit fraud, including fraud with respect to petitions filed under paragraph (1) or (2)(A) of section 1184(c) of this title to grant an alien nonimmigrant status described in subparagraph (H) or (L) of section 1101(a)(15) of this title.''). Revenue is shared equally among USCIS, the U.S. Department of State, and the U.S. Department of Labor (DOL). Effective July 25, 2018, USCIS also collects and retains the $50 Commonwealth of the Northern Mariana Islands fraud fee. *See* 48 U.S.C. 1806(a)(6)(A)(iv). DHS interprets Fraud Prevention and Detection Account authority as providing supplemental funding to cover activities related to fraud prevention and detection and not prescribing that only those funds may be used for that purpose. The Fraud Detection and National Security Directorate (FDNS) is funded out of both the IEFA and the Fraud Prevention and Detection Account. The fees deposited in the Fraud Prevention and Detection Account are fixed by statute and are insufficient to cover the full costs of FDNS. Therefore, USCIS uses both Fraud Prevention and Detection Account and IEFA funds for FDNS costs.

[9] Certain H–1B fees are required by other laws. Revenue is shared among USCIS, DOL, and the National Science Foundation. USCIS receives 5 percent of these funds. USCIS uses the H–1B Nonimmigrant Petitioner Account as supplemental funding for the limited H–1B petition and petition for immigrant worker adjudication activities authorized by statute. *See* 8 U.S.C. 1356(s)(5). The H–1B Nonimmigrant Petitioner Account does not fully fund the H–1B program at USCIS. As such, USCIS also uses IEFA fees to administer the program. IEFA fees are not required for those limited purposes authorized or required by sec. 1356(s)(5).

[10] For more information on the 2016 fee rule, see USCIS Fee Schedule, 81 FR 73292 (Oct. 24, 2016).

[11] *See* USCIS Newsroom, Court Order on Partial Stay of DHS 2024 USCIS Fee Rule, *https://www.uscis.gov/newsroom/alerts/court-order-on-partial-stay-of-dhs-2024-uscis-fee-rule* (Last Reviewed/Updated: 11/18/2025).

Act. Where other DHS rules or major policy changes have a direct and material effect on EB–5 fees, operations, or integrity measures, those interactions are discussed in the relevant sections of this preamble.

1. EB–5 Reform and Integrity Act of 2022; Ensuring the Integrity of the EB–5 Program; Automatic Revocation of Petitions for Immigrant Classification

Separate from this EB–5 fee rule, on July 2, 2026, DHS proposed a rule titled *EB–5 Reform and Integrity Act of 2022; Ensuring the Integrity of the EB–5 Program; Automatic Revocation of Petitions for Immigrant Classification. See* 91 FR 40676. This proposed rule would implement the statutory reforms that the EB–5 Reform Act made to the EB–5 visa category and the Regional Center Program. In general, under the EB–5 program, aliens are eligible to apply for lawful permanent resident status if they make the required investment in a new commercial enterprise in the United States and create 10 permanent full-time jobs for qualified U.S. workers. That separate rulemaking proposes changes to improve the integrity of the program and clarify eligibility requirements, whereas this rulemaking is limited to establishing and adjusting EB–5-related fees and associated funding mechanisms.

2. Collection and Use of Biometrics by U.S. Citizenship and Immigration Services

On November 3, 2025, DHS proposed a separate rule to amend regulations governing the collection and use of biometrics. *See* 90 FR 49062. That biometrics rule would, among other things, require submission of biometrics by any individual, regardless of age, who files or is associated with an immigration benefit request or other covered request (unless exempted); expand biometrics collection authority upon alien arrest; define ''biometrics;'' codify reuse requirements; codify and expand DNA testing, use, and storage; establish an ''extraordinary circumstances'' standard to excuse failure to appear for a biometrics appointment; modify how certain applicants demonstrate good moral character; and clarify the purposes for which biometrics may be collected and used.

This biometrics rulemaking is distinct from, but operationally related to, this EB–5 fee rule. To the extent biometrics policies affect USCIS costs or processes, the effects of current biometrics requirements are reflected in the underlying cost and workload assumptions used in this fee rule, but the changes proposed in the November 3, 2025, proposed rule are not considered, and biometrics requirements themselves are not established or revised by this EB–5 fee rule.

E. Severability

DHS believes that the provisions in this rule are severable and can operate independently, consistent with the treatment of other USCIS fees under current regulations. *See* 89 FR 6194, 6237–6238 (Jan. 31, 2024); *see also* 8 CFR 106.6. For example, the EB–5 Integrity Fund penalty fees could be enjoined or stayed without affecting the validity or operation of the EB–5 form fees or the technology fee. If DHS were prohibited from collecting any particular fee established by this rule, DHS believes that any stay, injunction, or vacatur could be narrowly tailored to that specific fee or set of fees. In such circumstances, USCIS could continue EB–5 operations—potentially at a reduced level or with resource adjustments—while DHS undertakes additional rulemaking to address the specific deficiency identified by a court. DHS further believes that allowing the remaining fees to remain in effect would avoid unnecessary disruption to the EB–5 program and would better support Congress' objective of timely processing EB–5 petitions.

III. Changes From the Proposed Rule

This final rule adopts, with appropriate changes, the regulatory text in the proposed rule published in the **Federal Register** on October 23, 2025.[12] DHS is making several changes in this final rule based on comments received on the proposed rule or as required by the effects of those changes. For example, based on public comments, DHS updated data and cost estimates to use more recent information which resulted in different final fees than in the proposed rule.[13] As explained throughout this preamble, DHS exercises its discretionary authority to establish fees. This final rule also relies on the justifications articulated in the proposed rule, except as modified and explained throughout this rule in response to public comments, intervening developments, and new information. A description of each change is as follows:

A. Change in Current Fees

DHS is making changes to the proposed fees in this final rule. The current fees shown in this preamble are different from the fees listed in the proposed rule. *See, e.g.,* 90 FR 48516, 48517. The current fees are those from before the FY 2022/23 Fee Rule, as required by the decision in *Moody* v. *Noem,* 2025 WL 3157554, (D. Colo.), that stayed certain EB–5 related fees that were codified by DHS. *See* 89 FR 6194 (Jan. 31, 2024). On November 12, 2025, USCIS reverted to accepting the EB–5 fees that were in effect until March 31, 2024.[14] USCIS informed the public that they would accept the previous fee for items postmarked before November 26, 2025.[15]

[12] *See U.S. Citizenship and Immigration Services Employment-Based Immigrant Visa, Fifth Preference (EB–5) Fee Rule; Proposed rule,* 90 FR 48516 (Oct. 23, 2025) (proposed rule).

[13] *See* section III.C of this preamble for more information.

[14] *See* USCIS, Court Order on Partial Stay of DHS 2024 USCIS Fee Rule, *https://www.uscis.gov/newsroom/alerts/court-order-on-partial-stay-of-dhs-2024-uscis-fee-rule* (last reviewed/updated Nov. 18, 2025).

[15] *Id.*

Table 2: Comparison of Reinstated EB-5 Fees and FY 2022/2023 Fee Rule Fees

Immigration Benefit Request	Current Fee (Reinstated on Nov. 13, 2025)	Previous Fee (FY 2022/2023 Fee Rule)
Form I-526, Immigrant Petition by Standalone Investor	$3,675	$11,160
Form I-526E, Immigrant Petition by Regional Center Investor	$3,675	$11,160
Form I-829, Petition by Investor to Remove Conditions on Permanent Resident Status	$3,750	$9,525
Form I-956, Application for Regional Center Designation	$17,795	$47,695
Form I-956F, Application for Approval of an Investment in a Commercial Enterprise	$17,795	$47,695
Form I-956G, Regional Center Annual Statement	$3,035	$4,470

B. Revised IEFA Fees

DHS proposed a range of IEFA fees from $55 to $29,935 in the proposed rule. *See, e.g.,* 90 FR 48516, 48517. In this final rule, DHS sets revised fees in response to public comments, revisions to the EB–5 Fee Study, and updated data. *See* Table 1 earlier in section I.D. of this preamble for a comparison of the current, proposed, and final fees. The revised fees are mainly the result of changes to budget and workload assumptions. We revised budget and workload estimates to use more recent planning information in response to comments. Consistent with the proposed rule, these fees will only recover the cost of the EB–5 program and will not recover costs for other programs, which USCIS fee rules typically refer to as cost reallocation. *See, e.g.,* 90 FR 48516, 48525–48526.

C. Revisions to the EB–5 Fee Study

In the proposed rule, DHS relied on the results of an FY 2024/2025 fee review and the results of the EB–5 fee study to calculate the proposed fees. In this final rule, DHS revises the EB–5 fee study and its results to use more recent estimates from a FY 2026/2027 fee review. Both versions of the EB–5 fee study use the same methodology, but the revised EB–5 fee study uses newer data, as requested by commenters.

1. Changes to Volume and Completion Rate Estimates

In the proposed rule, DHS explained the volumes and completion rates that it used and how those affected the EB–5 fee study.[16] For example, USCIS estimates annual workload for using historical and recent volume trends, statistical forecasts, and subject-matter expertise from various USCIS offices. Completion rates reflect what is termed ''touch time,'' or the time an employee with adjudicative responsibilities handles the case.[17] The workload and completion rate estimates allow USCIS to determine staffing allocations, which affect the USCIS budget and fees.

In response to comments, DHS revises the volume and completion rate estimates to use FY 2026 and FY 2027 forecasts. Like the volumes in the proposed rule, the volume estimates in this final rule were agreed upon by the USCIS Volume Projection Committee (VPC). The mission of the VPC is to facilitate workload and fee projection data, and coordination of decisions about projected workload. This intra-agency group provides a forum for decisions about projected workload with input from subject matter experts from within USCIS and, in some cases, data from other government agencies. The VPC predicts USCIS annual workload volumes using historical and recent volume trends, statistical forecasts, and subject-matter expertise from various USCIS directorates and program offices, including the IPO, USCIS service centers, the National Benefits Center, and regional, district, and field offices. USCIS produced most of the estimates in this final rule during the meetings in June 2025 to estimate the FY 2026 and beyond. These meetings were the final time that the VPC produced comprehensive volume estimates for FY 2026. USCIS uses VPC estimates to determine staffing levels, budget for upcoming years, and estimate future revenue. While the VPC did not forecast Form I–527 workload, USCIS relied on SME estimates for the Form I–527 forecast required for this rule.

Workload volume is a key element used to determine the USCIS resources needed to process EB–5 benefit requests on average within the processing time goals established in the EB–5 Reform Act. EB–5 program workload volume is the primary cost driver for assigning activity costs to EB–5 immigration benefit requests. Table 3 displays the projected average annual receipts for EB–5 immigration benefit requests in this final rule:

[16] *See* 90 FR 48516, 48523–48526.

[17] This rate does not reflect ''queue time,'' or time spent waiting, for example, for additional evidence or supervisory approval.

Table 3: Projected Annual Receipts for Revised EB-5 Fee Study

Immigration Benefit Request	FY 2026	FY 2027	FY 2026/2027 Average
I-526 Immigrant Petition by Standalone Investor	312	312	312
I-526E Immigrant Petition by Regional Center Investor	8,500	8,500	8,500
I-527 Amendment to Legacy Form I-526	20	20	20
I-829 Petition by Investor to Remove Conditions on Permanent Resident Status	5,532	3,771	4,652
I-956 Application for Regional Center Designation - Amendment	39	39	39
I-956 Application for Regional Center Designation - Initial	13	13	13
I-956F Application for Approval of an Investment in a Commercial Enterprise	240	240	240
I-956G Regional Center Annual Statement	528	528	528
I-956H Bona Fides of Persons Involved with Regional Center Program	2,000	2,000	2,000
I-956K Registration for Direct and Third-Party Promoters	300	300	300
EB-5 Total	**17,484**	**15,723**	**16,604**

The total EB–5 workload in this final rule is higher than in the proposed rule, but some forecasts are lower than in the proposed rule. For example, USCIS anticipates fewer Form I–956 receipts in the forecasts for this final rule than in the proposed rule. Generally, the differences are because the final rule forecasts use more recent information.[18] *See* Table 4 below for the average annual receipt forecasts in the final rule compared to the proposed rule forecasts.

[18] *See* the Workload Volume Projections section and Appendix 3 of the revised EB–5 fee study for additional information.

Table 4: Comparison of Proposed Rule to the Final Rule Receipt Forecasts

Immigration Benefit Request	FY 2024/2025 Average (NPRM)	FY 2026/2027 Average (Final Rule)	Change	% Change
I-526 Immigrant Petition by Standalone Investor	225	312	87	39%
I-526E Immigrant Petition by Regional Center Investor	3,500	8,500	5,000	143%
I-527 Amendment to Legacy Form I-526	457	20	-437	-96%
I-829 Petition by Investor to Remove Conditions on Permanent Resident Status	3,430	4,652	1,222	36%
I-956 Application for Regional Center Designation	200	52	-148	-74%
I-956 Application for Regional Center Designation - Amendment	150	39	-111	-74%
I-956 Application for Regional Center Designation - Initial	50	13	-37	-74%
I-956F Application for Approval of an Investment in a Commercial Enterprise	450	240	-210	-47%
I-956G Regional Center Annual Statement	500	528	28	6%
I-956H Bona Fides of Persons Involved with Regional Center Program	2,100	2,000	-100	-5%
I-956K Registration for Direct and Third-Party Promoters	400	300	-100	-25%
EB-5 Total	**11,262**	**16,604**	**5,194**	**46%**

As explained in the proposed rule, USCIS completion rates identify the adjudicative time required to complete (render a decision on) specific immigration benefit requests.[19] The completion rate for each benefit type represents an average and complex requests may require more time, and others less. Completion rates reflect what is termed ''touch time,'' or the time an employee with adjudicative responsibilities handles the case. This rate does not reflect ''queue time,'' or time spent waiting, for example, for additional evidence or supervisory approval. Completion rates do not reflect the total processing time applicants, petitioners, and requestors can expect to wait for a decision on their case after USCIS accepts it.

The completion rates for this EB–5 fee study are estimates developed by USCIS' Office of Performance and Quality (OPQ), using historical data and subject matter expert input from IPO. Most completion rates in this final rule use information from the IPO staffing allocation model for FY 2026. Most completion rates in the proposed rule used older information. Some completion rate estimates did not change in this final rule because they still represent the best estimate for the workload. Some workloads do not use completion rates to calculate the fees, as explained in the proposed rule.[20] *See* Table 5 for a comparison of the completion rates used in the proposed and final rules.

[19] *See* 90 FR 48516, 48524–48525.

[20] *See* 90 FR 48516, 48525 (*e.g.* ''For Forms I–956G, Regional Center Annual Statement; I–956H, Bona Fides of Persons Involved with Regional Center Program; and I–956K, Registration for Direct and Third-Party Promoters, USCIS did not use completion rates in the analysis of those immigration benefit request fees which results in proposed fees that are lower than they would be if a completion rate was used.'')

Table 5: EB-5 Completion Rates per Benefit Request (in hours)

Immigration Benefit Request	Proposed Rule	Final Rule	Change	% Change
I-526 Immigrant Petition by Standalone Investor	16.30	8.76	-7.54	-46%
I-526E Immigrant Petition by Regional Center Investor	16.30	9.14	-7.16	-44%
I-527 Amendment to Legacy Form I-526	13.30	13.30	0.00	0%
I-829 Petition by Investor to Remove Conditions on Permanent Resident Status	12.13	4.07	-8.06	-66%
I-956 Application for Regional Center Designation - Amendment	12.50	12.50	0.00	0%
I-956 Application for Regional Center Designation - Initial	37.50	37.50	0.00	0%
I-956F Application for Approval of an Investment in a Commercial Enterprise	40.00	35.16	-4.84	-12%
I-956G Regional Center Annual Statement	N/A	N/A	N/A	N/A
I-956H Bona Fides of Persons Involved with Regional Center Program	N/A	N/A	N/A	N/A
I-956K Registration for Direct and Third-Party Promoters	N/A	N/A	N/A	N/A

2. Changes to Cost Projections

In the proposed rule, DHS explained that the EB–5 fee study cost projection was developed using overall IEFA non-premium costs in addition to EB–5 program-specific costs, and that it accounted for payroll and non-payroll for on-board and new staff, inflation, resource adjustments, and the removal of temporary program costs, starting from the FY 2024 Operating Plan. *See* 90 FR 48516, 48522–48524; Table 6 (summarizing the FY 2024/2025 annual average IEFA non-premium cost projection of approximately $5,315.9 million), and 88 FR 402, 484–485 (Jan. 4, 2023); 89 FR 6194, 6277–6278 (Jan. 31, 2024) (biometric services cost treatment). It used volume forecasts for FY 2024 and FY 2025. *See* 90 FR 48516, 48523–48524.

In this final rule, USCIS updates the IEFA non-premium costs, program cost and workload projections to use the FY 2026/2027 biennial period to respond to public comments and plan for future fiscal years. These updated projections replace the proposed rule's FY 2024/2025 cost estimates for purposes of the final EB–5 fee calculations and are reflected in the economic analysis in this preamble. USCIS relied on information from the recently completed FY 2026/2027 fee review and made additional changes to account for new workloads, like Form I–527, which were not part of the FY 2026/2027 fee review. Meaning, USCIS copied the FY 2026/2027 fee review and made some changes to it, such as adding data for Form I–527, to use in the Revised EB–5 Fee Study. The revised IEFA nonpremium annual average cost projection for FY 2026/2027 is approximately $6,960.0 million, and the EB–5 program-specific cost projection used in the fee model is approximately $105 million. To arrive at this updated cost projection, USCIS started with its general FY 2025 Operating Plan, which was slightly adjusted for some return to workplace costs estimated for the remainder of the fiscal year. USCIS then made the following adjustments in this review:

- Added staffing based on the FY 2026 and FY 2027 Staffing Allocation Model (SAM) enhancements and a non-SAM enhancement request for the Fraud Detection and National Security Directorate (FDNS), for a total of 6,045 new positions across most USCIS offices by the end of FY 2027. The SAM enhancements incorporate the effect of recent Executive Orders, as well as the most recent agency completion rate estimates. The FDNS non-SAM enhancement of 167 positions in FY 2025 was approved to start ramping up hiring in response to Executive Orders 14157 and 14161 [21] with the overall goal to enhance USCIS' vetting and screening capabilities and an average cost of $35.4 million per year. The FDNS SAM includes 574 positions with an average cost of $93.8 million per year over the biennial period to continue the implementation of those Executive Orders;
- Accounted for pay inflation and promotions/within-grade increases, which includes annual Federal employee pay and cost of living adjustments. The assumed inflation rate was 3 percent for FY 2026 and FY 2027; and
- Considered net additional costs, such as the costs of additional budget items. For example, USCIS added the cost of fully taking over lockbox operations during the biennial period ($231.1 million), the cost associated with building and rent of new facilities to accommodate additional staff ($278.1 million), the building of the new National Records Center ($114.7 million), and the new Voter Verification System ($75.3 million).

[21] 90 FR 8439 (Jan. 29, 2025); 90 FR 8451 (Jan. 30, 2025).

Table 6 is a summary from the starting point of the FY 2025 IEFA non-premium annual operating plan to the FY 2026/2027 annual average cost projection. The FY 2026/2027 annual average cost projection is estimated to be $6,960 million.

Table 6: FY 2026/2027 EB-5 Fee Study Cost Projection (in Millions)	
Total Adjusted FY 2025 Annual Operating Plan	***$5,037.8***
Plus: IPO Staffing Costs	$74.9
Plus: Additional Non-IPO EB-5 Costs	$1,879.4
Total Adjusted FY 2026 EB-5 Cost Projection	**$6,992.1**
Plus: Additional IPO Staffing Costs	$6.4
Minus: Net FY 2026 Non-IPO EB-5 Costs	-$70.6
Total Adjusted FY 2027 EB-5 Cost Projection	**$6,927.9**
FY 2026/2027 Average EB-5 Cost Projection	**$6,960.0**

3. Changes to Revenue Projections

In the proposed rule, DHS explained that EB–5 revenue projections were based on internal receipt forecasts developed and approved by the VPC, which uses statistical modeling, historical receipt data, and subject-matter input from relevant directorates to project form-level volumes. *See* 90 FR 48516, 48524–48526. For EB–5 forms, USCIS assumed a 100-percent fee-paying rate because IEFA EB–5 fees are not subject to fee waivers or exemptions, and estimated that current IEFA fees (as set in the FY 2022/2023 fee rule) would generate an average of approximately $4,192.3 million in annual IEFA non-premium revenue during FY 2024/2025, including about $107.5 million from EB–5 forms. *See* Table 7 of the proposed rule.

For this final rule, USCIS has updated the EB–5 revenue projections in response to public comments, more recent planning data, and the availability of updated receipt information. The revised projections incorporate this new data, adjusted volume forecasts for FY 2026/2027, and the final fee levels adopted in this rule. Using those estimates and current fees, the estimated average annual EB–5 revenue is approximately $56.6 million and total IEFA non-premium revenue of approximately $5,561.1 million for FY 2026/2027. These revised revenue estimates with current fees replace the proposed rule's FY 2024/2025 projections for purposes of the final fee analysis and are used, together with the updated cost projections, to assess whether the final EB–5 fee schedule is sufficient to recover projected program costs.

4. Changes to the Cost and Revenue Differential

In the proposed rule, DHS explained that the EB–5 fee study compared projected EB–5 program costs to projected revenue under the current fee schedule, assuming no fee changes, to determine whether existing fees were sufficient to recover the full cost of providing EB–5 adjudication services. If projected revenue was less than projected costs, DHS would generally propose new or increased fees to address the shortfall; if projected revenue exceeded costs, DHS could instead reduce certain costs or services or draw down reserves. The proposed rule summarized this relationship in Table 8 as the EB–5 cost-revenue differential.

For this final rule, USCIS has revised both the cost and revenue projections for the EB–5 program for FY 2026/2027, as described in the preceding subsections. Using these updated projections, the EB–5 fee study identifies an anticipated cost of $105.0 million and projected revenue of $56.6 million under current fees, resulting in a cost-revenue gap of $48.4 million. The final EB–5 fee schedule in this rule is designed to close that gap and align EB–5 revenues with projected program costs, consistent with INA section 286(m), 8 U.S.C. 1356(m), and as required by the EB–5 Reform Act. The revised cost-revenue differential is summarized in Table 7 of this preamble.

Table 7: Revenue with Current IEFA Fees Compared to Total Costs in Revised EB-5 Fee Study

Immigration Benefit Request	Revenue with Current Fees (FY 2016/2017)	Total Cost from ABC Model (FY 2026/2027)	Difference	% Difference
I-526 Immigrant Petition by Standalone Investor	$1,146,600	$2,352,606	$1,206,006	105%
I-526E Immigrant Petition by Regional Center Investor	$31,237,500	$66,099,908	$34,862,408	112%
I-527 Amendment to Legacy Form I-526	$0	$206,566	$206,566	N/A
I-829 Petition by Investor to Remove Conditions on Permanent Resident Status	$17,445,000	$23,262,599	$5,817,599	33%
I-956 Application for Regional Center Designation - Amendment	$694,005	$383,651	-$310,354	-45%
I-956 Application for Regional Center Designation - Initial	$231,335	$327,397	$96,062	42%
I-956F Application for Approval of an Investment in a Commercial Enterprise	$4,270,800	$5,699,333	$1,428,533	33%
I-956G Regional Center Annual Statement	$1,602,480	$1,142,386	-$460,094	-29%
I-956H Bona Fides of Persons Involved with Regional Center Program	$0	$125,024	$125,024	N/A
I-956K Registration for Direct and Third-Party Promoters	$0	$649,083	$649,083	N/A
Regional Center Terminations and Reaffirmations	$0	$4,788,904	$4,788,904	N/A
EB-5 Total	**$56,627,720**	**$105,037,457**	**$48,409,737**	**85%**

5. Revisions to Regional Center Termination Costs

In the proposed rule, DHS explained that INA section 203(b)(5)(J), 8 U.S.C. 1153(b)(5)(J), requires DHS to terminate a regional center that does not pay the EB–5 Integrity Fund fee, and that DHS may also terminate a regional center for other forms of noncompliance. *See, e.g.,* INA 203(b)(5)(E)(vii)(III), 8 U.S.C. 1153(b)(5)(E)(vii)(III). Terminations are an integral component of maintaining EB–5 program integrity. USCIS incurs costs to conduct these terminations and historically has funded those costs through EB–5 request fees (formerly a Form I–924, and more recently Forms I–956 and I–956F).

In the proposed rule, USCIS estimated regional center termination costs separately in the EB–5 fee study, using the same ABC methodology applied to other IPO workloads. USCIS estimated a completion rate of 108 hours per termination and an average annual total cost of approximately $6.8 million. *See* 88 FR 402, 509 (Jan. 4, 2023). The proposed rule further explained that it would not be practical to charge a separate fee at the point of termination, particularly where the basis for termination may be failure to pay required fees, including the Integrity Fund fee. *See* INA 203(b)(5)(J)(iv)(II), 8 U.S.C. 1153(b)(5)(J)(iv)(II). DHS, therefore, proposed to continue recovering termination costs through the fees for Forms I–956 and I–956F.

In this final rule, USCIS updates the projected cost of regional center terminations and clarifies the assumptions for it. In this final rule, DHS explains that the workload called Regional Center Terminations includes more than just terminations. It also includes reaffirmations for regional centers that resolve issues before their termination. For example, it includes the estimated cost of a regional center that received a Notice of Intent to Terminate and responds sufficiently to resolve the issues, which led to the notice. USCIS revises the number of regional center terminations and reaffirmations based on more recent program data and experience since publication of the proposed rule. USCIS still estimates the completion rate as 108 hours each. Using the same ABC methodology and updated termination volume assumptions, USCIS now estimates an average annual cost of approximately $4.8 million for regional center terminations. These revised cost estimates are incorporated into the final fee calculations.

In response to public comments, DHS has refined how these costs are allocated. Specifically, DHS no longer applies the cost of regional center terminations to Form I–956 amendments but continues to apply the cost to initial Form I–956 filings and Form I–956F. Commenters expressed concern that Form I–956 amendments—particularly those reflecting ministerial or administrative changes—should not bear the cost of termination activities. DHS agrees that allocating termination costs solely to initial Form I–956 applications more appropriately align those costs with the underlying program risk and avoids overburdening Form I–956 amendment filings.

As discussed in the proposed rule, the EB–5 Integrity Fund, established at INA section 203(b)(5)(J)(iii), 8 U.S.C. 1153(b)(5)(J)(iii), is expressly designated for compliance, fraud investigation, audits, and site visits, and does not explicitly provide a separate revenue stream for typical adjudicative activities, such as terminations. DHS, therefore, continues its longstanding practice of funding regional center termination costs through EB–5 request fees, and this final rule reflects updated cost, volume, and allocation assumptions for those activities.

D. Revised EB–5 Technology Fee

The EB–5 Reform Act authorized USCIS to charge a technology fee not greater than one percent of some fees. *See* Public Law 117–103, div. BB, sec. 106(c). DHS may use the revenue from this fee to make improvements to the information technology systems which process, adjudicate, and archive applications and petitions. *Id.* In the proposed rule, DHS included a $95 EB–5 technology fee for Forms I–526 and I–526E. *See* 90 FR 48516, 48530. The proposed fee was 1 percent of the fee before including the EB–5 technology fee, rounded down to the nearest $5 increment. *Id.*

In this final rule, DHS recalculates the EB–5 technology fee based on the results of the revised EB–5 fee study using estimates for FY 2026 and 2027. Using the same methodology as the proposed rule, the EB–5 technology fee is $75. The fees in Table 1 earlier in the preamble include the $75 when it applies. In the proposed rule, DHS did not clarify when the EB–5 technology fee did not apply but listed a reduced fee for Form I–526E amendments in the preamble. *See* 90 FR 48516, 48517; *see also* proposed 8 CFR 106.2(d)(2). In this final rule, DHS clarifies when the EB–5 technology fee applies in the regulations for EB–5 fees. *See new* 8 CFR 106.2(d)(2)(iii).

E. Change to Inflation Adjustment to EB–5 Integrity Fund Fees

DHS proposed to increase EB–5 Integrity Fund fees by the rate of inflation since enactment of the EB–5 Reform Act on March 15, 2022. *See* 90 FR 48516, 48531–48532. The EB–5 Reform Act authorized DHS to adjust the Integrity Fund fees as necessary to ensure that amounts in the Fund are sufficient to carry out the permissible uses of the fund. *See* INA sec. 203(b)(5)(J)(ii)(III), 8 U.S.C. 1153(b)(5)(J)(ii)(III); *see also* 8 U.S.C. 1153(b)(5)(J)(iii). At the time, DHS used the CPI–U from the first half of 2022 to the first half of 2024. *See* 90 FR 48516, 48531–48532. However, DHS indicated that it may revise the amounts based on more recent information in the final rule. *Id.* Adjusting the EB–5 Integrity Fund fees to account for more recent inflation information will allow USCIS to recover more of its operating costs associated with maintaining the integrity of the EB–5 program and help sustain USCIS efforts in future years. Using annual averages also removes seasonality from the inflation adjustment.

In this final rule, DHS sets the EB–5 Integrity Fund Fees using CPI–U information from 2022 to 2025. The annual average inflation for 2022 was 292.655.[22] The annual average for 2025 was 321.943. *Id.* Therefore, the CPI–U increased by 10.01 percent from 2022 to 2025.[23] Applying this to the current fees, the Form I–526E EB–5 Integrity Fund Fee of $1,000 will increase to $1,100; the $10,000 Regional Center Integrity Fund Fee will increase to $11,000; and the $20,000 Regional Center Integrity Fund Fee will increase to $22,000.[24]

DHS considered different date ranges and the resulting percentage change in CPI–U before determining the inflation adjustment for this final rule. For example, DHS considered finalizing the proposed inflation adjustment of 8.25 percent.[25] However, this approach would omit over a year of inflation that has occurred since the calculation of the proposed inflation adjusted. While the proposed rule was published in October 2025, the inflation adjustment only used data from first half of 2022 to the first half of 2024. Meaning, the latest inflation data was as of June 2024. Yet another alternative approach would be to continue using a starting point of the first half of 2022 and only update the endpoint to the first half of 2025. However, such an approach would result in an 11 percent increase in final fees.[26] As such, the 10 percent increase used in this final rule may be considered a midrange inflation adjustment because it is less than the inflation semiannual periods in 2022 and 2025, but it is more than proposed inflation adjustment using semiannual data from 2022 to 2024.

Integrity Fund revenue has varied from year to year, which affects USCIS planning for EB–5 integrity activities. *See* 90 FR 48516. For the FY 2026/2027 period, USCIS estimates that Integrity Fund collections under the current fee levels will total approximately $13.9 million annually. Increasing the Integrity Fund fees by 10 percent in this rule is projected to increase annual revenue to approximately $15.3 million and help maintain the purchasing power of USCIS investments in staffing and information technology that support EB–5 program integrity.

[22] The latest CPI–U data is available at *https://data.bls.gov/timeseries/CUUR0000SA0* (last visited 1/26/2026). To see annual averages, select the More Formatting Options link, check the box for Annual Average, and then click the Retrieve Data button.

[23] DHS calculated this by subtracting the annual 2022 CPI–U (292.655) from the annual 2025 CPI–U (321.943), then dividing the result (29.29) by the annual 2022 CPI–U (292.655). Calculation: (321.943 − 292.655)/292.655 = .1001 × 100 = 10.01 percent.

[24] DHS rounds all these fees to the nearest $5 increment.

[25] 90 FR 48516, 48532.

[26] The CPI–U index for the first half of 2022 was 288.347. In the first half of 2025, it was 320.229. The difference between the two is 31.882 or approximately 11.1%. Calculation: (320.229 − 288.347)/288.347 = .1106 × 100 = 11.06 percent.

IV. Response to Public Comments on the Proposed Rule

A. Summary of Comments on the Proposed Rule

DHS provided a 60-day comment period following publication of the proposed rule. DHS received 28 public comment submissions in docket USCIS–2025–0139 in response to the proposed rule. Of the 28 submissions, 22 were unique submissions and the remainder of the comments were form letter copies, not germane to the rule, or contained comments and requests that were entirely outside of the scope of the rule. Several submissions were anonymous, while the remaining were from individuals, advocacy groups, lawyers or law firms, and businesses. Some commenters expressed support for the proposed rule or supported one or more specific provisions of the proposed rule without recommending changes. Some commenters opposed the rule and expressed opposition to one or more provisions without recommending changes. Many commenters provided mixed comments of both support for and opposition to various provisions of the proposed rule, provided general support with suggested revisions, provided general opposition with suggested revisions, or were unclear on whether the comment supported or opposed the proposed rule. DHS reviewed all the public comments received in response to the proposed rule and addressed relevant comments in this final rule, grouped by subject area. DHS also received several comments on subjects unrelated to the proposed fees that are outside of the proposed rule's scope. DHS has not individually responded to these comments but has summarized out of scope comments and provided a general response in Section IV.H of this preamble.

B. General Feedback on the Rule

1. Support for the Rule

Comment: Several commenters expressed general support for the proposed rule. Some commenters expressed support for the rule reasoning that the fee adjustments would do the following:

- Incentivize participation in the program by immigrants seeking to invest in the U.S.
- Allow the source of money to be legitimized, due to thorough background checks.
- Show that immigrant investors are partners in building America's future.

Response: DHS appreciates the commenters' support for the proposed rule and acknowledges the perspectives provided regarding the positive impacts of the fee adjustments. DHS agrees that appropriately calibrated fees are an important element in ensuring the continued viability and accessibility of the EB–5 program for a diverse range of investors, including small enterprises. DHS recognizes that a balanced fee structure can help prevent smaller entities from being excluded from participation, thereby supporting broader economic development objectives that foster job creation and investment.

DHS also notes that incentivizing participation by immigrant investors aligns with Congressional intent to stimulate job creation and capital investment in the United States. The EB–5 program is designed to attract individuals who are committed to contributing to the U.S. economy,[27] and the fee adjustments are intended to provide USCIS with the resources necessary to efficiently and effectively administer the program, including robust vetting and background checks. These measures help ensure the legitimacy of investment sources and maintain the integrity of the program.

Furthermore, DHS acknowledges that investment immigration contributes to economic growth and job creation in the United States. DHS remains focused on administering the EB–5 program in accordance with statutory requirements and maintaining program integrity through clear and effective regulatory processes.

After careful consideration of these supportive comments, DHS did not make changes to the final rule based on these remarks, as the comments affirm the direction and objectives of the rule as proposed.

2. Opposition to the Rule

Many commenters stated their general opposition to the proposed fees, the magnitude of the fee adjustments, or specific policy changes in the proposed rule. DHS summarizes and responds to these public comments in the following sections:

a. Negative Impacts on Applicants

Comment: Some commenters stated the new fees would disproportionately affect smaller investors and USCIS should consider a scaled or transitional fee structure to avoid unintended barriers to program participation. A commenter stated the proposed fees may prevent smaller investors from being able to afford the fees and reduce the motivation of larger investors.

Response: This fee rule is not intended to reduce or limit small or large investors. These fee adjustments reflect DHS's best effort to balance access, affordability, equity, and benefits to the national interest while providing USCIS with the funding necessary to maintain adequate services. USCIS receives no Congressional appropriation for the EB–5 program, and filing fees are necessary to provide the resources required to perform the work associated with such filings. When fees do not fully recover costs, USCIS cannot maintain sufficient capacity to process requests within the processing times referenced in the EB–5 Reform Act.

DHS acknowledges commenters' concerns regarding the potential impact of increased fees on smaller investors and the suggestion to implement a scaled or transitional fee structure. DHS carefully considered the balance between program accessibility and the need to recover the full costs of administering the EB–5 program, as required by statute. The fee adjustments in this rule are based on a comprehensive fee study and are designed to ensure that USCIS has sufficient resources to maintain timely and effective processing of EB–5 benefit requests, support program integrity, and fulfill statutory mandates.

While DHS recognizes that higher fees may present challenges for some applicants, particularly smaller investors, the Department must ensure that fees reflect the actual costs of adjudication, fraud prevention, and compliance activities. Setting fees below cost recovery levels could compromise USCIS' ability to provide adequate services and maintain program integrity. DHS considered alternatives, including tiered or transitional fee structures, but determined that a uniform fee schedule is necessary to equitably distribute costs and avoid administrative complexity.

b. Negative Impacts on U.S. Economy, Employers, or Workers

Comment: Other commenters stated the new fees would:

- Create detrimental impacts to the job opportunities created through EB–5.
- Jeopardize investor immigration status, disrupt multi-million-dollar projects, and damage local economies.

Response: DHS acknowledges that the fees being finalized may generate a larger impact to small entities but does not have evidence that the changes will significantly impact job opportunities, investments, or projects, or damage local economies. Further, the

[27] *See* USCIS, DHS, EB–5 Questions and Answers. *https://www.uscis.gov/working-in-the-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/about-the-eb-5-visa-classification* (Last Updated: Nov. 18, 2025).

commenters did not provide any studies or empirical data to support their assertion that the fees would have such impacts. The pace and focus of EB–5 investments rely on numerous economic, financial, and international business factors, and are not primarily driven by form related fees. The fees being finalized are very small relative to most investment amounts and while DHS recognizes that some investors and projects may be impacted, the Department does not believe the scale of any such effects would warrant not finalizing the regulatory action, which is required by law.

DHS remains committed to monitoring the impact of fee changes on program participation and will continue to evaluate whether future adjustments or alternative approaches may be warranted. Currently, the fee schedule reflects DHS's best effort to balance access, affordability, and operational needs, consistent with statutory requirements.

c. Negative Impact on Agency Operation

Comment: One commenter stated that there are no legal or policy justifications for reducing fees for this population. The commenter stated that the proposed rule did not discuss the impact that these fees would have on USCIS' overall fiscal picture. The commenter stated that there was no discussion on why EB–5 fees do not recover a portion of the work that USCIS does for free, such as humanitarian adjudications.

Response: DHS acknowledges the commenter's concern that lower EB–5 fees could negatively affect USCIS funding and that the proposed rule did not sufficiently address USCIS' overall fiscal outlook. However, DHS disagrees that the rule did not discuss the legal justification for proposed EB–5 fees and why they did not recover the cost of a portion of the work that USCIS does for free.

DHS sets fees under INA section 286(m), 8 U.S.C. 1356(m), and applicable fee guidance (including OMB Circular A–25) to recover, to the extent practicable, the full costs of providing adjudication and naturalization services. The EB–5 fees in this rule are based on a program-specific fee study that incorporates projected EB–5 workloads, direct and indirect costs, and the statutory framework of the EB–5 Reform Act. *See* Public Law 117–103, div. BB, sec. 106; 90 FR 48516, 48522–48530. As discussed in the proposed rule, the EB–5 Reform Act authorizes DHS to add an amount to EB–5 program fees. *See* 90 FR 48516, 48525–48526. However, the EB–5 Reform Act provision that authorized adding an amount to EB–5 fees to cover free services is inconsistent with how DHS has historically set USCIS fees. *See id.* Therefore, DHS chose to propose fees that do not recover those costs out of an abundance of caution, to reduce litigation risk, and because the costs not transferred are being funded adequately by other fees.

Although some EB–5 fees are lower than those in the FY 2022/2023 fee rule, DHS is not reducing fees arbitrarily. The adjustments reflect updated cost and volume data, the specific EB–5 statutory requirements, and the litigation discussed in this preamble. The fees set in this rule demonstrate that USCIS can continue to support EB–5 operations and integrity activities. Revenue from other workloads beyond the scope of this rulemaking will supply the remaining funding necessary for the IEFA account.

DHS also notes that the EB–5 Integrity Fund, authorized at INA section 203(b)(5)(J), 8 U.S.C. 1153(b)(5)(J), provides a dedicated source of funding for certain fraud detection and compliance activities, which mitigates pressure on IEFA revenues. Accordingly, DHS disagrees that there is no legal or policy basis for these fee adjustments or that they jeopardize USCIS' overall fiscal position. As discussed in the proposed rule, other revenue sources, such as new fees for asylum applications, may offset some of the cost of work, which USCIS has not traditionally charged a fee. *See* 90 FR 48516, 48526. USCIS may offset the difference between IEFA cost and IEFA revenue for other programs or workloads by pursuing separate rulemakings, shifting costs to different fee accounts, or reducing the IEFA non-premium budget. For example, USCIS could shift costs to the premium processing account, as discussed in the FY 2022/2023 fee rule.[28] DHS recently increased the premium processing fees by inflation, as authorized by statute.[29]

C. Background and Legal Authority

Comment: Several commenters mentioned codifying processing time goals in regulation. They stated that it would clearly articulate the agency's commitment to timely processing, and to specific and measurable time goals drawn from the authorizing statute.

Response: DHS acknowledges the comment regarding the codification of processing time goals in regulation. The EB–5 Reform Act mandates that DHS set fees with the objective of achieving specific average processing times for EB–5 benefit requests. This final rule incorporates those statutory processing time goals as part of the fee-setting methodology and explains them in the preamble.

DHS is committed to transparency and accountability in adjudication timelines and will continue to monitor performance against these statutory goals. While DHS regulations contain some non-binding provisions, the better practice is to limit codification to requirements and not promulgate goals, targets or objectives in the Code of Federal Regulations. Therefore, referencing the statutory timeframes in the rule and supporting regulatory analysis is the most appropriate approach, rather than in regulatory text. Thus, DHS makes no changes in this final rule based on these comments. DHS will continue to evaluate program performance and consider further regulatory or operational changes as needed to support timely adjudication.

Comment: DHS received a comment requesting that USCIS provide comprehensive regulations implementing the EB–5 Reform Act including clarification of the sustainment period, investor protections, and other aspects of the EB–5 Reform Act requiring regulations.

Response: As noted earlier, DHS is working on a related rulemaking, which would propose amendments to EB–5 program regulations, that, if finalized, would fully implement the statutory reforms made by the EB–5 Reform Act. *See* section II.D.1 of this preamble. That rule is still in development. As such, DHS makes no changes to this rule based on this comment because DHS may address the commenter's concerns in another rulemaking. In future rulemaking, DHS may reconsider EB–5 fees based on statutory and regulatory requirements.

D. Fee Setting Approach

1. Processing Time Goals

Comment: DHS received many comments related to processing times, which can be summarized as follows:

- The average processing time goals need to be improved.
- The processing time goals should be the driving force behind the new fees.
- Regional Centers and investors would be supportive of fee increases if they were accompanied by shorter processing times.
- In the final rule, USCIS should establish adjudication processing goals to promote predictability and accountability in processing. Adopting adjudication timeframes for EB–5-

[28] *See, e.g.,* 89 FR 6195.

[29] *See* DHS, Adjustment to Premium Processing Fees, 91 FR 1059 (Jan. 12, 2026).

related filings would reduce uncertainty for stakeholders and enhance program integrity.

- Emphasis on the importance of benchmarking the EB–5 adjudication timeframes as statutorily required under EB–5 Reform Act section 106.

Response: DHS appreciates commenters' feedback regarding processing times and the relationship between fees and adjudication speed. The EB–5 Reform Act requires DHS to set fees with the goal of achieving specific average processing times for EB–5 benefit requests. In developing this rule, DHS considered these statutory timeframes and incorporated them into the fee-setting methodology to ensure USCIS has the resources necessary to meet processing goals.

DHS recognizes that timely adjudication is important to program stakeholders and will continue to monitor and report on processing times. While fee adjustments are intended to support improved service levels, actual processing times may be affected by factors, such as application volume, staffing, and case complexity. DHS remains committed to ongoing evaluation of operational performance and will consider further adjustments or process improvements as needed to enhance adjudication speed and program efficiency.

DHS acknowledges commenters' recommendations to establish and benchmark adjudication processing goals for EB–5-related filings. The EB–5 Reform Act section 106 sets forth statutory processing timeframes that DHS has incorporated into the fee-setting methodology for this rule. DHS agrees that clear processing goals promote predictability, accountability, and program integrity. USCIS will continue to monitor performance against these statutory benchmarks. DHS remains committed to ongoing evaluation of operational efficiency and transparency in EB–5 adjudications and will consider further measures to enhance stakeholder confidence and reduce uncertainty where feasible. However, no changes are made to the final rule regulatory text to address processing time goals.

2. EB–5 Fee Study

Comment: Multiple commenters requested greater transparency in the fee-setting methodology. They suggested providing clearer explanations on how the fees allocate specific costs, like fraud detection, site visits or regional center monitoring. Another commenter requested that USCIS release form-specific completion-time and cost data when finalizing the rule. Another stated that USCIS should align any EB–5 fee changes with OMB Circular A–25 (Revised) and INA § 286(m), including transparent cost accounting and consideration of fee alternatives (phased implementation, small-entity reductions, caps, or installment options).

Response: DHS appreciates the commenters' concern for transparency in the fee-setting approach. We published detailed information on the estimated EB–5 costs in the docket for the proposed rule.[30] We updated the fee study to include various changes in this final rule and that study is consistent with OMB Circular A–25 and previous USCIS fee rules. *See* the Revised EB–5 Fee Study for the final rule in the docket. In some sections, we elaborate further on how we derived the cost estimates. The document also provides form-specific completion rates and cost data. As such, DHS responds to this comment by making changes to the revised EB–5 fee study.

Comment: Commenters had concerns with the data used in the EB–5 fee study. A commenter thought that the workload assumptions in the EB–5 fee study were unrealistic. They cited USCIS actual data for FY 2025, which showed higher receipts than the forecasts for FY 2024 and FY 2025 that were part of the EB–5 fee study. They stated that establishing new fees based on only FY 2024 and incomplete FY 2025 data would be flawed. They stated it was short sighted to only examine FY 2024 and FY 2025 workload because without anticipating changes in FY 2026 and FY 2027 the EB–5 backlog will grow. One commenter requested that USCIS use data (like workloads, processing times, completion rates, etc.) it has collected since the enactment of the EB–5 Reform Act to advance the fee study in an effort aimed at reaching the processing goals as outlined by Congress.

Response: DHS appreciates the commenters' concern with the data in the EB–5 fee study. DHS agrees that robust data analysis is essential to accurately assess resource needs and set fees that support statutory processing goals. In developing this rule, DHS considered available data and incorporated relevant metrics to inform the fee-setting methodology. To clarify, the proposed fees were not based on actuals from FY 2024 and part of FY 2025. The proposed fees relied on workload forecasts for FY 2024 and 2025, as explained in the preamble and the EB–5 Fee Study. *See, e.g.,* 90 FR 48516, 48523–48524. *See also* Appendix 3 of the Revised EB–5 Fee Study included in the docket for this rulemaking. Since drafting the proposed rule and EB–5 fee study USCIS collected additional information, which it includes in this final rule. For example, DHS revises the fees in this final rule based on new forecast data for FY 2026 and FY 2027, as explained earlier in this preamble.[31] These actual receipts in FY 2024 and FY 2025 informed the workload forecasts that DHS used to propose and set EB–5 fees. For example, the docket for this rule includes a Revised EB–5 Fee Study document that uses FY 2026 and 2027 receipt forecasts, which were developed in FY 2025. As such, some of the FY 2025 actual receipts informed the FY 2026 and FY 2027 forecasts. DHS responds to this comment by using more recent budget and operational forecasts data to calculate the final fees. DHS will continue to collect and analyze program data and will use these insights to guide future fee reviews and operational improvements, consistent with statutory requirements.

Comment: A commenter requested that USCIS explain how it derived the completion rates for Forms I–526 and I–526E. They requested further details on why a Form I–526E may have operational efficiencies compared to a Form I–526. They noted that Forms I–526 and I–526E used the same completion rate in the EB–5 Fee Study in the proposed rule docket. They compared the completion rates for Forms I–526, I–526E, and I–829 in the proposed rule to the rates for the same forms in the FY 2022/2023 fee rule. They noted that the completion rate for a Form I–829 was the same in both rulemakings but the completion rate for Forms I–526 and I–526E increased from 5.01 hours to 16.3 hours. They questioned the rationale for using the same completion rate for both Forms I–526 and I–526E when there should be adjudicative efficiencies for a Form I–526E when information was already provided with a Form I–956F. They also stated that online adjudication of a Form I–526E should be more efficient than an older paper-based approach to adjudication.

Response: DHS appreciates the commenters' concern for the completion rates in the EB–5 fee study. We note that the EB–5 fee study and the FY 2022/2023 fee rule used different authorities and assumptions. The EB–5 Reform Act was out of scope for the FY 2022/2023 final rule. *See, e.g.,* 89 FR 48516, 6239

[30] *See* USCIS, EB–5 Fee Study, available at *https://www.regulations.gov/document/USCIS-2025-0139-0008.*

[31] *See* section III.C. of this preamble.

and 6285–6288 (Oct. 23, 2025). As such, the FY 2022/2023 final rule did not include changes to completion rates that resulted from the EB–5 Reform Act. The EB–5 fee study in the proposed rule includes the effects of the EB–5 Reform Act on its completion rates, including time needed to review documentation required at INA sec. 203(b)(5)(L)(ii), 8 U.S.C 1153(b)(5)(L)(ii), to demonstrate that the capital and any funds used *for* the alien's investment were obtained from a lawful source and through lawful means. As explained in the proposed rule, USCIS estimated completion rates of EB–5 forms by extrapolating staff hours spent on EB–5 adjudications and estimates from subject matter experts on EB–5 request processing. *See, e.g.,* 90 FR 48516, 48524–48525.

In this final rule, DHS sets fees based on more recent forecasts and completion rates for FY 2026 and 2027, which includes different completion rates for Forms I–526 and I–526E (8.76 and 9.14 hours respectively). These rates show a slightly higher completion rate for Form I–526E than Form I–526. USCIS notes that while the commenter is correct that Form I–526E does not include the project information that would have been adjudicated in Form I–956F and is not processed in a paper-based format like Form I–526, USCIS has found that those slight adjudicative efficiencies have generally been exceeded by the additional adjudicative work to review INA sec. 203(b)(5)(L)(ii), 8 U.S.C. 1153(b)(5)(L)(ii), required documentation for Form I–526E filings. *See* section III.C.1 of this preamble and the Revised EB–5 Fee Study document in the docket for more information, including how USCIS derived the completion rates. In summary, USCIS used the most recent staffing allocation models for FY 2026 for the completion rates in this final rule. Older staffing allocation models provided some of the completion rates used in the FY 2022/2023 fee rule and the proposed fees, which used forecasts for FY 2024/2025. DHS believes that incorporating the new information in this final rule responds to the commenter's concerns.

3. Fee Refunds

Comment: One commenter stated that investors who filed petitions after the fee increases in 2024 should receive a refund. They stated that fees in the proposed rule were lower than in the FY 2022/2023 fee rule.[32] They noted that investors overpaid fees after *Moody* v. *Noem,* No. 24–cv–00762–CNS (D. Colo.), stayed certain EB–5 related fees in the FY 2022/2023 fee rule.[33]

Response: DHS and USCIS believe the Court's decision in *Moody* v. *Noem* is incorrect but we have implemented it. Notably, *Moody* did not provide a monetary award and stated that it did not require any reimbursement of funds. *Moody,* at 6. On Nov. 12, 2025, USCIS reverted to accepting the EB–5 fees that were in effect until March 31, 2024. USCIS informed the public that they would accept the previous fee for items postmarked before Nov. 26, 2025.[34] As a result, the current fees shown in this preamble are different from current fees listed in the proposed rule. *See, e.g.,* 90 FR 48516, 48517; *see also* 8 CFR 106.2. USCIS is not required to issue a fee refund to investors who paid the fees that were effective April 1, 2024, thus, DHS takes no action in response to this comment.

E. Proposed Form or Fee Changes

DHS received comments on the proposed form/fee changes for specific forms, which we address in the following subsections.

1. New Form I–527, Amendment to Legacy Form I–526

Comment: Several commenters stated that DHS should reconsider the proposed $8,000 fee for a Form I–527. Some commenters felt the proposed $8,000 fee was punitive and too expensive for investors who may face other legal fees and administrative costs. They suggested a nominal fee that only covered the administrative costs of processing the form or offering fee waivers. Some commenters said the proposed $8,000 fee was disproportionate to the narrow purpose of this form. They suggested recalculating the fee to reflect the narrow scope. One commenter suggested a reduced-fee pathway where the investor's need to amend arises from agency termination or debarment actions that do not implicate the investor's own conduct. Similarly, a commenter suggested a reduced fee or EB–5 Integrity Fee offset. Another commenter suggested that DHS lower the fee for investors who do not have to invest new capital in their amendment and suggested that fewer hours will be involved in adjudicating those petitions.

Response: DHS recognizes commenters' concerns regarding the affordability of a Form I–527. However, while DHS recognizes the challenges an investor may face, DHS does not believe that these factors justify fee-waiver eligibility nor a reduced fee for a Form I–527. USCIS can only allow a limited number of forms to be eligible for fee waivers, or else it would require even further increases in fees to cover the costs of processing fee-waived requests. In previous fee rules, DHS chose to prioritize fee waivers for humanitarian and protection-related immigration forms where the beneficiary may not have a reliable income or their safety or health is an issue. *See, e.g.,* 89 FR 6256. USCIS does not typically offer fee waivers for employment-based benefit requests.

The EB–5 Integrity Fund is a relatively new revenue source for USCIS. The intended uses of the fund are somewhat narrow.[35] At this time, DHS will not reduce any IEFA filing fee, including the Form I–527 fee, because of offsetting revenue from the EB–5 Integrity Fund. Rather, DHS calculates IEFA fees after considering the totality of resources available to USCIS, including revenue from the EB–5 Integrity Fund, other statutory fees, and appropriations.[36]

In this final rule, USCIS reevaluated the volumes, completion rates, and budget that it used to calculate the proposed fees based on public comments.[37] Currently, relatively few investors have opted to amend their petition to demonstrate eligibility under INA 203(b)(5)(M)(ii). Specifically, USCIS sent out the first set of notices to provide investors with a notification of the options to retain their eligibility under INA 203(b)(5)(M). As of July 20, 2026, which is after the 180-day response period, approximately 10 percent of the investors who responded indicated their interest in choosing to amend their petition. USCIS is unsure if this trend will continue across pre-EB–5 Reform Act populations impacted by future terminations and debarments, and USCIS does not have multi-year data to inform projections. However, based on the low percentage of this first set of notice responses, and because it is the only data source available at this time, USCIS lowered the original projections in the proposed rule. The completion rate in this final rule remains the same as in the proposed rule. Based on the limited experience with this adjudication to date, USCIS subject matter experts continue to

[32] *See* 89 FR 6194 (Jan. 31, 2024).

[33] *See* USCIS, Court Order on Partial Stay of DHS 2024 USCIS Fee Rule, *https://www.uscis.gov/newsroom/alerts/court-order-on-partial-stay-of-dhs-2024-uscis-fee-rule* (last reviewed/updated Nov. 18, 2025).

[34] Id.

[35] *See* sections II.B. and III.E. of this preamble. *See also* 90 FR 48516, 48530–48534.

[36] *See* section II.B. of this preamble.

[37] *See* section III.C. of this preamble for more information.

believe it represents the best available estimate for the adjudication hours per completion. Part of the reason that the Form I–527 fee in this final rule is higher than in the proposed rule is because the overall budget for USCIS and IPO budget are higher in this final rule than in the proposed rule. Therefore, DHS determined that the final Form I–527 fee of $10,330 set in this final rule is necessary for full cost recovery. DHS declines to make changes based on this comment, except for budget and operational changes described elsewhere in this final rule, which may affect the final fee. In future rulemakings, DHS will reconsider the fee for Form I–527 when it has more data or newer estimates.

Comment: A commenter stated that investors should have reasonable-cause flexibility where court oversight, receiverships, escrow constraints, or similar legal processes delay the ability to receive, recover, or redeploy misappropriated capital before filing (or completing) a Form I–527 amendment.

Response: DHS acknowledges that legal processes may cause delays. However, DHS will adhere to statutory deadlines as outlined under INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M), regarding length of time to file a Form I–527 amendment after notifying investors of termination or debarment. Depending on the circumstances, DHS may extend applicable deadlines under INA sec. 203(b)(5)(M)(v)(II), 8 U.S.C. 1153(b)(5)(M)(v)(II).

Comment: A commenter stated that USCIS should clarify that an investor before the EB–5 Reform Act does not need to file a Form I–527 if the investor continues to be eligible with respect to the investment and job creation requirements notwithstanding regional center termination, including where termination is based on administrative noncompliance that does not directly implicate the underlying investment or job creation.

Response: USCIS policy provides that, in general, pre-EB–5 Reform Act investors may remain eligible if their project is complete or will be completed in accordance with the comprehensive business plan, with sufficient job creation for all investors, and the investor's capital has been and will be sustained through the requisite 2-year sustainment period of their conditional residency.[38] In such cases, officers may plausibly determine that a pre-EB–5 Reform Act investor associated with the terminated regional center is still eligible for classification as an immigrant investor, even without the need to reassociate with another approved regional center or make a qualifying investment in another NCE. Also, USCIS generally does not consider such termination a material change that affects continued eligibility.[39]

Comment: A commentor stated that USCIS should provide clear guidance on whether there are any circumstances under which a pre-EB–5 Reform Act investor should file a Form I–527 solely to reaffiliate with a new regional center in case where the investor otherwise remains eligible and does not require an amendment to preserve classification.[40]

Response: If an investor otherwise remains eligible notwithstanding termination of their regional center and is, therefore, not required to file an amendment to preserve classification, they would not need to file a Form I–527 solely to reaffiliate with a new Regional Center.

Comment: The draft Form I–527 language (''made a qualifying investment in or otherwise associated with another NCE'') should clarify how partial job creation satisfaction affects the amount of additional capital that must be invested and whether ''otherwise associated'' options depend on whether the investor is responding to regional center termination versus NCE/JCE debarment.

Response: Form I–527 implements the collection of information to amend a pre-EB–5 Reform Act Form I–526 for the purposes of establishing continuing eligibility in compliance with INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M). Form I–527 is not intended to provide guidance on establishing continued eligibility in various circumstances. USCIS acknowledges the commenter's request for additional guidance regarding the statutory requirements related to Form I–527 amendments and will consider providing sub-regulatory guidance as needed in the future.

Comment: One commenter stated that USCIS should revise termination and debarment notices sent to investors to disclose, at a minimum, the general basis for the agency action so that investors can understand the context and respond effectively. This commenter also stated that because approval of a Form I–527 amendment depends partly on a determination that the investor was not a knowing participant in the conduct that led to termination or debarment, the final rule and form instructions should expressly provide a mechanism for the investor to submit that attestation, along with supporting evidence as appropriate.

Response: Rulemaking is unnecessary to address revisions to termination and debarment notices as such notices can be revised separate and apart from the rulemaking process. DHS will consider this request and take sub-regulatory action as needed. Furthermore, DHS acknowledges the request that a Form I–527 should expressly provide a mechanism for the investor to submit an attestation that they were not a knowing participant in the conduct that led to termination or debarment, though DHS believes that this change is not necessary because investors are not precluded from submitting such an affidavit with Form I–527.

Comment: A commenter recommended a centralized, NCE-level filing mechanism to reduce duplicative adjudications and lower per-investor costs and provided a detailed framework for this recommendation. Another commenter recommended that USCIS should ensure electronic linkage of the Form I–527 filing to the underlying legacy Form I–526 record (and associated project/regional center records where applicable) and provide clear instructions to prevent duplicative document requests. This commenter also recommended that USCIS should implement case-management safeguards to prevent adverse status consequences while a Form I–527 is pending, including appropriate tolling/hold-in-abeyance mechanisms where the investor is in a pending lawful status posture.

Response: Rulemaking is unnecessary to address electronic linkages between the Form I–527 and the pre-EB–5 Reform Act Form I–526 it amends for the purposes of establishing continuing eligibility in compliance with INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M). USCIS systems capabilities and functionality related to a Form I–527 can be addressed separate and apart from the rulemaking process. DHS will consider this request and take sub-regulatory action as needed. DHS remains committed to providing clear guidance, fair procedures, and efficient processing for all EB–5 stakeholders.

Comment: Commenters requested that USCIS clarify whether it will accept investments made for purposes of subsection (M) protections[41] into an NCE whose offering materials and supporting evidence are structured according to post-EB–5 Reform Act requirements, including post-EB–5

[38] *See* USCIS, EB–5 Questions and Answers, *https://www.uscis.gov/working-in-the-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/eb-5-questions-and-answers* (last Feb. 25, 2026).

[39] *Id.*

[40] *Id.*

[41] *See* INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M).

Reform Act TEA definitions and post-EB–5 Reform Act TEA evidence. Another commenter requested that USCIS should clarify whether investors before the EB–5 Reform Act must invest in a TEA project to qualify for the relief under Paragraph M and, if so, provide the TEA definition.

Response: As noted earlier, DHS is working on a related rulemaking which would propose amendments to EB–5 program regulations that, if finalized, would fully implement the statutory reforms made by the EB–5 Reform Act. *See* section II.D.1 of this preamble. That rule is still in development. As such, DHS makes no changes to this rule based on this comment because DHS may address the commenter's concerns in another rulemaking.

Comment: A commenter stated that a Form I–527 should not be treated as the filing of a new immigrant petition for purposes of priority date retention, should not restart adjudication timelines from ''day zero'' in a manner that prejudices the investor, and should not create a de facto penalty for invoking subsection (M) protections. USCIS review of a Form I–527 should be expressly limited to the incremental subsection (M) issues (including good faith/''knowing participant'' considerations and the new association/investment structure) and should not require re-adjudication of lawful source of funds or job creation requirements that were previously reviewed and found sufficient, absent articulable fraud, willful misrepresentation, or material error concerns. Another commenter stated the final rule should specify protections regarding petition processing and maintaining eligibility consistent with the statute.

Response: DHS appreciates the detailed feedback regarding the proposed Form I–527. DHS recognizes the importance of clear guidance and fair procedures for pre-EB–5 Reform Act investors seeking relief under section 203(b)(5)(M) of the INA. USCIS will not treat Form I–527 filings as new immigration petitions and will, therefore, retain the original priority date. There are no penalties for seeking relief under 203(b)(5)(M). Regarding the review of source of funds and job creation, each adjudication will be assessed on a case-by-case basis, taking into account the totality of the circumstances under which the investor is seeking relief and asserting eligibility.

2. Form I–829, Petition by Investor To Remove Conditions on Permanent Resident Status

Comment: Commenters stated that certain EB–5 investors need clarity about how they may benefit from subsection (M) of the EB–5 Reform Act.[42] The commenters believe Congress sought to protect a number of investors in the EB–5 Reform Act, which allows investors to preserve eligibility after termination or debarment through no fault of the investor. Examples of such investors include individuals with Conditional Permanent Resident status who have not filed a Form I–829, those with pending Forms I–829, those with denied Forms I–829 or with a motion to reopen pending with USCIS or who are currently in removal proceedings are among those investors that Congress sought to protect. The commenters stated that DHS should allow immigrant investors an opportunity to take advantage of such protections notwithstanding the pendency of removal proceedings or other enforcement actions. The commenters said that such a filing will not be deemed a motion to reopen or request termination of proceedings but may be considered by DHS counsel or the Executive Office for Immigration Review (EOIR) in adjudicating any related motions. Moreover, the commenters urged DHS to coordinate with EOIR and ICE to ensure that these amendments or subsequent filings are recognized as material to an investor's eligibility for relief, consistent with the interagency collaboration already required under the EB–5 Reform and Integrity Act's integrity provisions. The commenters believed that absent such guidance, similarly situated investors will face inconsistent outcomes contrary to the protective intent of INA section 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M).

Response: DHS disagrees with commenters who suggest that the protections of the EB–5 Reform Act apply to groups other than those specifically cited in the statute. The statute in question, INA section 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M), applies only to those investors who have an otherwise qualified petition filed under INA section 204(a)(1)(H), 8 U.S.C. 1154(a)(1)(H), and investors who have conditional permanent resident status under INA section 216A, 8 U.S.C. 1186b. Investors whose conditional permanent resident status under INA section 216A has been terminated, for example, because their Form I–829 has been denied and their status terminated under INA section 216A(c)(3)(C), 8 U.S.C. 1186b(c)(3)(C), are not included within the scope of protections provided under INA section 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M). In general, investors whose conditional permanent resident status has been terminated may seek relief in removal proceedings, such as review of the denial of the Form I–829 under INA section 216A(c)(3)(D), 8 U.S.C. 1186b(c)(3)(D). DHS declines to extend to scope of INA section 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M), to investors whose conditional permanent resident status has been terminated upon denial of Forms I–829, including those who may have a pending motion or who are in removal proceedings.

Comment: DHS received several comments requesting that the filing deadline for Form I–829 dependent be separated from the principal investor's expiration of conditional permanent residence status. Commenters provided various reasons why this should be changed, including the principal's death, divorce, or unwillingness to cooperate. Several commenters specifically recommended that the dependents' expiration date be based on their own conditional permanent residence status, not the expiration date of the principal investor.

Response: USCIS follows the statutory requirements under INA sec. 216A(d)(2), 8 U.S.C. 1186b(d)(2), specifying when a Form I–829 must be filed for derivatives to file Form I–829 separate from the principal investor. In general, investors must file the Form I–829 within the 90-day period immediately preceding the second anniversary of obtaining their conditional permanent resident status (subject to certain exceptions), and derivatives are tied to the time-period of the investor. *Id.* A petition filed after such date may be considered only if the investor establishes to the satisfaction of USCIS that the investor's failure to file within that 90-day period was for good cause and extenuating circumstances. *Id.*

Comment: A commenter requested examples and scenario-based guidance for dependents filing separately from the principal investor. Other commentors requested to allow Form I–829 dependents to file together to increase processing efficiencies and requested clarification on dependents filing without the investor.

Response: DHS acknowledges and appreciates the comments regarding potential processing efficiencies by permitting derivatives to file Forms I–829 together. DHS declines at this time to permit such a practice because there are unique considerations related to the processing of derivative Forms I–829 filed separately from a principal investor, including the tracking of such petitions, evaluation for eligibility, post-

[42] *See* INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M).

approval processing and other related considerations. Consequently, DHS believes that requiring Form I–829 derivatives to file independently best accounts for these considerations and will continue requiring that derivatives file separate Forms I–829 when not included on the principal investor's Form I–829 or when the principal investor is deceased. With respect to scenario-based and other guidance, DHS will continue to evaluate the need for such guidance and may provide guidance separate from this rulemaking and form instructions.

3. Regional Center Forms

a. Forms I–956, Application for Regional Center Designation, and I–956F, Application for Approval of an Investment in a Commercial Enterprise

Comment: DHS received several comments regarding amendment fee costs for Forms I–956 and I–956F including the following:

- Commenters suggested that there should be fair fees for Forms I–956 and I–956F when the filing involves simple changes, like amending Form I–956, changing the name of a regional center, or adding a person involved with a regional center.
- A number of commenters recommended that USCIS adopt a tiered approach for EB–5 project-related fees, particularly Forms I–956 and I–956F, to preserve viable pathways for smaller EB–5 projects and to ensure investors retain meaningful options across a broader range of project types.
- Several commenters requested different fees for Form I–956 initial filings and amendments, with the fees for amendments such as changes to the regional center's name, ownership, organizational structure, or administration being lower than initial filings.
- A commenter stated that regional centers do generate revenue through EB–5 investments and redeployment-related structures, and larger regional centers operating multiple projects and serving hundreds of investors generally have greater operational scale to absorb compliance and filing costs. They stated that regional centers and project sponsors operating at larger scale should bear a proportionally greater share of EB–5 fee burdens, particularly where fee design choices may otherwise shape the EB–5 marketplace and reduce investor choice. The commenter also recommended a tiered I–956F filing fee based on total project cost (capital stack) as a workable, administrable proxy for adjudicative complexity and workload. A commenter suggested USCIS could implement tiering in a revenue-neutral manner by setting the tier rates so that, based on expected filing volumes, the weighted-average revenue aligns with USCIS's cost recovery needs.

Response: Regarding the fee structure for Forms I–956 and I–956F, DHS considered alternative approaches, including a tiered fee structure or nominal fees for amendments involving administrative or non-substantive changes. However, DHS determined it would not adopt a tiered fee structure because the lack of data on the processing costs for amendments creates uncertainty on how many applications would fall into the various categories that the commenters suggested. In addition, many amendments require similar work to adjudicate as initial filings. DHS may reconsider additional fee levels for these forms in future fee rules when it has more information on which to base variable fees. Regarding a different fee for Form I–956 for initial filings and amendments, with lower fees for amendments, DHS recognizes that amendments may, in some cases, require less extensive review than initial applications, particularly when changes are limited in scope or do not affect the substantive eligibility criteria of the investment or project. Therefore, in the final rule, DHS has revised the proposed fees for Form I–956 seeking an amendment to be different for a Form I–956 seeking initial designation and a Form I–956 for an amendment.

However, DHS determined that a uniform fee for Form I–956 amendments is necessary to ensure administrative efficiency and to recover the costs associated with the review and processing of all amendment types. Even amendments that appear ministerial may require verification of compliance with statutory and regulatory requirements, background checks, and updates to program records, all of which involve staff time and resources.

DHS recognizes that a tiered fee structure could potentially reduce costs for certain amendments but would also introduce additional complexity into the fee schedule and adjudication process, potentially increasing administrative burdens and the risk of inconsistent application. DHS will continue to monitor the impact of the current fee structure and may consider further refinements in future rulemakings if warranted by operational data and stakeholder feedback.

DHS remains committed to maintaining a fair and transparent fee schedule that supports program integrity and efficient processing of EB–5 benefit requests.

Comment: A commenter requested that USCIS allow TEA amendments by email or abbreviated amendments with commensurate reduced filing fees. Separately, they also requested that USCIS permit regional centers to make filings online through the USCIS Online Portal, in a manner like investors' ability to interfile and file responses online.

Response: DHS determined that a uniform fee for Form I–956F amendments is necessary to ensure administrative efficiency and to recover the costs associated with the review and processing of all amendment types. Even amendments that appear ministerial may require verification of compliance with statutory and regulatory requirements, background checks, and updates to program records, all of which involve staff time and resources. USCIS acknowledges the commenter's request to permit high unemployment area renewal requests through alternative means outside of a Form I–956F amendment and will consider providing sub-regulatory guidance as needed in the future. Additionally, DHS is committed to technology initiatives to improve the efficacy of adjudications in line with maintaining data security standards and ensuring complex filings are able to be captured in their entirety. DHS will continue to communicate progress, milestones, and performance benchmarks as these improvements are developed and implemented.

b. Form I–956H, Bona Fides of Persons Involved With Regional Center Program

Comment: A commenter suggested that USCIS clarify whether an approved regional center or NCE can add a person involved by filing Form I–956H without having to file amended Forms I–956 or I–956F.

Response: The statute at INA sec. 203(b)(5)(E)(vi), 8 U.S.C. 1153(b)(5)(E)(vi), requires a regional center to file an amendment to notify USCIS, no later than 120 days before the implementation of significant proposed changes to its organizational structure, ownership, or administration, including the sale of such center, or other arrangements which would result in individuals not previously subject to the requirements under INA sec. 203(b)(5)(H), 8 U.S.C. 1153(b)(5)(H), becoming involved with the regional center. Therefore, if a new person becomes involved with the regional center, the regional center must notify USCIS of such via an I–956 amendment and that new person must also file a I–956H to attest to their compliance with

INA sec. 203(b)(5)(H), 8 U.S.C. 1153(b)(5)(H).

c. Form I–956K, Registration for Direct and Third-Party Promoters

Comment: A commenter stated that Form I–956K, which is for promoters to register with USCIS, should not have a higher filing fee than Form I–956H, which is for individuals involved with a regional center, new commercial enterprise, or affiliated job-creating entity. They stated that Form I–956H should require more scrutiny to ensure that the background of the people involved with managing regional centers, NCEs and JCEs have been properly screened. The same commenter stated that the proposed rule does not sufficiently explain the registration approval process for Form I–956K enough to substantiate or justify a proposed fee of $2,740.

Response: DHS disagrees that the fee for Form I–956K should not be higher than the fee for Form I–956H. As explained in the proposed rule, the proposed fees for Forms I–956K and I–956H were based on the results of the ABC model that USCIS created for the EB–5 Fee Study. *See, e.g.,* 90 FR 48516, 48525–48529. The proposed fees for Forms I–956G, I–956H, and I–956K include fewer activities, and thus lower costs, than other EB–5 workloads. *See* 90 FR 48516, 48525. USCIS revised the EB–5 fee study based on feedback from other comments, but the final fees for Forms I–956G, I–956H, and I–956K still include fewer activities, and thus lower costs, than other EB–5 workloads. *See* the Revised EB–5 Fee Study included in the docket. The proposed and final fees for Form I–956H are lower than Form I–956K because the fee for Form I–956H is only meant to recover the cost of form intake and biometric services. In contrast, the fee for Form I–956K includes additional activities for fraud investigations, records management, and operational support. DHS believes that this remains the best approach to setting these fees. In addition, a person may need to submit Form I–956H if they are involved with multiple regional centers. As such, to reduce the financial burden on these individuals, DHS is keeping the Form I–956H fee low when compared to other EB–5 fees.

Comment: A commenter stated that USCIS could tap the EB–5 Integrity Fund to offset the revenue reductions from implementing lower fees for Form I–956K initial applications and amendments.

Response: As explained earlier in this preamble, DHS will not reduce any IEFA filing fee, including the Form I–956K fee, because of offsetting revenue from the EB–5 Integrity Fee. Rather, DHS calculates IEFA fees after considering the totality of resources available to USCIS, including revenue from the EB–5 Integrity Fund, other statutory fees, and appropriations.[43] DHS chooses not to offset EB–5 Integrity Fund because it is a relatively new revenue source for USCIS and the intended uses of the fund are narrow.[44] In future rulemakings, DHS may reevaluate this decision based on when it has more data or newer estimates for the EB–5 Integrity Fund and Form I–956K. However, DHS declines to make changes based on this comment.

Comment: A commenter stated that the adjudicative process for Form I–956K is largely unknown to the EB–5 industry. They noted that DHS has authority to use not less than one third of the EB–5 Integrity Fund balance for foreign investigations. They questioned whether any foreign investigations occurred and encouraged USCIS to begin investigating third-party promoters abroad. They stated this will ensure greater program compliance and accountability while not increasing the fee for Form I–956K.

Response: Rulemaking is unnecessary to address procedures for foreign investigations, but DHS will consider this recommendation and take sub-regulatory action as needed.

4. New EB–5 Technology Fee

Comment: One commenter stated that before beginning to charge this new technology fee, it is critical that USCIS provide the public with its roadmap for the technology improvements that will transition the agency to a modern electronic process. They listed several information technology modernization projects which the revenue could fund. The commenter stated there should be clear milestones, such as system implementation dates and performance benchmarks, so that the agency can be held accountable by Congress and other stakeholders.

Response: DHS appreciates the comment regarding the need for transparency and accountability in the implementation of technology improvements funded by the new technology fee. The technology fee is authorized by statute to support enhancements to USCIS information systems, including the transition to electronic processing. DHS is committed to providing updates on major technology initiatives and will continue to communicate progress, milestones, and performance benchmarks as these improvements are developed and implemented. DHS will also ensure that Congress and stakeholders are informed about the use of technology fee revenue and the resulting benefits to applicants and program administration.

However, DHS wishes to set realistic expectations for EB–5 Technology Fee revenue. For example, using the volume forecasts for this final rule, USCIS expects that it will collect less than a million dollars a year in EB–5 Technology fee revenue.[45] Less than a million dollars each year may not be sufficient funding for the projects listed by the commenter. As such, USCIS will necessarily need to continue using other IEFA funding to cover most of its information technology costs, including those for the EB–5 program.

F. EB–5 Integrity Fund Fees and Penalties

1. Comments on the Integrity Fund and Codification of Nonpayment Penalties (*e.g.,* Monetary Penalties for Late Payment, Termination for Failure To Pay Within 90 Days of Due Date)

Comment: One commenter recommended that DHS provide exceptions to the timeframes for levying penalty fees for late payment of the Integrity Fund fee, such as for public exigencies. Other commenters mentioned concerns about the penalties for non-compliance, such as late integrity fee payments and termination of regional centers after 90 days. Commenters stated these could impact immigration status of investors, disrupt multi-million dollar projects, and hurt local economies. Commenters also stated concerns of additional regulatory burden from more audits, site visits, and compliance checks.

Response: The penalties, and the timeframes for imposing those penalties, are set by statute. The statute does not provide for waivers, exceptions or exemptions. The statute states that each regional center must pay the Integrity Fund fee every year on October 1. INA sec. 203(b)(5)(J)(iv), 8 U.S.C. 1153(b)(5)(J)(iv), enumerates the following:

(iv) FAILURE TO PAY FEE.—The Secretary of Homeland Security shall—

(I) impose a reasonable penalty, which shall be deposited into the Fund, if any regional center does not pay the

[43] *See* section II.B of this preamble.

[44] *See* sections II.B and III.E. of this preamble. *See also* 90 FR 48516, 48530–48534.

[45] The EB–5 Technology Fee applies to some, but not all filings of Forms I–526 and I–526E. *See* section III.D. of this preamble for more information. If all Forms I–526 and I–526E filings paid the EB–5 Technology Fee, then the average annual revenue for FY 2026/2027 would be $660,900. *See* section III.C.1. for the volume forecasts in this final rule. Calculation: (312 + 8,500) *$75 = $660,900.

fee required under clause (ii) within 30 days after the date on which such fee is due; and

(II) terminate the designation of any regional center that does not pay the fee required under clause (ii) within 90 days after the date on which such fee is due.

Comment: One commenter requested confirmation, for investors whose regional center was terminated for failure to pay the EB–5 Integrity Fund fee, that re-affiliation with a new regional center is not required if the project has already created the required number of jobs.

Response: Whether an investor must reaffiliate with another regional center to retain eligibility under INA sec. 203(b)(5)(M), 8 U.S.C. 1153(b)(5)(M), will depend on the facts and circumstances specific to their particular case. As explained in current USCIS policy, in general, pre-EB–5 Reform Act investors may remain eligible if their project is complete or will be completed in accordance with the comprehensive business plan, with sufficient job creation for all investors, and the investor's capital has been and will be sustained through the requisite two-year sustainment period of their conditional residency. In such cases, officers may plausibly determine that a pre-EB–5 Reform Act investor associated with the terminated regional center is still eligible for classification as an immigrant investor, even without the need to reassociate with another approved regional center or make a qualifying investment in another new commercial enterprise. Also, USCIS generally will not consider such termination a material change that affects continued eligibility.

In general, post-EB–5 Reform Act investors may continue to be eligible if their capital remained invested for at least 2 years after being placed at risk under applicable requirements and satisfied the job creation requirement before termination or debarment. In such cases, officers may plausibly determine that such post-EB–5 Reform Act investors are still eligible for classification as an immigrant investor, even though the regional center was terminated and without the need to reassociate with another approved regional center or make a qualifying investment in another NCE.[46]

Comment: A commenter stated that USCIS should allow regional centers to self-report the number of investors to calculate the amount due for Integrity Fund fees. They stated the proposed method to calculate investors does not account for withdrawn Form I–526E applications.

Response: DHS considered the suggestion to allow Regional Centers to self-report investor numbers for Integrity Fund fee calculations, but notes that accurate reporting of investor numbers is essential for program integrity and compliance. The annual fee, as established in the RIA, is $20,000 for each such Regional Center, except for those with 20 or fewer total investors in its new commercial enterprises in the preceding fiscal year from October 1–September 30, in which case the annual fee is $10,000.

For application of the different fee amounts, USCIS interprets the phrase ''20 or fewer total investors in the preceding fiscal year in its new commercial enterprises'' to mean the total number of EB–5 investors who have invested, or are actively in the process of investing, in a Regional Center's NCE in any given fiscal year beginning at the point of an investor filing a petition for classification as an EB–5 investor up until the point of an investor filing a petition for removal of conditions.

USCIS officers retain discretion to evaluate the Integrity Fund fee due and the number of investors on a case-by-case basis, accounting for any other facts or evidence in the record in the totality of the circumstances, including any evidence provided by a regional center that believes it has greater or fewer total investors. DHS makes no changes to the final rule in response to this comment.

G. Statutory and Regulatory Requirements

1. Administrative Procedure Act (APA) (*e.g.,* Notice/Adequacy of the 60-Day Comment Period, Requests to Extend, Reliance Interests, Rulemaking Process, ''Arbitrary and Capricious'')

Comment: Commenters provided the following comments regarding the APA:

- Stay the rule's effective date and open a minimum 60-day notice-and-comment period.
- The proposal fails to adequately consider reliance interests and downstream economic harms, rendering it arbitrary and capricious.
- This rule invokes or effectively relies on the APA's ''good cause'' exception to notice-and-comment and/or to the 30-day delayed effective date without a narrowly tailored, record-supported justification.

Response: DHS disagrees with the commenters' concerns regarding the rule's compliance with the APA. The notice-and-comment period, consideration of reliance interests, direct economic impacts on small entities, and the justification for the effective date of the rule all comply with the APA and relevant case law. DHS provided the public with notice of the proposed fees and allowed for a comment period, complying with the requirements of the APA. Further, the 60-day comment period was sufficient time for interested parties and stakeholders to submit feedback on all aspects of the proposed rule, including the potential economic impacts and reliance interests. The commenter did not provide details of what actions they have taken or costs they have incurred as a result of their reliance on USCIS not implementing a new fee schedule as required by the 2022 RIA. DHS believes that passage of the statute, partial implementation of the law through the EB–5 Integrity Fund Fee, and the proposed rule, have provided sufficient notice for affected parties to not be surprised by the new fees and time to adjust their businesses practices accordingly.

2. Comments on the Regulatory Impact Analysis (RIA) (E.O.s 12866 and 13563)

Comment: One commenter stated that the economic analysis is inadequate because DHS/USCIS says the $47 million loss due to decreased fees will be offset by finding savings elsewhere, without detailing where that will be. There is no discussion in the rule about the impact on the current fee structure, and the assumptions (and commitments) made in the most recent fee rule. There is also no discussion of the impact the decrease in fees here would have on a future fee study or rule. The commenter also notes that some of the figures in the analysis are several years old, and there is no discussion of the impact of this rule on USCIS' overall fiscal picture. Another commenter requested that USCIS publish the rule's Executive Order 12866 significance determination and underlying economic analysis and confirm OIRA review.

Response: DHS disagrees that the economic analysis is inadequate. Earlier in this preamble DHS addressed the commenter's concerns regarding potential negative effects to USCIS by lowering certain fees. *See* section IV.B.2.c. While DHS estimates the net impact to a particular fee change directly, it does not generally suggest or determine how the overall financial situation of the agency will be impacted. USCIS policies and workloads are constantly evolving, requiring resource

[46] USCIS, EB–5 Questions and Answers, *https://www.uscis.gov/working-in-the-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/eb-5-questions-and-answers* (last reviewed/updated Feb. 25, 2026).

shifts, and operational changes, and the time required to engage in rulemaking makes it impossible to issue a fee rule that is totally current on all aspects that could impact fees and costs. However, DHS performs fee studies generally, as it did for this rule, using the best and most reliable data available, to implement new fees in a manner that improves or maintains its overall level of USCIS service. Regarding data age, DHS updated the data where possible, relying on a consistent analytical approach. Also, the Office of Management and Budget (OMB) reviewed the rule (concluding on Sep. 25, 2025) and determined that this rule is a ''significant regulatory action'' under section 3(f) of Executive Order 12866, although it does not meet the criteria for economic significance under section 3(f)(1).

3. Regulatory Flexibility Act (*e.g.,* Initial Regulatory Flexibility Analysis, Small Entities)

Comment: One commenter stated that the rule omits, or provides only a conclusory, Regulatory Flexibility Act analysis despite direct impacts on hundreds of small entities (RCs, NCEs, and related small businesses) and fails to consider less burdensome alternatives as required by 5 U.S.C. 603–604. Another commenter suggested that USCIS prepare and publish an Initial Regulatory Flexibility Analysis (IRFA) or, if invoking 5 U.S.C. 605(b), provide a detailed factual basis supporting any certification, and consider significant alternatives to minimize small-entity impacts.

Response: DHS conducted and published an initial regulatory flexibility analyses (IRFA) [47] and determined that most businesses involved with the EB–5 program would be small and sustains that determination in this final rule. While DHS recognizes that higher fees may present challenges for some applicants, particularly smaller investors, the fees being finalized reflect the actual costs of adjudication, fraud prevention, compliance activities, and administration of the program. Setting fees outside cost-recovery levels could compromise USCIS' ability to provide adequate services and maintain program integrity. DHS considered alternatives, including tiered or transitional fee structures, but determined that a uniform fee schedule presents the most effective way to distribute costs and avoid administrative complexity.

DHS remains committed to monitoring the impact of fee changes on program participation and will continue to evaluate whether future adjustments or alternative approaches may be warranted. Currently, the fee schedule reflects DHS's best effort to balance access, affordability, and operational needs, consistent with statutory requirements.

4. Paperwork Reduction Act (PRA) (*e.g.,* New Form I–527, Revised Form I–829)

Comment: One commenter stated that this rule potentially introduces or revises information collection requirements without clear Paperwork Reduction Act (PRA) compliance (OMB control numbers, burden estimates, and the required 60/30-day public notices). They asked that USCIS identify and, if needed, seek OMB approval for any new or revised information collections under the PRA, with full burden estimates and public notice.

Response: DHS confirms that it has complied with all requirements of the PRA in connection with the creation of new information collections or revisions to existing information collections. This rule includes a revision to Form I–829 and the creation of a new information collection Form I–527. USCIS previously consolidated all information related to form fees, fee exemptions, and how to submit fee payments into Form G–1055, Fee Schedule, and removed them from the specific form instructions. *See* 88 FR 402 (Jan. 4, 2023); 89 FR 6194 (Jan. 31, 2024). See USCIS Form G–1055, Fee Schedule, for the fees associated with I–526, I–526E, I–527, I–829, I–956, I–956F, I–956G, I–956H, and I–956K. The notice of proposed rulemaking publication included the affected information collections, Form I–829 and associated instructions, Form I–527 and associated instructions, and Form G–1055, USCIS Fee Schedule, found on the Federal eRulemaking Portal at *https://www.regulations.gov. See* 90 FR 48516 (Oct. 23, 2025). The OMB Control Numbers and total average burden per response for the new or revised information collections can be found in the information collection instrument with instructions on the Federal eRulemaking Portal. In accordance with 5 CFR 1320.8, the agency need not separately seek public comment for any proposed collection of information contained in a proposed rule to be reviewed under 5 CFR 1320.11, if the agency provides notice and comment through the notice of proposed rulemaking for the proposed rule. In accordance with 5 CFR 1320.11, the revised and new information collections contained in proposed rule published for public comment in the **Federal Register** were submitted to OMB for review. In accordance with 5 CFR 1320.12, the revised and new information collections contained in the final rule will be submitted to OMB for review and approval. Therefore, no changes are made in response to these comments.

Comment: USCIS should undertake a separate Notice and Comment rulemaking when publishing Form I–527 to allow for public comment on the form before it is final.

Response: DHS will not publish a separate public notice specific to the new Form I–527; please see prior response for additional information on compliance with the PRA requirements. However, the rulemaking process includes public input on the form, and DHS will consider additional opportunities for stakeholder engagement as the form is finalized.

H. Out of Scope Comments

Comment: Commenters submitted several comments that are not related to fees or relevant to any changes proposed in the proposed rule. Thus, they are outside the scope of the rulemaking. The commenters stated or shared:

- Displeasure in the number of immigrant visas being granted.
- Each person that enters the United States should pay $10 million.
- DHS should raise all fees by 2000% to deter immigrants.
- A copy of an employment authorization document with no additional context.
- A customer service inquiry related to Temporary Protected Status.
- Requests to amend or file petitions while providing authorization for DHS to enact regulations.

Response: DHS fully considered the comments responsive to the rule and whether those suggestions could be adopted. The comments above are beyond the scope of provisions considered in the published proposed rule. Because these comments are not relevant to the fee adjustments or regulatory changes that were proposed, DHS is not responding to them in this final rule.

V. Statutory and Regulatory Requirements

A. Executive Orders 12866 (Regulatory Planning and Review), 13563 (Improving Regulation and Regulatory Review), and 14192 (Unleashing Prosperity Through Deregulation)

E.O.s 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize

[47] *See* 90 FR 48516, 48541–48548.

net benefits. E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. E.O. 14192 (Unleashing Prosperity Through Deregulation) directs agencies to significantly reduce the private expenditures required to comply with Federal regulations and provides that ''any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.'' The Office of Management and Budget (OMB) has designated this rule a ''significant regulatory action'' under section 3(f) of E.O. 12866, although not economically significant under section 3(f)(1).

Accordingly, the rule has been reviewed by the Office of Management and Budget. This rule is not an E.O. 14192 regulatory action because it is being issued with respect to an immigration-related function of the United States. The rule's primary direct purpose is to implement or interpret the immigration laws of the United States (as described in INA 101(a)(17), 8 U.S.C. 1101(a)(17)) or any other function performed by the U.S. Federal Government with respect to aliens. See OMB Memorandum M–25–20, ''Guidance Implementing Section 3 of Executive Order 14192, titled 'Unleashing Prosperity Through Deregulation''' (Mar. 26, 2025).

1. Summary

The Department is finalizing immigration benefit request fees charged by USCIS for the Employment-based Immigration, Fifth Preference (EB–5). The fees are set at a level that USCIS has determined would enable it to recover the costs of administering the EB–5 program, allow it to attain the processing time goals outlined in the law and to ensure there are internal procedures and controls in place to try to maximize the likelihood that the statutory goals are met. It will also make improvements to the information technology systems used by DHS to administer the EB–5 program. This rule also codifies elements of the EB–5 Reform Act in regulations, including the establishment of Form I–527. The fee schedule DHS is finalizing will impact approximately 16,600 EB–5 program filings annually across nine existing forms and one new form. For the existing forms the collective fees will increase by about 70.7 percent, or by about $2,945.90 per form.[48] DHS estimates that the 10-year (FY 2026 through FY 2035) and annualized monetized total impacts will be about $496.6 million and $49.7 million, in order, in undiscounted terms. At a 3 percent discount rate, the figures would be about $423.6 million and $49.7 million, in order, and at a 7 percent discount rate, the figures would be about $348.8 million and $49.7 million. The impacts are summarized in Table 10, in which population figures reflect annualized averages over the 10-year period of analysis and the monetized figures reflect the average annualized equivalence discounted at 7 percent.

[48] *See* V.A.2.b—Monetized Impact Estimates, Table 12.

Table 10. Summary of the Impacts of the Final Rule.	
Summary of Final Change	**Potential impact**
• Fee changes for current EB-5 program forms.	• Population: 16,584 filings. • Impact type: Transfers from requestors to DHS.[49] • Estimate: $48.9 million.
• Creation of Form I-527, Amendment to Legacy Form I-526.	• Population: 20 individual filers. • Impact type: Costs applicable to the filing fee and time burden. • Estimate: $209,302.70.
• Penalties for late filing of the Integrity Fund fee.	• Population: Maximum of 640 annual regional centers plus 8,500 regional center-affiliated investors. • Impact type: Costs. • Impact estimate: Unquantified; unknown how many regional centers or affiliated investors would incur penalties, as the penalties are intended to act as an incentive for compliance.
• Projected changes (increases) in forms' time burdens.	• Population: 16,584 (across current forms). • Impact type: Costs. • Impact estimate: $540,004.70.
• Dependents filing Form I-829 separate from principal investor applicant	• Population: Less than 20 annually based on past volumes. • Impact type: Costs applicable to the filing fee and time burden. • Impact estimate: $57,130.70.
Source: USCIS analysis (Mar. 6, 2026).	

In addition to the impacts summarized in Table 10, and as required by OMB Circular A–4, DHS presents the accounting statement showing the anticipated costs and benefits associated with this final regulation.[50]

Table 11. OMB Circular A-4 Accounting Statement (Millions, $2024; Period of Analysis: FY 2026 through FY 2035).						
Category		**Primary Estimate**	**Minimum Estimate**	**Maximum Estimate**	**Notes**	**Source/ Citations**
Benefits		N/A	N/A	N/A	Not estimated	NA
Annualized monetized benefits	**3%**	N/A	N/A	N/A	Not estimated	NA
	7%	N/A	N/A	N/A		
Unquantified benefits		The fees being finalized will recover the costs of administering the EB-5 program including the costs to hire staff and put internal procedures and controls in place within the program office with the intent of maximizing the likelihood that the statutory goals are met. It will make improvements to the information technology systems used by DHS to administer the EB-5 program.				RIA
			N/A	N/A	Applicable to filing costs and time burdens associated with the new Form I-527 and a small number of dependents who file their Form I-829 separately from the principal (investor); also incurs increase in existing forms' time burdens.	RIA
Costs						
Annualized monetized costs	**3%**	$0.81	N/A	N/A	N/A	RIA
	7%	$0.81	N/A	N/A		
Unquantified costs					Penalties and fines applicable to	RIA

					late Integrity Fund payments are not estimated; Rule familiarization costs.	
Transfers		N/A	N/A	N/A	Applicable to final fee changes for the EB-5 program forms.	RIA
Annualized monetized transfers (2%)	**3%**	$48.85	N/A	N/A	Transfers from DHS to requestors	RIA
	7%	$48.85	N/A	N/A		
Effects on State, local, and tribal governments		No significant impacts to national labor force or to the labor force of individual States is expected; DHS does not expect impacts to tribal governments.				RIA
Effects on small businesses		Based on limited data and information, most regional centers and almost all NCEs and JCEs directly involved in EB-5 investment activity would be small entities according to Small Business Administration (SBA) size standards.[51] However, DHS cannot determine how the impacts found in this analysis (comprising costs and transfers) would affect small entities, or how they might respond to such impacts. As such, DHS cannot determine how the impacts could possibly affect downstream effects to investment activity or job creation. An important caveat is that the number and proportion of the entities that are truly small is likely to be lower than that found in the determination.				RFA
Effects on wages		None	None	None	None	NA
Effects on growth		None	None	None	None	NA
Source: DHS, USCIS analysis (Mar. 6, 2026).						

2. Economic Impacts

a. Summary of Changes From the NPRM

There are two substantive changes that DHS is making in this final rule pertinent to the benefit-cost analysis as it applied to the NPRM. First, the fee impacts being finalized are based on a change from the EB–5 fees that became effective with the United States District Court for the District of Colorado decision in *Moody,* which is discussed in this preamble. Second, there have been recent revisions to the form volume projections, and those updates are included, under FY 2026 and FY 2027 projections. DHS is making two additional adjustments in this final rule.

First, in the NPRM, DHS accounted for an amendment Form I–526E under a small annual volume projection of 105 filings per year. DHS has received only a few such filings and expects a very small future volume, potentially close to zero. As such, DHS does not include a separate line item in the cost table for the I–562E amendment and initial form. Second, for purposes of this rulemaking the time burden applicable to the form I–829 is not set to change.

b. Monetized Impact Estimates

In introducing the analysis, DHS presents in Table 12 information captured from the preamble (Tables 1–3) to show the current and projected fees for the EB–5 program forms. As shown, we calculate weighting factor based on the volume for each form relative to the annualized total to generate a weighted average change in fees (which are accounted for as transfers), exclusive of Form I–527, which this rule is introducing. The volumes shown represent the average annual forecasts based on the USCIS Volume Projections Committee (VPC). The VPC facilitates workload and fee projection data, stakeholder collaboration, communication, and coordination of critical business decisions about projected workload. This intra-agency group provides a forum for making enterprise-wide decisions about projected workload supported by input from knowledgeable subject matter experts from within USCIS and, in some cases, data from other governmental agencies.

The VPC predicts USCIS annual workload volumes using historical and recent volume trends, statistical forecasts, and subject-matter expertise from various USCIS directorates and program offices, including the IPO, USCIS service centers, the National Benefits Center, and regional, district, and field offices. USCIS produced most of the estimates in this final rule during the meetings in June 2025 to estimate the FY 2026 and beyond. USCIS uses VPC estimates to determine staffing levels, budget for upcoming years, and estimate future revenue. If the VPC did not forecast a workload required for this rule, like Form I–527, then USCIS relied on SME estimates.

Table 12. EB-5 Program Forms with Final Fee Changes.

form number	Annual volume	Weight % of volume	Current filing fees	Final filing fees	% diff.	Fee change	weight % of fee change	$ amount
I-526	312	1.9%	$3,675.0	$7,615.0	107.2%	$3,940.0	2.0%	$74.1
I-526E	8,500	51.3%	$3,675.0	$7,850.0	113.6%	$4,175.0	58.2%	$2,139.9
I-829	4,652	28.1%	$3,750.0	$5,000.0	33.3%	$1,250.0	9.4%	$350.6
I-956(i)	13	0.1%	$17,795.0	$44,115.0	147.9%	$26,320.0	0.1%	$20.6
I-956(a)	39	0.2%	$17,795.0	$9,835.0	-44.7%	-$7,960.0	-0.1%	-$18.7
I-956F	240	1.4%	$17,795.0	$42,675.0	139.8%	$24,880.0	2.0%	$360.1
I-956G	528	3.2%	$3,035.0	$2,165.0	-28.7%	-$870.0	-0.9%	-$27.7
I-956H	2,000	12.1%	$0.0	$65.0	0.0%	$65.0	0.0%	$7.8
I-956K	300	1.8%	$0.0	$2,165.0	0.0%	$2,165.0	0.0%	$39.2
							70.7%	**$2,945.9**
Source: USCIS analysis (Mar. 6, 2026).								

As shown in the final columns of Table 12, based on the projected volumes in Table 3, and finalized fees, the fees increase by $2,945.9 or by 70.7 percent.

Table 13 builds the economic impacts applicable to the final fee changes for existing forms. The final columns report the annual total across all impacted forms, while the final rows report the 10-year average annual figures for each form, in order. While there is a single Form I–956, we have included two columns to account for initial filings (''i'') and amendments (''a''). The reason for parsing them out is that while their current fee is the same ($17,795) their final fees will be different ($44,115 and $9,835, in order). It is noted that the new Form I–527, Amendment to Legacy Form I–526, with a small projected annual volume of 20, is not included in Table 13. This form will incur a different accounting protocol from the other forms and is treated in a separate module. Specifically, the fee impacts associated with this form will be accounted for as a cost while the others will constitute transfers. Table 13 presents the projected annual volumes as well as the filing fees at the current and final levels. Table 13 is set up this way because the volumes are projected to be the same each FY, and for brevity each actual year is therefore not shown. The table also presents the impact as the difference between current and future filing fees, and the final column shows the 10-year totals per form.

Table 13. EB-5 Program Projected Filing Cost Impacts (Millions, FY 2026 through FY 2035).					
Form number	**Annual volume**	**Current filing fees**	**Final filing fees**	**Impact (difference)**	**Ten year-total**
I-526	312	1.15	$2.38	$1.23	$12.29
I-526E	8,500	31.24	$66.73	$35.49	$354.88
I-829	4,652	17.45	$23.26	$5.82	$58.15
I-956(i)	13	0.23	$0.57	$0.34	$3.42
I-956(a)	39	0.69	$0.38	-$0.31	-$3.10
I-956F	240	4.27	$10.24	$5.97	$59.71
I-956G	528	1.60	$1.14	-$0.46	-$4.59
I-956H	2,000	0.00	$0.13	$0.13	$1.30
I-956K	300	0.00	$0.65	$0.65	$6.50
Annual	-----	**$56.63**	$105.48	$48.85	-----
Ten-year total	------	**$556.28**	**$1,054.83**	**$488.55**	-----
Annual average	**16,584**	**$56.63**	**$105.48**	**$48.85**	------
Source: USCIS Analysis (Mar. 6, 2026).					

As Table 13 reports, based on the volume projections, at current fee rates the costs associated with filing forms for the EB–5 program would be $566.28 million over 10 years or $56.63 million annually in undiscounted terms. Based on the final fees, the filing costs will be $1,054.83 million over 10 years or $105.48 million annually in undiscounted terms. The impact (difference) would constitute an increase of $488.55 million over 10 years or an increase of $48.85 million on an annual basis (Table 13). The impacts attributable to the final fee changes will represent a net increase in transfers from requestors to DHS.

c. Costs of the Final Rule

In addition to transfer-impacts pertinent to form related fees, several impacts are accounted for as costs. DHS determines that there will be minor time burden changes applicable to the existing EB–5 Program forms due to this rule. To estimate the opportunity cost of time impacts, we need to rely on an hourly wage bound. This is difficult because EB–5 entities can involve complex business activities. DHS does not have salient information on the jobs the individual filers are involved in, but we assess that most individuals involved in the program investments are primarily involved (for regional centers, NCEs, and JCEs) in the business of arranging loans and financing and managing these efforts applicable to business plans. Therefore, DHS selected 20 occupations from the Bureau of Labor Statistics (BLS) Standard Occupational Codes (SOC) that we think reasonably capture the individuals involved in these activities. These SOC titles and associated terms mean hourly wage for the detailed industries are reported in Table 14.

Table 14. Occupation Titles and Hourly Wages for EB-5 Program Form Filers.	
BLS SOC Title	**Wage ($)**
General and Operations Managers	$64.00
Advertising and Promotions Managers	$71.76
Marketing Managers	$82.46
Sales Managers	$77.37
Public Relations Managers	$78.61
Fundraising Managers	$66.01
Administrative Services Managers	$60.59
Financial Managers	$86.76
Managers, All Other	$72.06
Project Management Specialists	$51.97
Management Analysts	$55.15
Market Research & Marketing Specialists	$41.58
Business Operations Specialists, all other	$44.41
Accountants and Auditors	$44.96
Financial and Investment Analysts	$56.01
Financial Risk Specialists	$57.66
Financial Examiners	$49.83
Financial Specialists, All Other	$45.14
Lawyers	$87.86
Real Estate Brokers	$44.07
Midpoint wage	**$64.72**
Source: U.S. Department of Labor (DOL), BLS, Occupational Employment and Wage Statistics, National Occupational Employment and Wage Estimates: *https://www.bls.gov/news.release/archives/ocwage_04022025.htm*. (May 2024 data; analysis updated July 1, 2025).	

The minimum, mid-point, and maximum of the above range are $41.58, $64.72,[52] and $87.86, in order. However, working recursively, the resulting monetized impacts are only very slightly affected by the wage range and thus, for brevity we will rely on the midpoint to base our estimates. DHS accounts for employee benefits by calculating a benefits-burden applicable to the most recent BLS report detailing the average employer costs for employee compensation for all civilian workers in major occupational groups and industries. The burden to compensation from benefits is 45 percent.[53] DHS will rely on this burden to estimate the full costs incurred by new employees, including employee wages and salaries and the full cost of benefits such as paid leave, insurance, retirement, and other benefits. With a benefits-burden multiple of 1.45, hourly compensation is $93.84.[54]

[52] This midpoint obtained by adding the minimum and maximum value and dividing by two; it is proximate to the true mean of $61.90. The wage data obtained from BLS, BLS, Occupational Employment Statistics, ''May 2024 Occupational Employment and Wage Estimates, United States,'' *https://www.bls.gov/news.release/archives/ocwage_04022025.htm* (last visited July 1, 2025).

[53] *See* BLS, Economic News Release, ''Employer Costs for Employee Compensation by Ownership—June 2024,'' Table 1. Employer costs for employer compensation by ownership: *https://www.bls.gov/news.release/archives/ecec_09102024.htm* (last visited Nov. 4, 2025). The benefits-to-wage multiplier is calculated as follows: (Total Employee Compensation per hour)/(Wages and Salaries per hour) = $46.21/$31.80.

[54] Calculation: Midpoint hourly wage of $64.72 × multiplier of 1.45 = $93.84.

The current, projected, and change in the time burdens (in hours) are provided in Table 15.

Table 15. EB-5 Program Form Time Burden Impacts.

Form	Annual volume	Current burden hours	Projected Burden hours	Burden hour Difference	Impact / Opportunity Cost (annual)	Impact / Opportunity Cost (ten-year)	Weight factor
Heading	**A**	**B**	**C**	**D**	**E**	**F**	**G**
I-526	312	1.650	2.400	0.750	$21,959.5	$219,594.96	0.014
I-526E	8,500	1.650	2.270	0.620	$494,557.9	$4,945,578.80	0.318
I-829	4,652	3.620	3.620	0	$0.0	$0.00	0.000
I-956(i)	13	22.820	23.290	0.470	$573.4	$5,733.87	0.000
I-956(a)	39	22.820	23.290	0.470	$1,720.2	$17,201.61	0.001
I-956F	240	24.820	25.000	0.180	$4,054.1	$40,540.61	0.003
I-956G	528	15.850	16.180	0.330	$16,351.4	$163,513.79	0.011
I-956H	2,000	1.470	1.470	0.000	$0.0	$0.00	0.000
I-956K	300	2.042	2.070	0.028	$788.3	$7,882.90	0.001
Total	----	----	----	----	$540,004.7	$5,400,046.52	0.347

Source: PRA and USCIS Analysis (Jul. 1, 2025, updated Mar. 6, 2026). Column G value is product of the form-volume weight (Table 12, third column, "weight") and the "Burden hour Difference" in the current table (column D).

To obtain the impact (opportunity cost) reported in Column E, the volume is multiplied by the change in the burden and by the mid-point compensation ($93.84). Columns F report the annual and 10-year impacts per form, while the bottom rows provide the totals across forms. Based on the information provided, the annual total cost will be $540,004.7 and about $5.4 million over ten years. In addition to the totals, a weight factor is provided in the final column (G), which reflects the weight factor perform (see Table 12) multiplied by the projected burden change (column D table 15). The weight factors sum to 0.347 hours, which equates to about 20.8 minutes.

The new Form I–527 impacts would accrue to the direct cost of filing plus the opportunity costs associated with the time burden of filing. The final fee is $10,330 and the time burden is estimated at 1.44 hours, which, based on the burdened mid-point compensation (discussed above of $93.84) yields a time-related impact of $135.14 per submission. Adding the two components amounts to $10,465.14 per filing, which, at the projected annual volume of 20, generates an impact of $209,000 annually and $2.09 million over 10 years. For the few cases in which an immigrant investor's spouse and children file separate Form I–829 petitions when they are not included in the Form I–829 filed by the immigrant investor, as stipulated in the preamble, the final revisions to the existing regulations would not impose any additional biometric, travel, or associated opportunity costs. The only costs expected from the rule would be the separate filing fee and associated opportunity cost. The final fee for Form I–829 is $5,000 and the time burden is 3.62 hours. For the dependents we would use a lower wage than was utilized for investors. Without salient information concerning the wages these applicable filers would earn, we will assume they are working at various levels and will rely on the current average wage across all occupations, which is currently $32.66, and is $47.36 when burdened for benefits.[55] Each filer would face a time burden cost of $171.44, which when added to the filing fee would be $5,171.44. Based on 11 annualized filings' average over 9 years (FY 2015 through FY 2023), the monetized impact that will accrue to the individual Form I–829 filers would be $56,885.88 annually, or about $.57 million over 10 years.

d. Total Monetized Impacts

We can now compile the monetized impacts of the rule based on the impacts for which we can reasonably develop a quantified estimate. The impacts

[55] U.S. DOL, BLS, Occupational Employment and Wage Statistics, National Occupational Employment and Wage Estimates, All Occupations, May 2024, available at: *https://www.bls.gov/news.release/archives/ocwage_04022025.htm.* (Jul. 8, 2024). Calculation: $32.66 × multiplier of 1.45 = $47.36.

associated with the existing forms' fee changes are categorized as transfers from requestors to DHS. They are accounted for as transfers because a filing fee currently exists (including the two forms in which it is currently $0) and the requestor expects to recoup a direct benefit from filing. The impacts associated with the new Form I–527 are classified as costs, as are the changes in the forms' burdens and filings applicable to the Form I–829, as discussed earlier. In Table 16 the transfers and costs are listed individually since they are categorized differently under the OMB Circular A–4 framework. The transfers, payments made by EB–5 requestors when filing forms to DHS (IEFA), reflect the fee changes finalized. The costs column comprises the annual impacts, mainly to EB–5 requesters, accruing to the new Form I–527 and the small number of separate I–829 dependent filers, as well as the forms' burdens. The monetized impacts are presented in Table 16 in order of terms undiscounted, then discounted at 3 and 7 percent, in order.[56] In Table 16 each FY is shown, since the discounted terms for each year are not the same.

[56] *See* OMB, Circular A–4, ''Regulatory Analysis,'' *https://www.whitehouse.gov/wp-content/uploads/2025/08/CircularA-4.pdf.*

Table 16. Monetized Impacts of the Final rule (millions).		
16a. Undiscounted.		
FY	**Transfers**	**Costs**
2026	$48.85	$0.81
2027	$48.85	$0.81
2028	$48.85	$0.81
2029	$48.85	$0.81
2030	$48.85	$0.81
2031	$48.85	$0.81
2032	$48.85	$0.81
2033	$48.85	$0.81
2034	$48.85	$0.81
2035	$48.85	$0.81
10-year Total	**$488.55**	**$8.06**
10-year Annual Average	**$48.85**	**$0.81**
16b. 3% discount rate.		
FY	**Transfers**	**Costs**
2026	$47.43	$0.78
2027	$46.05	$0.76
2028	$44.71	$0.74
2029	$43.41	$0.72
2030	$42.14	$0.70

2031	$40.92	$0.68
2032	$39.72	$0.66
2033	$38.57	$0.64
2034	$37.44	$0.62
2035	$36.35	$0.60
10-year Total	**$416.74**	**$6.88**
10-year Annual Average	**$48.85**	**$0.81**
16c. 7% discount rate.		
FY	**Transfers**	**Costs**
2026	$0.75	$0.75
2027	$0.70	$0.70
2028	$0.66	$0.66
2029	$0.62	$0.62
2030	$0.57	$0.57
2031	$0.54	$0.54
2032	$0.50	$0.50

2033	$0.47	$0.47
2034	$0.44	$0.44
2035	$0.41	$0.41
10-year Total	**$5.66**	**$5.66**
10-year Annual Average	**$0.81**	**$0.81**
USCIS Analysis (Mar. 6, 2026).		

e. Unquantified Impacts

There are some other impacts that DHS has evaluated applicable to the rule, and while these cannot be monetized, DHS offers a qualitative discussion concerning them. Foremost, there are likely to be familiarization costs associated with reading and understanding the rule. The costs of familiarization would accrue to the opportunity costs of the time embodied, which would constitute the number of hours spent on familiarization multiplied by the hourly compensation of the reviewer(s). DHS does not know who (in terms of what occupation) would review the rule but will attribute the costs to lawyers trained in reading and interpreting the rule's changes. The average hourly compensation would be $87.86, which, at a benefits-burden multiple of 1.45, is $127.40 per hour.[57] This reflects the cost of an in-house attorney. For outsourced attorneys, we utilize a multiplier of 2.5, which yields an hourly rate of $219.65.[58] By relying on the earnings of lawyers, which are substantially higher than that of most occupations, DHS is being liberal in its estimates. DHS does not know how much time would be expended on such familiarization.

The EB–5 Reform Act authorizes graduated sanctions for regional centers that fail to submit an annual statement or that commit certain violations. Considering this authorization, DHS will impose the following penalties for paying the Integrity Fund fee late:

- Ten percent of the required integrity fee (*e.g.,* 10 percent of $10,000 or $20,000, subject to adjusting such required amounts for inflation) [59] for a regional center that pays its fees on day 31 through and including day 60 after the due date.
- Twenty percent of the required integrity fee for a regional center if their fee is paid on day 61 through and including day 90 after it is due.
- Terminate a regional center designation if it fails to pay the fee within 90 days of the date on which such fee is due.

In determining the final penalties, as discussed in the preamble, DHS believed that 10 percent was a reasonable starting point in setting a penalty. DHS also considered whether the dollar amount itself was reasonable. In this case, the 10 percent would amount to $1,000 or $2,000 depending on the regional center, which DHS believes is a reasonable late charge for failing to pay the fee after 30 days. The 20 percent would amount to $2,000 or $4,000 depending on the regional center (based on the number of investors), which DHS believes is a reasonable late charge for failing to pay the fee after 60 days.

The goal of the penalties is to effectively deter noncompliance. DHS believes that the penalties would be sufficient to encourage payment and ensure timely collection of the Integrity Fund fees, while not being so large as to be punitive or financially damaging. DHS cannot make an estimate of how many entities would pay penalties or how much they would pay.

This final rule will generate benefits to the public. The set fees will support the level that would enable DHS to recover the costs of administering the EB–5 program; allow the program to promote U.S. economic growth through job creation and capital investment by immigrant investors as it was originally intended; enable USCIS to attain the statutory processing time goals; and ensure there would be internal procedures/controls in place within the program office to maximize the likelihood that the statutory goals will be met. It will make improvements to the information technology systems used by DHS to administer the EB–5 program.

[57] Calculation: The average hourly wage for Lawyers of $87.86 × the benefits burden multiplier of 1.45 = $127.407. The wage reflects the May 2024 data published by the BLS, cited in Table 14.

[58] Calculation: The average hourly wage for Lawyers of $87.86 × the benefits burden multiplier of 2.5 = $219.65. *See* ICE, Final Small Entity Impact Analysis, ''Safe-Harbor Procedures for Employers Who Receive a No-Match Letter'' for the basis of the multiplier of 2.5 to convert in-house attorney wages to the cost of outsourced attorney based on information received in public comment to that rule: *https://www.regulations.gov/document/ICEB-2006-0004-0922,* p. G–4.

[59] DHS is not accounting for the integrity fund payments for regional centers and regional center investors because they were enacted in the FY 2022 EB–5 Reform Act and also a **Federal Register** notice (88 FR 13141 (Mar. 2, 2023)).

B. Regulatory Flexibility Act (RFA)

1. Final Regulatory Flexibility Analysis (FRFA)

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601 and 602, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, tit. II, 110 Stat. 847 (5 U.S.C. 601 note)), requires Federal agencies to consider the potential impact of regulations on small businesses, small governmental jurisdictions, and small organizations during the development of their rules. 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.[60]

DHS reviewed the proposed rule and this final rule as required by the RFA. The fee schedule DHS is finalizing will impact approximately 16,600 EB–5 program filings annually across nine current forms and one new form. For the nine current forms the collective fees will increase from their current level by about 70.7 percent, or by about $2,945.90 per form.[61] In addition there are costs associated with certain filings and form burdens to requestors. While the forms related to immigration benefits mainly apply to individuals, the Technology Fee and the Integrity Fund Fees and Penalties directly impact entities. There are four types of entities that were evaluated in terms of the RFA as it pertains to the EB–5 program and the rule: (1) regional centers; (2) NCEs; (3) JCEs; and (4) investors. DHS has determined that the investors in the program are individuals who willingly choose to invest their capital in the program and are not considered small entities for purposes of the RFA. An ''individual'' is not defined by the RFA as a small entity and costs to an individual from a rule are not considered for RFA purposes.[62] As a result of this determination, individuals are not covered in this Final Regulatory Flexibility Analysis (FRFA), and DHS focuses this analysis on the business components pertinent to the EB–5 program directly involved in its investments.

a. A statement of the need for, and objectives of, the rule.

As is required by EB–5 Reform Act, DHS conducted an EB–5-specific fee study. The determination from the study is that the fees being finalized as applicable to the EB–5 program will be set at a level that the Department has determined would enable it to: recover the costs of administering the EB–5 program; allow the Agency to attain the processing times goals; and ensure there are internal procedures/controls in place within the program office to maximize the likelihood that the statutory goals are met. It is intended, further, to make improvements to the information technology systems used by DHS to administer the EB–5 program. The objective of this final rule is for DHS to adjust EB–5 benefit request fees to meet the requirements provided in the EB–5 Reform Act and adequately fund the cost of administering the EB–5 program. DHS intends to meet this objective by: (i) setting fees according to the schedule presented in the preamble; (ii) establishing the USCIS EB–5 Technology Fee; and (iii) codifying EB–5 Integrity Fund Fees and Penalties.

In accordance with the EB–5 Reform Act, DHS is finalizing the fees to sufficiently recover the costs of providing such services, and attaining the goal of completing adjudications, on average, not later than:

(1) 180 days after receiving a regional center application or application for investment in a new commercial enterprise (NCE);[63]

(2) 90 days after receiving an application for investment in an NCE that is located in a TEA;[64]

(3) 240 days after receiving an immigrant investor petition for classification under section 203(b)(5)(E) of the Act or a petition to remove conditions under section 216A of the Act; and

(4) 120 days after receiving an immigrant investor petition for classification under section 203(b)(5)(E) of the Act with respect to an investment in a TEA.

DHS finalizes this rule under the authority of the EB–5 Reform Act. Among other things, the EB–5 Reform Act immediately repealed the former authorizing statutory provisions for the Regional Center Program under the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act 1993, Public Law 102–395, 106 Stat. 1828, sec. 610, and added new authorizing provisions to the INA, substantially reforming the Regional Center Program effective May 14, 2022. The reformed Regional Center Program is authorized through September 30, 2027. This rule is also consistent with non-statutory guidance on fees, the budget process, and Federal accounting principles.[65] DHS uses OMB Circular A–25 as guidance for determining user fees for immigration benefit requests. DHS also follows the annual guidance in OMB Circular A–11 if it requests appropriations to offset a portion of IEFA costs. DHS used the ABC methodology supported in OMB Circulars A–25 and A–11 to develop the final EB–5 program fee schedule.

b. A statement of the significant issues raised by the public comments in response to the IRFA, a statement of the assessment of the agency of such issues, and a statement of any changes made in the rule as a result of such comments.

A commenter stated that the rule omits, or provides only a conclusory, Regulatory Flexibility Act analysis despite direct impacts on hundreds of small entities (RCs, NCEs, and related small businesses) and fails to consider less burdensome alternatives as required by 5 U.S.C. 603–604. Another commenter suggested that USCIS prepare and publish an Initial Regulatory Flexibility Analysis (IRFA) or, if invoking 5 U.S.C. 605(b), provide a detailed factual basis supporting any certification, and consider significant alternatives to minimize small-entity impacts.

[60] A small business is defined as any independently owned and operated business not dominant in its field that qualifies as a small business per the Small Business Act, 15 U.S.C. 632.

[61] See V.A.2.b—Monetized Impact Estimates, Table 12.

[62] An investor who wishes to immigrate to the United States through the EB–5 program must file an Immigrant Petition by Alien Investor (Form I–526). Individuals who file Form I–526 petitions apply for immigration benefits on their own behalf and thus do not meet the definition of a small entity.

[63] A ''new commercial enterprise'' is ''any for-profit organization formed in the United States for the ongoing conduct of lawful business . . . that receives, or is established to receive, capital investment from [employment-based immigrant] investors.'' INA sec. 203(b)(5)(D)(vi).

[64] A targeted employment area (TEA) is a rural area, or an area designated by the Secretary of Homeland Security under INA sec. 203(b)(5)(B)(ii), 8 U.S.C. 1153(b)(5)(B)(ii) as a high unemployment area. Public Law 117–103, Division BB, sec. 102(a)(4), 136 Stat. 1070, 1074 (2022).

[65] *See* OMB, Circular A–25, ''User Charges,'' 58 FR 38142 (July 15, 1993) (revising Federal policy guidance regarding fees assessed by Federal agencies for Government services). *See also* Federal Accounting Standards Advisory Board Handbook, Version 23, ''Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts,'' SFFAS 4 (Sept. 2024), *http://files.fasab.gov/pdffiles/handbook_sffas_4.pdf* (generally describing cost accounting concepts and standards, and defining ''full cost'' to mean the sum of direct and indirect costs that contribute to the output, including the costs of supporting services provided by other segments and entities.); *Id.* at 49–66 (July 31, 1995). *See also* OMB, Circular A–11, ''Preparation, Submission, and Execution of the Budget,'' sec. 20.7(d), (g) (June 29, 2018), *https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf* (providing guidance on the FY 2020 budget and instructions on budget execution, offsetting collections, and user fees).

DHS conducted and published an initial regulatory flexibility analyses (IRFA) [66] and determined that most businesses involved with the EB–5 program would be small and sustains that determination in this final rule. While DHS recognizes that higher fees may present challenges for some applicants, particularly smaller investors, the fees being finalized reflect the actual costs of adjudication, fraud prevention, compliance activities, and administration of the program. Setting fees outside cost-recovery levels could compromise USCIS' ability to provide adequate services and maintain program integrity. DHS considered alternatives, including tiered or transitional fee structures, but determined that a uniform fee schedule presents the most effective way to distribute costs and avoid administrative complexity.

DHS will closely monitor the effects of fee changes on program participation and will assess the need for future adjustments or alternative approaches as warranted by changes in demand and eligibility. The current fee schedule is designed to address operational needs and statutory requirements, with recognition of the uncertainty inherent in forecasting participation and revenue.

c. The response of the agency to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration in response to the proposed rule, and a detailed statement of any change made to the proposed rule in the final rule as a result of the comments.

Chief Counsel for Advocacy of the Small Business Administration did not submit a comment relevant to this rulemaking.

d. A description of and an estimate of the number of small entities to which the rule will apply or an explanation of why no such estimate is available.

A person wishing to immigrate to the United States under the EB–5 program is required to file an Immigrant Petition by Standalone Investor (Form I–526) or Immigrant Petition by Regional Center Investor (Form I–526E), containing information about their investment. The investment must be made into either an NCE within a designated regional center in accordance with the regional center program or a standalone NCE outside of the regional center program. A regional center is a business entity in the United States designated by DHS based on a proposal for the promotion of economic growth, including prospective job creation and increased domestic capital investment. Regional centers pool the capital of multiple investors together and arrange them typically as investments in NCEs under their purview. The NCE may create jobs directly (required for non-regional center investments) or serve as a source of funding for separate JCEs (allowable for regional center investments).

DHS cannot provide a precise assessment of the number of small entities that could be impacted by the changes being finalized, nor can the Department determine what such impacts might be to small entities involved in the program or how they might respond to them.[67] EB–5 investment and business structures tend to be complex and involve multiple layers of business and financial activity. The Department has limited information and data to support a small entity analysis. However, based on available data, DHS can provide some criteria for an initial assessment. As noted earlier, investors are not considered under the purview of the RFA. Further, neither the amount of a typical individual investment itself—which is the reduced minimum investment amount of $800,000—nor the pool of total investment capital, is appropriate to consider as income for this assessment.[68] Therefore, with these two caveats regional centers are assessed first, followed by other EB–5 businesses associated with the program.

i. Regional Centers

Based on the Department's thirty years of experience administering the regional center program, it determined that regional centers earn income through three primary mechanisms. In the next three paragraphs DHS describes these three mechanisms.

First, regional centers charge investors an administrative fee earmarked to expenses for marketing and operations pertinent to the investment offering. The fee may also cover expenses related to document preparation, legal oversight, and the economic analysis utilized to model and estimate impacts and job creation. This administrative fee is typically 10 percent of the individual investment amount; hence DHS will rely on the typical percentage applied to most expected investments of $800,000 to estimate an amount of $80,000 per investor as a baseline.[69] This reliance is justified on grounds that almost all EB–5 activity has accrued to investments at the reduced threshold—which qualify for the current reduced investment requirement of $800,000 as opposed to the standard amount of $1,050,000.[70] For the period FY 2016 through FY 2025, there were 50,766 investments made under regional centers, of which almost all, 50,703, were made at the reduced amount.[71]

Second, regional centers can also collect marketing, sales fees and other charges and income owed to arrangements with their affiliated NCEs and JCEs. Some regional centers provide information concerning these activities in their business plans or amendments submitted to DHS, but it is not required, and DHS does not have sufficient official data on this source of income to

[66] *See* 90 FR 48516, pages 48541–48548.

[67] See U.S. Citizenship and Immigration Services Fee Schedule and Changes to Certain Other Immigration Benefit Request Requirements, 89 FR 6194 (Jan. 31, 2024), See Section V.B. Final Regulatory Flexibility Analysis, pages 6374–6376 explains the difficulty of assessing regional centers and on how they are structured in a variety of different ways, and can involve multiple business and financial activities, some of which may play a direct or indirect role in linking investor funds to new commercial enterprise (NCEs), and job-creating projects or entities. Regional centers also pose a challenge for analysis as the structure is often complex and can involve many related business and financial activities not directly involved with EB–5 activities. Regional centers can be made up of several complex layers of business and financial activities that focus on matching foreign investor funds to development projects to capture above market return differentials. DHS did consider the information provided by regional center applicants as part of the Forms I–956; however, it does not include adequate data to allow DHS to reliably identify the small entity status of individual applicants. Although regional center applicants typically report the NAICS codes associated with the sectors they plan to direct investor funds toward, these codes do not necessarily apply to the regional centers themselves. In addition, information provided to DHS concerning regional centers generally does not include regional center revenues or employment.

[68] See Section C.I.—Regional Centers investments made in FY 2021 and at the reduced amount, of $800,000.

[69] The administrative fee is provided by regional centers in information provided to DHS. Almost all charge 10 percent though there are a few instances in which the fee is different. Information on the fees are captured in several DHS datasets, including INFACT.

[70] TEAs that qualify for the reduced amount apply to either rural areas or to areas with unemployment rates at least 150 percent of the national average. DHS makes the determination that an investment qualifies for the reduced amount when the Investor files the I–526 form. Investor petitions therefore need to contain sufficient evidence that the location of the actual job creation project meets the standards for the reduced investment threshold. Additional information can be found at: *https://www.uscis.gov/working-in-the-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/about-the-eb-5-visa-classification.* As a result of the 2022 Reform Act, the reduced investment threshold also applies to infrastructure investments.

[71] USCIS Office of Performance and Quality, C3, Electronic Immigration System (ELIS), Infact Databases (initial data Aug. 2, 2023, updated Dec. 31, 2025, PAER19897). While there is no guarantee that the same percentage will apply to the future, at this time the Department does not have evidence to suggest it would be substantially smaller. Some projects might not qualify for the high unemployment threshold, but this does not necessarily mean that they would not qualify for the reduced amount, as they could potentially substitute into a rural or infrastructure project.

support an analysis. Third, regional centers can earn residual income. They may capture income from the differential on the terms of the loans they bundle and what is returned to investors. There may also be return on investment in the forms of profit from the end-state economic activity being conducted by the JCE. Some of this return on investment may be split with other business entities involved, but DHS does not have an adequate amount of data involving interest or profit accruing to regional centers to assess this type of income.[72] To conduct the IRFA analysis, DHS utilized the 640 approved regional centers that were in approval status at date the analysis was conducted (November 14, 2023).[73] to run their respective regional center names in subscription-based, open-source business data providers to obtain income information on the regional centers. The search yielded 339 viable record matches that included an income figure and a North American Industry Classification System (NAICS) code. The income data point provided is deemed ''sales revenue'' and it is our assessment that the income reported in these data is most likely revenue attributed to sales, marketing, and other related charges involved, and neither the administrative fees charged to investors nor profits on loans or investment. While the sample size of 339 is more than sufficient to satisfy a 95-percent level of confidence level and a 5-percent confidence interval based on the population size (640), the data pose a constraint. The NAICS codes are provided at the 6-digit detailed industry level, but half the entities (173, or 51.0 percent) reported code 999990, which benchmarks ''Non-Classifiable Establishments.'' There is thus no SBA size standard to weigh against for small entity status.[74] As a result, there would only be 166 entities to support an analysis. To attempt to mitigate this shortcoming, DHS extended the search query for regional centers approved from FY 2016 through FY 2022. From the matches, DHS culled the results to remove duplicates from the initial search result (339 of the of the 640 current regional centers), plus records that did not include both or either of a NAICS code (including non-classifiable) or a sales figure. This cleansing process yielded 32 additional entities, which when added to the 166 initial valid matches, resulted in 198 entities. This figure is still below the optimal sample size of 241, but the charge to precision is not overly debilitating, as the margin of error is 5.8 percent instead of the desired 5.0 percent. As DHS will discuss, out of necessity of the constraints faced, the assessment is conducted along several different and unconventional paths. Hence, Table 17 presents metrics (in terms of the income alone from the web-based data) for both the ''full'' sample group (339 currently approved regional centers that are both classifiable and non-classifiable plus the 32 records obtained in the ancillary search) as well as the ''restricted'' (classifiable-only) group.

Table 17. Metrics for Revenue Data for RCs (FY 2016 through FY 2022).

Group	Full	Restricted
Entities (RCs)	371	198
Median	$129,275	$89,380
Mean	$447,811	$276,695
Minimum	$12,980	$12,980
Maximum	$12,370,000	$12,370,000
USCIS analysis (Nov. 14, 2023).		

The large differences captured as the medians being below the means are indicative of non-normal, positively skewed data structures in which a small number of large values exert disproportionate weight on the means, as further indicated by the extreme ranges. As seen in Table 18, there are also differences between the means and the medians across the two sample-groups.

Having valid data on regional center sales revenue, DHS turns to the next income source, administrative fees charged to investors. To conduct this module of the assessment, DHS queried internal EB–5 data repositories to obtain a figure for the number of investors for the regional centers acquired in the above module. A proxy for the number of investors is developed as the number of Form I–526 filings submitted under the purview of the regional center.[75] Key statistics applicable to investors are provided in Table 18.

[72] Another reason that it is difficult to assess income to regional centers from downstream projects, is that the affiliated NCE could be set up as limited partnership, and the regional center loan income accrues to a general partner that may not be the regional center itself. Stated differently, there can be a degree of separation in linking the regional center and its residual income.

[73] USCIS, ''Approved EB–5 Immigrant Investor Regional Centers,'' *https://www.uscis.gov/working-in-the-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/eb-5-immigrant-investor-regional-centers/approved-eb-5-immigrant-investor-regional-centers* (last updated Feb. 13, 2025).

[74] In addition to the NAICS code and concomitant industry, the data providers also can provide a ''business description'' based on their assessment of the business. For the non-classifiable entities, there was no additional information provided that could be useful in making an industry inference.

[75] There is a caveat to relying on the number of Form I–526 approvals as a proxy for regional center investors. Some individual investors may file more than one Form I–526, which could arise when an initial investment filing is denied for some reason or is not undertaken and a new investment under the regional center is promulgated. DHS does not know if the regional center would collect an additional administrative fee under this scenario, so it is possible that the basing such fee revenue on the number of investor petitions under their purview may overstate this revenue.

Table 18. Statistics for Investors per-RC,		
Group	**Full**	**Restricted**
Entities (RCs)	371	198
Median	13	17
Mean	122	181
Minimum	1	1
Maximum	4, 430	4,430
USCIS analysis (Nov. 14, 2023).		

As was the case with regional center sales revenue, the substantial differences between the means and medians, as well as the extreme range, demonstrate that the number of investors per regional center is also a non-normal distribution that is positively skewed.

DHS multiplied the number of investors by the reduced $80,000 fee to capture an estimate of total administrative fees by regional center.[76] DHS next added this figure to sales revenue found in the subscription-based data. In addition, it cannot be ruled out that regional centers pass the Integrity Fund fees onto the investors as well. For regional centers with 20 or fewer total investors, DHS included the $10,000 fee and for those with more than 20 total investors, a $20,000 fee was added. By combining these components, DHS was able to make a revenue estimate for the sample of regional centers. Of the full sample, it is determined that 48.5 percent pay the $10,000 fee and that 51.5 percent pay $20,000, which based on the annual population of 640 (at the time the analysis was conducted), would be 310 and 330 regional centers, in order. The breakdown could be slightly different, as the number of investors is based on the Form I–526 submissions under the purview of the regional center, as DHS did not calculate the total based on the adjustment applicable to Form I–829 filings associated with the regional center discussed in the preamble. Given the data constraints discussed thus far, for robustness we will assess the entities' small entity status along three different methodological approaches. While DHS has the listed NAICS codes for the 198 classifiable entities, DHS extensively reviewed various NAICS codes and determined that the 6-digit, detailed industry NAICS code 522310, Mortgage and Nonmortgage Loan Brokers, defined as an ''industry [that] comprises establishments primarily engaged in arranging loans by bringing borrowers and lenders together on a commission or fee basis,'' is an appropriate NAICS code under which regional centers operate.[77]

By this DHS means that while the NAICS code provided in the data often applies to the types of downstream projects that the regional centers gear loans toward, the regional center is usually not involved directly in those activities and is rather involved in bundling the investors' funds into loans. The year 2022 SBA size standard for the NAICS category chosen is based on revenue of $15.0 million.[78] Of the actual NAICS codes provided for classifiable industries, half accrued to several 6-digit codes under the 3-digit subsector 523, ''Securities, Commodity Contracts, and Other Financial Investments and Related Activities.'' The data providers describe these entities as ''investment services'' in the ''business description'' tab and all the individual industries in NAICS subsector 523 ensconce a size standard of $47.0 million. The difference between the size standards ($15.0 million and $47.0 million) is large, and therefore for robustness we will evaluate the full sample of entities under each of the respective amounts. DHS also evaluates the restricted sample based on the actual NAICS code listed in the data. The results are presented in Table 19.

[76] DHS notes that a small portion (1.36 percent) of RC investments were made at the standard investment amount of $1.05 million. Therefore, based on a standard 10 percent administrative fee, $10.8 million can be thought of as the maximum amount by which our ensuing estimates of RC income are understated. This discrepancy alone would not likely change the ensuing small entity determination. This maximum amount would be allocated along some type of distribution to all RCs that actively invested between FY 2016 through FY 2021 and then extrapolated to our small pool of RCs. If Some RCs had multiple investments in non-TEA areas (which is generally very rare) then it is possible that some individual RCs may have their total income understated.

[77] Where NAICs codes for regional centers were provided in the data, some were different than 522310, but we believe that this singular code is appropriate. While the regional center loans apply to different types of projects under different industries, as a general matter the regional center itself is not involved in those activities and is responsible for arranging and structuring the loans for the parties involved. The description can be found at: *https://www.census.gov/naics/*.

[78] SBA size standards effective: March 17, 2023, located at SBA, ''Table of size standards,'' *https://www.sba.gov/document/support-table-size-standards* (last updated Dec. 26, 2024).

Table 19. Metrics for Regional Center Income.				
Group		**Full**	**Full**	**Restricted**
RCs		371	371	198
Business Activity		Mortgage & Nonmortgage Loan Brokers	Investment Services	Actual NAICS code provided
Size standard		$15.0 M	$47.0 M	Varies
Median		$1,302,810	$1,302,810	$1,725,660
Mean		$10,028,770	$10,028,770	$14,973,215
Minimum		$107,495	$107,495	$107,495
Maximum		$359,685,572	$359,685,572	$359,685,572
Small Entities	**Number**	**323**	**356**	**173**
	Percent	**87.1**	**96.0**	**87.4**
USCIS analysis (Nov. 14, 2023).				

As can be seen from Table 19 the median and means for the restricted sample-group are smaller than that for the full sample-group. As would be expected, the percentage of regional centers that are small is larger at the higher size standard of $47 million under general investment services. However, still the large majority is small at the lower size standard. Based on these data, DHS can determine that a majority—at a minimum, 87.1 percent—of EB–5 regional centers are small entities in the context of the RFA.[79]

There are two important caveats to the determination made above; however, which taken together could have a net effect of reducing or increasing the number and percentage of regional centers that are small entities. As was noted earlier, this determination did not consider income accruing to interest income on loans or end-user derived profit that regional centers could collect, as DHS does not have sufficient data to support an analysis concerning such income. Such loan differential or profit income could be substantial and could reduce the true small entity share. But a limitation of this analysis that could have a countervailing effect owes to the timing of investments and administrative fees. In practice the administrative fees need not be collected in one year, as investments and fees could be collected over multiple years. However, DHS abridged all the regional center income to one year. It would be extremely difficult given the data structures we queried for this analysis to attempt to incorporate a time dimension to the income stream as it pertains to administrative fees. DHS is unable to conduct a distributional analysis of the potential impacts to small entities of regional centers. Specifically, for the set of 173-found small entities with matched revenue data, it is conceptually possible to divide into the income for each entity the impacts from the rule, to derive a percentage of income the impact could embody. DHS estimates that a seven percent rate of discount, the impacts that could accrue to EB–5 entities (*i.e.,* filing fees and increases in form time burdens) could be about $3 million annually.

In practice, the costs would be higher, but DHS cannot estimate costs. However, we have no way of distributing the quantified costs across regional centers and therefore cannot determine how they will be impacted. As it relates to regional centers, the fee changes applicable to the Form I–956 (initial and amendment) could be divided against entity income—although this would rest on the tenuous assumption that the initial and amendment filing were in the same year. However, this would constitute only a partial impact because DHS does not know how activity related to the other forms applicable to regional center activity would impact the business entity. The other forms would be filed by individuals, and we do not know if some of the impacts would be borne by the regional center, transferred to them, or passed through to other entities. As a result, DHS cannot determine what the impact to small entity regional centers would be.

ii. Other EB–5 Businesses

For nonregional center businesses involved in investment activity, DHS employed out of necessity an unconventional, multi-step approach to

[79] In the 2022/2023 fee rule, USCIS could not determine at the time if RCs were large or small. The different determination in this IRFA (based on the data and analysis and considering the caveat noted above) is driven by two factors. First and foremost, when the FY 2022/2023 fee rule analysis was conducted, very few regional centers were found in the databases utilized to assess income (which was also the case going back to the FY 2020 EB–5 Modernization rule, at 84 FR 35750 (July 24, 2019)). In the current databases there are many more regional centers listed and there is more data on the ones that are listed. Second, USCIS economists reviewed an internal USCIS–IPO database that captures more data on regional centers and affiliated businesses/activities. This database provided more data and information to analyze for impacts, enabled better searches and matching, and allowed us to root out both false positives and false negatives. The resulting analysis is thus more robust.

the small entity analysis. First, DHS was able to obtain about 5,000 unique NCE names and about 3,000 JCE names that were approved between FY 2018 through FY 2022 from the internal EB–5 program data and tracking databases. These entities were pooled and randomly scrambled to source and to run searches in the subscription-based, open-source business information providers on 400 of them, to attempt to satisfy a 95-percent level of confidence.[80] The searches yielded only 111 results that could reasonably be validated as matches. One of the challenges is that it can be difficult to match syntax in the entity names between DHS records and that in the other sources. The data providers relied upon match queries to results with close-fitting precision, but because there can be minor syntax differences in the names of the businesses in these providers and DHS record systems, there is a strong likelihood a match would not result.[81]

In addition to the low match-rate, two additional challenges were encountered. First, DHS faced the same issue as we did for regional centers; over one-third of the entities (42, or 37.8 percent) were non-classifiable and therefore incompatible to evaluate against an SBA size standard for status. Second, of the classifiable businesses, almost one-fifth (13, or 18.8 percent) were missing either or both of a NAICS code or a revenue figure. These constraints rendered the sample size down to a mere 56 entities.

Given the challenges elucidated above, DHS employed an unconventional second-step approach. DHS ran queries against ''variations'' of the term ''EB5'' separately, which yielded 885 returns. We engaged a filtering process that first removed records with missing data (either or both of sales revenue or NAICS codes) and removed non-classifiable establishments. DHS then backed out likely regional centers first by culling any results that contained the conjoined terms ''regional'' and ''center.'' DHS next bolstered this filtering process by further eliminating any regional center names either captured in our sample of regional centers, from that above module of this RFA, or that were otherwise approved in the past but are not currently active. Finally, DHS manually appraised each remaining entity and removed those that reasonably appeared to be businesses not directly involved with program investment activity. These ancillary activities would primarily ensconce law firms, business advisories, or analytical consultancies that provide services to program businesses, but are themselves assumed to not be directly involved in the investment activity of the program. The filtering schema is summarized in Table 20, which shows the stepwise method. By adding the two subtotals shown, we obtain a viable sample of 489, which is more than sufficient to satisfy a confidence level of 95 percent.

Table 20. Methodology Applicable to NCEs/JCEs

Step 1: Search 400 random pooled NCE/JCE names (FY 2018 through FY 2022)		**+111**
less	a) Entities missing sales revenue or NAICS code	- 42
	b) Non-classifiable establishments	-13
Step 1 Subtotal		**56**
Step 2: Boolean search of program terms[82]		**+885**
Less	a) Entities missing sales revenue or NAICS code	-28
	b) Non-classifiable establishments	-316
	c) Entities with conjoined terms "regional" and "center"	-62
	d) Other explicit regional center names (from DHS records)	-27
	e) Ancillary EB-5 service providers	-19
Step 2 Subtotal		**433**
Grand total for IRFA analysis (sum of subtotals)		**489**
USCIS analysis (Nov. 14, 2023).		

[80] The annual average for NCEs was 5,672 (Table 3). NCEs do not map one-to-one to JCEs, but since there are at least as many of the latter as the former, we consider the population to be 11,344, for which the sample size required to satisfy a confidence level of 95 percent is 372.

[81] Of course, the converse—false positives—can occur as well, such as in a case where the provider matches a named entity to a DHS-recorded entity when in fact the true name is slightly different.

[82] The searches included the variations: '',EB5'' ''EB5.''

As was mentioned above, the JCEs and NCEs were pooled in the first-step query, and for the 433 additional entities resulting from the second-step query, we assume that most or all of them are JCEs and NCEs, though DHS cannot distinguish which are specifically NCEs and which are JCEs. It is ultimately unimportant to distinguish them, because, unlike the approach to regional centers in which we relied on several evaluation methods—including imputing a NAICS codes based (twice) on the single industry description we believe best fits—for the non-regional center businesses we based the NAICS codes solely on a single trial benchmarked to the reported NAICS code. The results of the analysis are captured in Table 21.

Table 21. Small Entity Statistics for non-regional Center EB-5 businesses

Median		$95,550
Mean		$1,505,046
Minimum		$944
Maximum		$660,424,990
Small Entities	**Number**	**488**
	Percent	**≈100**
USCIS analysis (Nov. 14, 2023).		

While there is an extreme range for the income, only 1 entity (the maximum) exceeded the applicable SBA size standard, which essentially means that 100 percent are small. However, as was the case with regional centers, we do not know if the income applicable to these businesses is limited to the reported sales revenue. If they receive some income from lending activity, or some other form of return in profits, the results could be quite different as potentially not all would be small entities.

DHS is unable to conduct a distributional analysis of the potential impacts to small entities. Specifically, for the set of 488 small entities with matched revenue data, it is conceptual to divide into the income for each. These gross impacts constitute transfers and costs. As it relates to the businesses, the fee changes applicable to the forms would accrue to individuals filing the petitions. DHS cannot say if and how these impacts would impact the related businesses involved and hence cannot determine what the impact to small entities would be.

iii. Concluding Remarks

The IRFA that DHS certified to support the proposed rule, and the FRFA that DHS prepared for this final action, suggests that the majority—at least 87 percent of regional centers and essentially all other directly involved business entities (which to the best of our assessment would comprise NCEs and JCEs) involved in EB–5 program investment activity—could be small entities. However, it is emphasized that this determination is made on incomplete information, as sufficient data are not available on certain types of income that could accrue to such entities. To provide some context to this caveat, DHS evaluated 1,402 EB–5 projects in which an investment was conducted through a JCE between FY 2018 through FY 2022, for which viable data could be extracted on the amount of capital invested. The median, average, and maximum amount of program-specific capital was $7.0 million, $67.2 million, and $11,070.0 million, in order. A little less than a quarter (22.2 percent) blended nonprogram capital. For the blended capital projects, the figures, in order again, were $52.2 million, $327.5 million, and $12,585.7 million. From the size of these figures alone, it is reasonable to conjecture that if even a small portion of the loan amount or invested capital is renumerated as residual income, the number and share of entities that are small would be lower than that found in our analysis. For example, the large financial services and advisory company, Deloitte, found that the general average rate of return on investments in 2021 was about 6.1 percent.[83] Applied to the average and maximum blended capital investments above, the return could be between $6.5 million and $767 million. If some, or all, of this potential return were captured by regional centers or other businesses, the share that would be small would almost certainly stand to be lower.

A second caveat to the determinations made in this FRFA is that DHS relied on alternative methodologies. As such, the findings are based on samples that are only partially random. The reason, it is recalled, is that the randomized procedures did not yield sufficient sample sizes, and while there is no reason to assume that there is any reporting or selection bias in the nonrandom-sampled portions, it cannot be completely ruled out either. As described in the associated economic analysis, the impacts of the fee changes would accrue to transfers from requestors to DHS. The potential penalties associated with the Integrity Fund fees, which are not estimated, would be accounted for as costs due to the EB–5 Reform Act. As was noted in Section VI.B.2.C.i of this small entity analysis, we treated Integrity Fund fees as income to regional centers, even

[83] *See* Deloitte, ''2021 Study of Economic Assumptions,'' pp. 8–9 (2021), *https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-2021-study-of-economic-assumptions.pdf.*

though it is a cost to them, on grounds that they may attempt to pass some of those costs through to investors or other businesses. It is noted here that from a double-entry accounting perspective, an income flow earmarked to a cost could be considered a net zero-value transaction. But under the RFA purview, the flow would still be considered an income credit against the applicable SBA size standard (this is the case with the administrative fees—the regional center pays for the services embodied but then passes all or some of it to investors, and it is therefore income).

Therefore, any such costs and transfers that regional centers or other businesses would incur from the changes that are transferred or passed through to other entities could also affect the small entity determinations for EB–5 businesses. For example, we have no evidence to suggest, but cannot rule out, that for some entities the applicable fee changes might be large enough that they might be passed to investors or other entities.

e. A description of the projected reporting, recordkeeping, and other compliance requirements of the rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

DHS does not believe that this final rule will impose additional reporting, recordkeeping, and other compliance requirements on individuals and businesses participating in the EB–5 program. While there may be impacts to small entities, these are not likely to involve reporting that requires professional skills.

f. A description of the steps the agency has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.

The fees were determined via a specific fee study. Their level would: enable DHS to recover the costs of administering the EB–5 program; meet the EB–5 processing time goals as provided in the EB–5 Reform Act, and; make improvements to the information technology systems used by DHS to administer the EB–5 program.

Because the fee structure is derived directly from the cost-study, which is mandated by the EB–5 Reform Act, DHS considered, but did not adopt, reduced fees for small businesses, because USCIS is almost entirely dependent on user fees. Moreover, charging less in fees (including different fees for businesses based on size) could potentially impact processing times, which could stand in contrast to process time goals outlined in the EB–5 Reform Act. Additionally, given the challenges in this RFA described above, applicable to the sampling procedures, data and information completeness, and unclassifiable entities, it would be very difficult and probably subjective for DHS to come up with an easily administrable definition of ''small business'' for the purpose of charging lower fees for small businesses vs. larger businesses. As a result, it would be challenging and subjective to attempt to present alternatives that could achieve the objectives of the EB–5 Reform Act, continue to adequately fund the cost of administering the EB–5 program, and reduce burdens on small entities such as: (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) The clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) The use of performance rather than design standards; and (4) An exemption from coverage of the rule, or any part thereof, for such small entities. DHS solicited suggestions from the public on alternatives or ways in which small entities' burdens could be reduced and considered a wide range of percentages for the late Integrity Fund fee penalties from zero to a higher amount.

C. Unfunded Mandates Reform Act of 1995 (UMRA)

The Unfunded Mandates Reform Act of 1995 (UMRA) is intended, among other things, to curb the practice of imposing unfunded federal mandates on State, local, and Tribal governments.[84] Title II of UMRA requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed rule, or final rule for which USCIS published a proposed rule, which includes any Federal mandate that may result in a $100 million or more expenditure (adjusted annually for inflation) in any one year by State, local, and Tribal governments, in the aggregate, or by the private sector. *See* 2 U.S.C. 1532(a).

This rule does not exceed the $100 million expenditure in any one year when adjusted for inflation ($211 million in 2025 based on the Consumer Price Index for All Urban Consumers (CPI–U)[85]), and this rulemaking does not contain such a federal mandate as the term is defined under UMRA. The requirements of title II of UMRA therefore do not apply, thus DHS has not prepared a statement under UMRA.

D. Congressional Review Act (CRA)

The Congressional Review Act (CRA) was included as Subsection E of the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Public Law 104–121, 110 Stat. 847, 868, *et seq.* Based on DHS's assessment, the Office of Information and Regulatory Affairs has determined that this final rule is not a major rule as defined under the CRA in 5 U.S.C. 804(2). This rule will not result in an annual effect on the economy of $100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or an ability of the United States-based companies to compete with foreign-based companies in domestic and export markets. *See* 5 U.S.C. 804(2). Therefore, DHS may forgo the CRA's 60-day delayed effective date requirement. However, DHS for implementation purposes has provided for a 60-day delayed effective date with this final rule. DHS has complied with the CRA's reporting requirements and has sent this rule to Congress and to the Comptroller General as required by 5 U.S.C. 801(a)(1).

E. Executive Order 13132 (Federalism)

This final rule 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 section 6 of Executive Order 13132, it is determined that this

[84] The term ''Federal mandate'' means a Federal intergovernmental mandate or a Federal private sector mandate. *See* 2 U.S.C. 1502(1) and 658(5) and (6).

[85] *See* BLS, ''Historical Consumer Price Index for All Urban Consumers (CPI–U): U.S. city average, all items, by month,'' *https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202512.xlsx* (last visited Sept. 2, 2026). Calculation of inflation: (1) calculate the average monthly CPI–U for the reference year (1995) and the current year (2025); (2) subtract reference year CPI–U from current year CPI–U; (3) divide the difference of the reference year CPI–U and current year CPI–U by the reference year CPI–U; (4) multiply by 100 = [(average monthly CPI–U for 2025 − average monthly CPI–U for 1995) ÷ (average monthly CPI–U for 1995)] × 100 = [(321.943 × 152.383) ÷ 152.383] = (169.560/152.383) = 1.113 × 100 = 111.3 percent = 111 percent (rounded). Calculation of inflation-adjusted value: $100 million in 1995 dollars × 2.11= $211 million in 2025 dollars.

final rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

F. Executive Order 12988 (Civil Justice Reform)

This final rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988.

G. Family Assessment

DHS has assessed this final action in accordance with section 654 of the Treasury General Appropriations Act, 1999, Public Law 105–277, Div. A. Accordingly, DHS has assessed this action in accordance with the criteria specified by section 654(c)(1).

DHS has no data that indicate that this final rule will have any impacts on disposable income or the poverty of certain families and children, including U.S. citizen children. DHS acknowledges that this rule will increase the fees that some EB–5 program investors' (and thus their families) must submit and thus it may affect the disposable income for certain families. However, the final rule will provide USCIS with funds that will be used to administer the EB–5 investor program, meet the statutory processing times, and fund free and reduced fee services USCIS provides to abused children and spouses, refugees, victims of criminal activity or human trafficking, and other populations. DHS is required to administer the EB–5 program, is authorized to set and collect fees, and receives no funding to do so aside from the revenue generated by charging fees. While those fees could have a financial impact on a family that chooses to become an investor in an EB–5 program project, DHS has no alternatives other than this rulemaking. DHS also determined that this final rule will not have any impact on the autonomy or integrity of the family as an institution.

H. Executive Order 13175 (Consultation and Coordination With Indian Tribal Governments)

This final rule would 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.

I. National Environmental Policy Act (NEPA)

DHS and its components analyze final actions to determine whether the National Environmental Policy Act (NEPA), Public Law 91–190, 83 Stat. 852 (1970) (codified at 42 U.S.C. 4321–4347), applies to them and, if so, what degree of analysis is required. DHS ''Implementation of the National Environmental Policy Act'', Directive 023–01, Revision 01 (Directive 023–01) [86] and ''Instruction Manual 023–01–001–01 Revision 01, Implementation of the National Environmental Policy Act'' (Instruction Manual) [87] established the procedures that DHS and its components use to comply with NEPA and the Council on Environmental Quality (CEQ) regulations for implementing NEPA, 40 CFR parts 1500 through 1508.

The CEQ regulations allow Federal agencies to establish, with CEQ review and concurrence, categories of actions (''categorical exclusions'') which experience has shown do not individually or cumulatively have a significant effect on the human environment and, therefore, do not require an Environmental Assessment (EA) or Environmental Impact Statement (EIS). 40 CFR 1501.4, 1507.3(e)(2)(ii), 1508.1(d).

The Instruction Manual, Appendix A, Table 1 lists Categorical Exclusions that DHS has found to have no such effect. Under DHS NEPA implementing procedures, for an action to be categorically excluded, it must satisfy each of the following three conditions: (1) The entire action clearly fits within one or more of the categorical exclusions; (2) the action is not a piece of a larger action; and (3) no extraordinary circumstances exist that create the potential for a significant environmental effect.[88]

This final rule is limited to amending DHS regulations governing the EB–5 program and its fees. As such, DHS has reviewed this final rule and finds that no significant impact on the environment, or any change in environmental effect will result from the amendments being promulgated in this rule.

Accordingly, DHS finds that the promulgation of this final rule's amendments to current regulations clearly fits within categorical exclusion A3 established in DHS's NEPA implementing procedures as an administrative change amending an existing regulation with no change in environmental effect, is not part of a larger Federal action, and does not present extraordinary circumstances that create the potential for a significant environmental effect. Therefore, the regulatory amendments are categorically excluded from further NEPA review.

J. Paperwork Reduction Act (PRA)

Under the PRA, 44 U.S.C. 3501–3512, DHS must submit to OMB, for review and approval, any reporting requirements inherent in a rule unless they are exempt. DHS published a notice of proposed rulemaking at 90 FR 48516 on October 23, 2025, in which comments on the impacted information collections associated with this rulemaking were requested. DHS responded to those comments in Section IV. of this final rule. Table 21 below lists the summary of information collections that are part of this final rule.

[86] *See* DHS *Implementation of the National Environmental Policy Act,* Directive 023–01, Revision 01 (Oct. 31, 2014), available at: *https://www.dhs.gov/sites/default/files/publications/DHS_Directive%20023-01%20Rev%2001_508compliantversion.pdf.*

[87] *See* DHS *Instruction Manual* 023–01–001–01, Revision 01, Implementation of the National Environmental Policy Act (NEPA) (Nov. 6, 2014) available at: *https://www.dhs.gov/sites/default/files/publications/DHS_Instruction%20Manual%20023-01-001-01%20Rev%2001_508%20Admin%20Rev.pdf.*

[88] *Instruction Manual 023–01* at V.B(2)(a)–(c).

Table 21: Information Collections			
OMB Number	**Form Number**	**Form Name**	**Type of PRA Action**
1615-NEW	I-527	Amendment to Legacy Form I-526	New Collection
1615-0045	I-829	Petition by Investor to Remove Conditions on Permanent Resident Status	Revision of a Currently Approved Collection

List of Subjects

8 CFR Part 106

Citizenship and naturalization, Fees, Immigration.

8 CFR Part 216

Administrative practice and procedure, Aliens.

Accordingly, DHS amends chapter I of title 8 of the Code of Federal Regulations as follows:

PART 106—USCIS FEE SCHEDULE

■ 1. Revise the authority citation for part 106 to read as follows:

Authority: 8 U.S.C. 1101, 1103, 1153, 1254a, 1254b, 1304, 1356, 1801–1815; 48 U.S.C. 1806; Pub. L. 107–609, 115 Stat. 1012; Pub. L. 107–296, 116 Stat. 2135 (6 U.S.C. 101 note); Pub. L. 114–113, 129 Stat. 2242 (49 U.S.C. 40101 note); Pub. L. 115–123, 132 Stat. 64.

■ 2. Amend § 106.2 by:
■ a. Revising paragraphs (a)(25), (53), and (66) through (70);
■ b. Redesignating paragraph (d) as paragraph (e); and
■ c. Adding a new paragraph (d).

The revisions and addition read as follows:

§ 106.2 Fees.

(a) * * *

(25) *Immigrant Petition by Standalone or Regional Center Investor, Forms I–526 and I–526E.* To petition USCIS for status as an immigrant to the United States under section 203(b)(5) of the Act. The fee for this request is provided in paragraph (d) of this section.

* * * * *

(53) *Petition by Investor to Remove Conditions on Permanent Resident Status, Form I–829.* For a conditional permanent resident who obtained status through qualified investment to remove the conditions on their residence. The fee for this request is provided in paragraph (d) of this section.

* * * * *

(66) *Application for Regional Center Designation, Form I–956.* To request designation as a regional center or to request an amendment to an approved regional center. The fee for this request is provided in paragraph (d) of this section.

(67) *Application for Approval of Investment in a Commercial Enterprise, Form I–956F.* To request approval of each particular investment offering through an associated new commercial enterprise. The fee for this request is provided in paragraph (d) of this section.

(68) *Regional Center Annual Statement, Form I–956G.* To provide updated information and certify that a regional center under the Immigrant Investor Program has maintained its eligibility. The fee for this request is provided in paragraph (d) of this section.

(69) *Bona Fides of Persons Involved with Regional Center Program, Form I–956H.* For each person involved with a regional center to attest to their compliance with section 203(b)(5)(H) of the Act. The fee for this request is provided in paragraph (d) of this section.

(70) *Registration for Direct and Third-Party Promoters, Form I–956K.* For each person acting as a direct or third-party promoter (including migration agents) of a regional center, any new commercial enterprises, an affiliated job-creating entity, or an issuer of securities intended to be offered to immigrant investors in connection with a particular capital investment project. The fee for this request is provided in paragraph (d) of this section.

* * * * *

(d) *EB–5 fees*—(1) *Petition Fee.* Individuals filing a petition for classification under INA section 203(b)(5)(E) must submit $1,100 in addition to any other fees associated with such petition.

(2) *Immigrant Petition by Standalone or Regional Center Investor, Forms I–526 and I–526E.* To petition USCIS for status as an immigrant to the United States under section 203(b)(5) of the Act.

(i) Immigrant Petition by Standalone Investor, Form I–526: $7,615.

(ii) Immigrant Petition by Regional Center Investor, Form I–526E initial filing: $7,850.

(iii) Immigrant Petition by Regional Center Investor, Form I–526E amendments: $7,775.

(iv) Each Form I–526 and initial filing of Form I–526E requires an additional USCIS EB–5 Technology Fee of $75, which is included in the fees provided in paragraphs (d)(2)(i) and (ii) of this section.

(3) *Amendment to Legacy Form I–526, Form I–527.* For investors who filed their petitions before the EB–5 Reform Act was enacted to amend their petition to retain their eligibility after their regional center is terminated or their new commercial enterprise or job-creating entity is debarred. $10,330.

(4) *Immigrant Petition by Investor to Remove Conditions on Permanent Resident Status, Form I–829.* For a conditional permanent resident who obtained status through qualified investment to remove the conditions on their residence. $5,000.

(5) *Application for Regional Center Designation, Form I–956.* To request designation as a regional center or to request an amendment to an approved regional center.

(i) For initial filing: $44,115.

(ii) For filing amendment: $9,835.

(6) *Application for Approval of Investment in a Commercial Enterprise, Form I–956F.* To request approval or an amendment to each particular investment offering through an associated new commercial enterprise. $42,675.

(7) *Regional Center Annual Statement, Form I–956G.* To provide updated information and certify that a Regional Center under the Immigrant Investor Program has maintained its

eligibility, amend or supplement a prior filing. $2,165.

(8) *Bona Fides of Persons Involved with Regional Center Program, Form I–956H.* For each person involved with a regional center to attest to their compliance with section 203(b)(5)(H) of the Act. $65.

(9) *Registration for Direct and Third-Party Promoters, Form I–956K.* For each person acting as a direct or third-party promoter (including migration agents) of a regional center, any new commercial enterprises, an affiliated job-creating entity, or an issuer of securities intended to be offered to immigrant investors in connection with a particular capital investment project. $2,165.

(10) *EB–5 Integrity Fund Fees and Penalties*—(i) *Regional Center Annual Fee.* On October 1 of each year, designated regional centers must submit:

(A) $22,000; or

(B) $11,000 if the regional center has 20 or fewer total investors in its new commercial enterprises as of the last day of the preceding fiscal year.

(C) For the purposes of this section, total investors:

(*1*) Means the number of individuals who have invested or are actively in the process of investing in a regional center's new commercial enterprises that have been classified or are seeking classification under section 203(b)(5) of the Act minus the number of such individuals who have filed a petition to remove conditions based on such investment under section 216A of the Act.

(*2*) Does not include any individual whose petition for classification was denied, withdrawn, or revoked or whose conditional lawful permanent resident status was otherwise terminated before filing a petition for removal of conditions.

(D) This fee must be paid online at *Pay.gov* following the instructions at that website for the Annual Fee for Regional Center payment, or as may be provided by USCIS under § 106.1(b).

(ii) *Penalties for Failure to Submit Regional Center Integrity Fee.* (A) If a regional center does not pay the fee on or before October 31 of each year and instead pays the fee from November 1 until the end of the day on November 30, a monetary penalty equal to 10 percent of the required fee will be imposed on the regional center.

(B) If a regional center does not pay the fee on or before November 30 and instead pays the fee from December 1 until the end of the day on December 30, a monetary penalty equal to 20 percent of the required fee will be imposed on the regional center.

(C) If a regional center does not pay the fee plus any applicable penalty on or before December 30, USCIS will terminate the designation of such regional center.

(*1*) Prior to termination, USCIS will send a notice of intent to terminate and provide the opportunity for a regional center to prove that the fee and applicable late fees were paid in the proper amount on or before December 30.

(*2*) Termination of a regional center under paragraph (d)(10)(ii)(C) of this section may be appealed as provided by 8 CFR 103.3.

* * * * *

PART 216—CONDITIONAL BASIS OF LAWFUL PERMANENT RESIDENCE STATUS

■ 3. The authority citation for part 216 continues to read as follows:

Authority: 8 U.S.C. 1101, 1103, 1154, 1184, 1186a, 1186b, and 8 CFR part 2.

■ 4. Amend § 216.6 by revising paragraph (a)(1)(ii) to read as follows:

(a) * * *

(1) * * *

(ii) An investor may include their spouse and children on a petition to remove conditions if the spouse and children obtained conditional permanent resident status based on their relationship to the investor. If the investor's spouse and children are not included on the investor's petition to remove conditions, the spouse and each child must each file their own petition to remove the conditions on their permanent resident status, unless the investor is deceased. Any spouse or child not included on the investor's petition to remove conditions may file a petition to remove the conditions on their residence at any time during the period when the investor is required to file a petition to remove conditions.

(A) If the investor is deceased, the spouse and children may file separate petitions or may be included in one petition. In either case, the spouse and child must file the petition(s) at any time during the period when the investor would have been required to file a petition to remove conditions and establish eligibility to remove conditions.

(B) An investor may include any child who turned 21 years of age or married during the period of conditional permanent resident status on their petition to remove conditions. If the investor does not include the child on their petition to remove conditions, the child must file their own petition to remove conditions.

(C) An investor may include a former spouse who was divorced from the investor during the period of conditional permanent resident status on their petition to remove conditions. If the investor does not include the former spouse on their petition to remove conditions, the former spouse must file their own petition to remove conditions.

(D) If an investor does not file a petition to remove conditions, any spouse, former spouse, or child that obtained conditional permanent resident status based on their relationship to the investor may remove the conditions on their status if they can establish eligibility to remove conditions. The spouse, former spouse, or child must file the petition(s) at any time during the period when the investor would have been required to file a petition to remove conditions.

* * * * *

Markwayne Mullin,

Secretary, U.S. Department of Homeland Security.

[FR Doc. 2026–20016 Filed 9–29–26; 8:45 am]

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FEDERAL REGISTER

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Part III

Department of Transportation

National Highway Traffic Safety Administration

49 CFR Parts 523, 531, et al.

The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks; Final Rule

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Parts 523, 531, 533, 536, 537, and 578

[NHTSA–2025–0491]

RIN 2127–AM76

The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks

AGENCY: National Highway Traffic Safety Administration (NHTSA).

ACTION: Final rule.

SUMMARY: NHTSA, on behalf of the U.S. Department of Transportation (DOT), is substantially recalibrating the Corporate Average Fuel Economy (CAFE) program to bring the program into compliance with the law and to remove previous regulatory distortions which have induced manufacturers to make design decisions that have neither aligned with market demand and the needs of American families nor have delivered the consistent improvements in the fuel economy performance of manufacturer fleets, as Congress intended. This recalibration finalizes amendments to fuel economy standards for light-duty vehicles for model years 2022–2026 and MYs 2027–2031. This final rule also finalizes amendments to compliance aspects of the program, including to vehicle classification and other compliance pathways.

DATES: This rule is effective November 30, 2026. The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of November 30, 2026.

ADDRESSES: For access to the dockets or to read background documents or comments received, please visit *https://www.regulations.gov,* or Docket Management Facility, M–30, U.S. Department of Transportation, West Building, Ground Floor, Rm. W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590. The Docket Management Facility is open between 9 a.m. and 4 p.m. Eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: For technical and policy issues, Joseph Bayer, CAFE Program Division Chief, Office of Rulemaking, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; email: *CAFE_Mbox@dot.gov.* For legal issues, Hannah Fish, NHTSA Office of Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; email: *CAFE_Mbox@dot.gov.*

SUPPLEMENTARY INFORMATION:

Table of Acronyms and Abbreviations

BILLING CODE 4910–59–P

Abbreviation	Term
AC	air conditioning
ACC	American Chemistry Council
ACEEE	American Council for an Energy-Efficient Economy
ACI	American Consumer Institute
ACME	adaptive cylinder management engine
ADAS	advanced driver assistance systems
ADEAC	advanced cylinder deactivation
ADEACD	advanced cylinder deactivation on a dual-overhead camshaft engine
ADSL	advanced diesel engine
AEG	Anderson Economic Group
AEO	Annual Energy Outlook
AER	all-electric range
AERO	aerodynamic drag technology
AERO0	base level aerodynamic drag technology
AERO10	aero drag reduction, level 2 (10% reduction)
AERO15	aero drag reduction, level 3 (15% reduction)
AERO20	aero drag reduction, level 4 (20% reduction)
AERO5	aero drag reduction, level 1 (5% reduction)
AFPM	American Fuel & Petrochemical Manufacturers
AFV	alternative fuel vehicle
AI	artificial intelligence
AMFA	Alternative Motor Fuels Act of 1988
AMPC	Advanced Manufacturing Production Credit
AMTL	Advanced Mobility Technology Laboratory
APA	Administrative Procedure Act
API	American Petroleum Institute
Argonne	Argonne National Laboratory
AT	automatic transmissions
AT5	5-speed automatic transmission
AT6	6-speed automatic transmission
AT8	8-speed automatic transmission
AVE	Alliance for Vehicle Efficiency
AWD	all-wheel drive
BCA	benefit-cost analysis
BEV	battery electric vehicle
BGA	BlueGreen Alliance
BISG	belt integrated starter generator
BLS	Bureau of Labor Statistics
BMEP	brake mean effective pressure
BSFC	brake-specific fuel consumption
BTW	brake and tire wear
CAA	Clean Air Act
CAFE	Corporate Average Fuel Economy
CALSTART	CALSTART, Inc.
CARB	California Air Resources Board
CBD	Center for Biological Diversity

CBI	confidential business information
CEGR	cooled exhaust gas recirculation
CEI	Competitive Enterprise Institute
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulations
CH_4	Methane
CNG	compressed natural gas
CO	carbon monoxide
CO_2	carbon dioxide
COVID-19	Coronavirus 2019 (COVID-19) public health emergency
CPAC	Conservative Political Action Coalition Foundation
CPM	cost per mile
CR	compression ratio
CRA	Congressional Review Act
CRF	Center for Regulatory Freedom
CRSS	Crash Report Sampling System
CT DEEP	Connecticut Department of Energy and Environmental Protection
CUV	crossover utility vehicle
CVC	Bureau of Economic Analysis
CVT	continuously variable transmission
CW	curb weight
CY	calendar year
DC	direct current
DCT	dual-clutch transmission
DCT6	6-speed dual-clutch transmission
DCT8	8-speed dual-clutch transmission
DEAC	dynamic cylinder deactivation
DEP	Department of Environmental Protection
DFS	dynamic fleet share
DMC	direct manufacturing costs
DOE	U.S. Department of Energy
DOHC	dual overhead cam
DOI	Department of the Interior
DOT	U.S. Department of Transportation
DPM	diesel particulate matter
DR	discount rate
EGR	exhaust gas recirculation
EIA	U.S. Energy Information Administration
EIS	environmental impact statement
EISA	Energy Independence and Security Act of 2007
EPA	U.S. Environmental Protection Agency
EPCA	Energy Policy and Conservation Act of 1975
EREV	extended-range electric vehicle
ESA	Endangered Species Act
ESC	electronic stability control
ETDS	electric traction drive system
EV	electric vehicle

FCEV	fuel cell electric vehicle
FCIV	fuel consumption improvement value
FE	fuel economy
FHWA	Federal Highway Administration
FIP	federal implementation plan
FRIA	Final Regulatory Impact Analysis
FTP	Federal Test Procedure
FWS	U.S. Fish and Wildlife Service
GCWR	gross combined weight rating
GDP	gross domestic product
GGE	gasoline gallon equivalents
GHG	greenhouse gas
GREET	Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model
GVWR	gross vehicle weight rating
GWU	George Washington University
HCR	high compression ratio
HCRD	high compression ratio engine with cylinder deactivation
HCRE	dynamic cylinder deactivation
HEG	high efficiency gearbox
HEV	hybrid electric vehicle
HFET	Highway Fuel Economy Test
HP	Horsepower
HT	high towing
HVAC	heating, ventilation, and air-conditioning
IAV	Ingenieurgesellschaft Auto und Verkehr
IBR	incorporation by reference
ICCT	International Council on Clean Transportation
ICE	internal combustion engine
ICR	Information Collection Request
IER	Institute for Energy Research
IOC	implicit opportunity cost
IPI	Institute for Policy Integrity at the New York University School of Law
IRA	Energy Independence and Security Act of 2007
JLR	Jaguar Land Rover
KABCO	scale used to represent injury severity in crash reporting
LDWF	light-duty work factor
LE	learning effect
LFP	lithium iron phosphate
LIVC	late intake valve closing
LOESS	Locally Estimated Scatterplot Smoothing
LT	light truck
LTV	light trucks and vans
MAD	minimum absolute deviation
MAIS	maximum abbreviated injury scale
MAX	Maximum
MDPCS	minimum domestic passenger car standard
MECA	Manufacturers of Emission Controls Association

MIN	Minimum
MOVES	Motor Vehicle Emission Simulator
MPG	miles per gallon
MR	mass reduction
MR0	baseline level mass reduction technology
MR1	mass reduction - 5.0% of glider weight
MR2	mass reduction - 7.5% of glider weight
MR3	mass reduction - 10.0% of glider weight
MR4	mass reduction - 15.0% of glider weight
MR5	mass reduction - 20.0% of glider weight
MSAT	mobile source air toxics
MSRP	manufacturer suggested retail price
MT	manual transmissions
MVEB	motor vehicle emissions budgets
MY	model year
NA	naturally aspirated
NAAQS	National Ambient Air Quality Standards
NACAA	National Association of Clean Air Agencies
NADA	National Automobile Dealers Association
NAICS	North American Industry Classification System
NAS	National Academy of Sciences
NASEM	National Academies of Sciences, Engineering, and Medicine
NEMS	National Energy Modeling System
NEPA	National Environmental Policy Act
NEVI	National Electric Vehicle Infrastructure
NGO	non-governmental organization
NHPA	National Historic Preservation Act
NO_X	nitrogen oxide
NPRM	notice of proposed rulemaking
NRDC	Natural Resources Defense Council
NTAA	National Tribal Air Association
NTTAA	National Technology Transfer and Advancement Act
NVO	negative valve overlap
OC	off-cycle
OCT	Our Children's Trust
OEM	original equipment manufacturer
OLS	ordinary least square
OMB	Office of Management and Budget
OPEC	Organization of the Petroleum Exporting Countries
OR DEQ	Oregon Department of Environmental Quality
ORNL	Oak Ridge National Laboratory
PC	passenger car
PEF	petroleum equivalency factor
PHEV	plug-in hybrid electric vehicle
PHEV20	PHEV with 20-mile range
PHEV50	PHEV with 50-mile range
PIA	Plug In America

PMI	Prime Mover Institute
PPC	passive prechamber combustion
PRA	Paperwork Reduction Act of 1995
PRIA	preliminary regulatory impact analysis
RIN	regulation identifier number
ROD	record of decision
ROI	return on investment
ROLL	tire rolling resistance
ROLL0	baseline tire rolling resistance
ROLL10	tire rolling resistance, 10% improvement
ROLL20	tire rolling resistance, 20% improvement
ROLL30	tire rolling resistance, 30% improvement
RPE	retail price equivalent
RRC	rolling resistance coefficient
RWD	rear-wheel drive
SAE	Society of Automotive Engineers
SAFE	Safer Affordable Fuel-Efficient
SEIS	supplemental environmental impact statement
SELC	Southern Environmental Law Center
SEMA	Specialty Equipment Market Association
SGDI	stoichiometric gasoline direct injection
SHEV	strong hybrid electric vehicle
SHEVP	power-split strong hybrid electric vehicle
SHEVP2	parallel strong hybrid electric vehicle
SHEVPS	power split strong hybrid electric vehicle
SI	National Academy of Sciences
SIP	State Implementation Plan
SKIP	refers to skip input in market data input file
SO_2	sulfur dioxide
SOC	state of charge
SOHC	single overhead cam
SOX	sulfur oxide
SS12V	12V micro hybrid start-stop system
STEO	EIA short-term energy outlook
SUV	sport utility vehicle
TAR	technical assessment report
TCO	total cost of ownership
TSD	technical support document
TURBO0	reference baseline turbocharged downsized technology
TURBO1	turbocharged engine
TURBO2	advanced turbocharged engine
TURBOAD	turbocharged engine with advanced cylinder deactivation
TURBOD	turbocharged engine with cylinder deactivation
TURBOE	turbocharged engine with the addition of cooled exhausted recirculation
TWR	trailer weight rating
UCS	Union of Concerned Scientists
UMRA	Unfunded Mandates Reform Act of 1995

USCCB	U.S. Conference of Catholic Bishops
VCR	variable compression ratio
VIF	variance inflation factors
VMT	vehicle miles traveled
VOC	volatile organic compounds
VSL	value of a statistical life
VTG	variable turbo geometry engine
VTGE	variable turbo geometry engine with eBooster
VVL	variable valve lift
VVT	variable valve timing
VWA	radio detection and ranging
ZETA	Zero Emission Transportation Association
ZEV	zero emissions vehicle

BILLING CODE 4910–59–C

Does this action apply to me?

This final rule affects companies that manufacture or sell new passenger automobiles (passenger cars) and non-passenger automobiles (light trucks), as defined under NHTSA's CAFE regulations.[1] Regulated categories and entities include:

Category	NAICS Codes[A]	Examples of Potentially Regulated Entities
Industry	336110 336310 336350	Motor Vehicle & Parts Manufacturers.
Industry	811111 811112 811198 423110	Commercial Importers of Vehicles and Vehicle Components.
Industry	335312 336312 336399 811198	Alternative Fuel Vehicle (AFV) Converters.

[A] **North American Industry Classification System (NAICS).**

This list is not intended to be exhaustive but rather provides a guide regarding entities likely to be regulated by this action. To determine whether particular activities may be regulated by this action, you should carefully examine the regulations. You may direct questions regarding the applicability of this action to the persons listed in **FOR FURTHER INFORMATION CONTACT**.

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[1] *See* 49 CFR part 523.

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I. Executive Summary and Overview

A. Executive Summary

The relationship between the light-duty vehicle market and the corporate average fuel economy (CAFE) program has gone through several cycles over its almost 50-year history. First created to require conservation of petroleum in response to price shocks caused by the Arab oil embargoes of the 1970s, the CAFE program has led to the desired improvements in fuel economy, but it also has created unintended responses from vehicle manufacturers—often to the detriment of consumers.

Over the CAFE program's history, separate standards for the passenger car and light truck fleets (referred to by law

as passenger automobiles and non-passenger automobiles, and together known as light-duty vehicles) have led manufacturers to reshape the market in unanticipated ways—such as by almost eliminating the production of station wagons (passenger cars that generally have more robust cargo capacity, adding mass and reducing fuel economy) in favor of vehicles like minivans and crossover utility vehicles (considered light trucks, and subject to less stringent standards).

Strict miles-per-gallon-based standards in the early years of the program also led manufacturers to seek significant reductions in vehicle size and mass, leading to increased injury or fatality risk for occupants of smaller vehicles involved in a crash.[2] NHTSA sought to mitigate these responses by creating attribute-based standards that relate the ''footprint'' size of vehicles to fuel economy, to some positive effect.

Meanwhile, the U.S. Environmental Protection Agency (EPA) started providing special fuel economy adjustments for technologies that had potential for fuel economy improvements but were not measurable using the laboratory test procedures (*i.e.,* the ''two-cycle'' tests) for vehicle fuel economy. This included accommodating adjustments to efficiency values if manufacturers implemented preferred air conditioning (AC) technologies and installed special technologies with purported fuel-saving benefits that could not be captured on the aforementioned two-cycle tests, accordingly known as ''off-cycle'' (OC) technologies (*e.g.,* vehicle stop/start functions that shut off the engine when the vehicle has stopped). These regulatory adjustments have led to widespread adoption of technologies with uncertain real-world benefits, added costs, and, in many cases, consumer backlash.

The creation of a system for inter-manufacturer credit trading—intended to improve the cost effectiveness of the CAFE program by allowing manufacturers that could improve the fuel economy of their fleets more cost effectively to earn credits for exceeding fuel economy standards and sell those credits to manufacturers that would need to incur higher costs to meet fuel economy standards—has also resulted in a windfall for EV-exclusive manufacturers that sell credits to other non-EV manufacturers, which in turn pay for those credits with capital that could be invested toward improving the fuel economy performance or other desirable attributes of their traditional fleets. The enormous fuel economy values assigned to EVs have, heretofore, been included in the baseline fleet fuel economy for CAFE rulemakings upon which stringency increases are applied—thereby significantly increasing the fuel economy requirements for traditional gasoline- or diesel-fueled fleets.[3]

At the same time, the classification system that has long divided the fleet between passenger cars (intended to move passengers) and light trucks (intended to move cargo or operate off highway) no longer lives up to its anticipated use. Indeed, while 68 percent of the light-duty fleet meets the current light truck regulatory definition, the majority of these vehicles (*e.g.,* all-wheel drive (AWD) crossover utility vehicles, vehicles with three or more rows of seating, and vehicles that do not have an approach angle high enough to handle an off-highway obstacle) cannot realistically operate off highway and have little value moving cargo. Instead, most of these vehicles are designed and intended primarily to move passengers but have additional features solely to meet regulatory definitions[4]—resulting in little added functionality, reduced fuel economy performance, added cost, and a homogenous design lacking in creativity.

While the CAFE program was intended to push manufacturers to improve fuel economy while preserving their ability to design and produce vehicles that meet market demands, the system has spun off its axis and requires recalibration. Instead of allowing manufacturers to design and produce vehicles they believe their customers will want and need, while spreading real-world fuel economy improvements across their fleets, the system has increasingly led manufacturers to try to fit square vehicle pegs in round classification holes to force the adoption of technologies that do not meet the demands of American families simply to obtain on-paper fuel economy improvements that may have little basis in reality. All of this adds inefficiency and cost—pushing even more consumers out of an already unaffordable new car market.

By delegation of authority from the Secretary of Transportation (the Secretary), NHTSA is, in this action, finalizing amendments to the previously promulgated CAFE standards applicable to passenger and non-passenger automobiles produced for MYs 2022–2026 and MYs 2027–2031. Finalizing amended standards beginning with MY 2022 is consistent with the Secretary's direction in the January 28, 2025, memorandum titled ''Fixing the CAFE Program'' and is also the earliest model year for which NHTSA has not concluded CAFE compliance proceedings; additional discussion regarding NHTSA's finalized amended standards can be found in Section V.

Consistent with the terms of the CAFE program mandated in the Energy Policy and Conservation Act of 1975 (EPCA), as amended by the Energy Independence and Security Act of 2007 (EISA) and other laws (codified in chapter 329 of Title 49 of the U.S. Code), the fuel economy standards finalized herein are based solely on light-duty vehicles powered by gasoline and diesel fuels, a category that includes non-plug-in hybrid vehicles.[5] In formulating the finalized standards, NHTSA has not considered the imputed fuel-economy performance of EVs or the electric operation of plug-in hybrid

[2] Transportation Research Board and National Research Council, Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards, National Academies Press: Washington, DC (2002), available at: *https://www.nationalacademies.org/publications/10172* (accessed: June 18, 2026). This report describes at length and quantifies the potential safety problem with average fuel economy standards that specify a single numerical requirement for the entire industry, noting that smaller and lighter vehicles incentivized by those standards could be less safe for their occupants.

[3] In a hypothetical and simplified example, if the baseline passenger car fleet of vehicles with an identical footprint consisted of nine gasoline-powered vehicles achieving 30 mpg and one EV achieving 150 mpg, the baseline fleet to which stringency increases would apply would be measured at 42 mpg. When CAFE standards are set inconsistent with the statute because the analysis considers EV fuel economy, manufacturers of gasoline-powered vehicles would face a challenge in catching up to the overall fleet fuel economy, requiring disproportionate investment in fuel-saving technologies, and incentivizing the purchase of regulatory credits from the EV manufacturer.

[4] Section VI discusses NHTSA's amended regulatory definitions for passenger and non-passenger automobiles in detail and includes examples of manufacturers excluding or including specific features solely to meet regulatory definitions. Two examples discussed in more detail in Section VI include manufacturers discontinuing FWD versions of vehicles after NHTSA properly reclassified over one million FWD automobiles as passenger automobiles in line with EPCA and opting to instead manufacture only AWD or 4WD versions to keep more of their products in the non-passenger automobile fleets (74 FR 14196, Mar. 30, 2009), and manufacturers including aerodynamic technologies to increase on-highway functionality instead of opting to meet approach angle requirements, which would make the vehicle more capable of approaching off-highway obstacles and, thus, more off-highway capable.

[5] Non-plug-in hybrid vehicles are not dual-fueled vehicles under chapter 329 because any electricity generated by the electric motors or other electric components are generated solely by the petroleum-fueled engine and the batteries are incapable of charging from an external source: ''a vehicle which is entirely dependent on a petroleum fuel for its motive power, regardless of whether electricity is used in the powertrain, is powered by petroleum.'' 63 FR 66066 (Dec. 1, 1998).

electric vehicles (PHEVs). This approach marks a change from previous rulemakings, as described above, but brings the CAFE program into compliance with statutory restrictions.

This final rule fulfills NHTSA's statutory obligation to set CAFE standards at the maximum feasible level that the agency determines vehicle manufacturers can achieve in each model year, balancing four key factors: technological feasibility, economic practicability, the need of the United States to conserve energy, and the effect of other motor vehicle standards of the Government on fuel economy.[6] This balancing must take into account current and projected circumstances and cannot consider the availability of alternative fuel technologies (*e.g.,* EVs or PHEV electric operation), or compliance credits.[7] This action is also consistent with Executive Order (E.O.) 14148, ''Initial Rescissions of Harmful Executive Orders and Actions,'' [8] and E.O. 14154, ''Unleashing American Energy,'' [9] as well as the Secretarial memorandum titled ''Fixing the CAFE Program.'' [10]

The standards presented in this final rule differ significantly from those finalized in the 2020, 2022, and 2024 rules. In formulating those prior standards, NHTSA considered both the fuel economy of EVs and PHEVs and compliance credits that could be earned when a manufacturer over-complied with an applicable fuel economy standard. As a result, the fuel economy standards previously established by NHTSA for passenger cars and light trucks for MYs 2022–2026 and MYs 2027–2031 failed to satisfy substantive statutory requirements. NHTSA is finalizing in this rule the ''maximum feasible'' fuel economy requirements for the model years in question that best reflects the balancing of the four statutory factors and limitations mandated for the CAFE program.

This rulemaking is intended to establish maximum feasible fuel economy standards while bringing the program into compliance with the law. It marks a significant reset. NHTSA has removed from every aspect of the standards development process consideration of factors inconsistent with the statute, including specific technologies and credits, to bring the program back within its statutory constraints. NHTSA discussed extensively its prior consideration of such technologies and credits in the standards development process in the final interpretive rule, *Resetting the Corporate Average Fuel Economy Program,*[11] and in the proposal, and includes a more detailed discussion in Section V, below.

NHTSA has also removed consideration of AC efficiency and OC fuel consumption improvement values (FCIVs) from its standard-setting analysis starting with MY 2028. This change will ensure that NHTSA's CAFE standards are achievable without the implementation of technologies with questionable fuel economy benefits and not demanded by consumers.

The agency is also eliminating the inter-manufacturer credit trading program (which is authorized, but not required, by 49 U.S.C. 32903(f)) beginning with credits earned in MY 2028. This change in the program is long overdue. Although NHTSA does not consider the availability of credits or credit trading in establishing standards, the agency believes that eliminating inter-manufacturer credit trading will encourage manufacturers to provide for steady improvement in fuel economy across their fleets over time, as opposed to relying upon credits acquired from third-party EV manufacturers. NHTSA recognizes that manufacturers have made investments in particular compliance pathways that may include purchasing credits from other manufacturers even though the availability of those credits is uncertain and is, therefore, finalizing this change beginning with credits earned in MY 2028. The finalized change provides additional transition time beyond that proposed in the notice of proposed rulemaking (NPRM), in recognition of any reliance interests in the trading program to achieve compliance, because manufacturers will still be able to purchase and use credits that were earned through MY 2027 for up to five model years after they were first generated (*e.g.,* credits earned in MY 2026 may be purchased and applied through MY 2031, and credits earned in MY 2027 may be purchased and used through MY 2032). However, NHTSA is finalizing standards in this rule at levels that do not consider the use of compliance credits, thus minimizing any impacts that this change may have on manufacturers' decisions about compliance pathways. Moreover, this change will not impact the ability of automakers to *transfer* earned credits between different categories of vehicles in their own fleets or carry their own credits forward and backwards across model years, as prescribed by statute.

The agency is also finalizing a substantial reclassification of the light-duty fleet in this reset of the CAFE program, with the passenger car fleet consisting of vehicles primarily designed to move people, and the light truck fleet consisting of vehicles primarily designed to operate off highway or move cargo. NHTSA recognizes the changes will introduce significant design consideration for manufacturers. Moving a large fraction of vehicles previously classified as light trucks into a manufacturer's passenger vehicle fleet will have a significant effect on the overall fuel economy performance of the manufacturer's passenger fleet; even if based upon the same platform as a passenger car, the additional vehicle height adds significant mass and decreases aerodynamics, and therefore fuel economy. Meanwhile, removal of vehicles from a manufacturer's light truck fleet will leave that fleet consisting of heavier and less aerodynamic vehicles, such as large sports utility vehicles and pickup trucks, thereby decreasing the overall average fuel economy of the light truck fleet. Accordingly, while a manufacturer's combined overall fleet fuel economy may remain the same, both its passenger car and light truck fleets will necessarily achieve lower measured fuel economy. NHTSA has also updated the classification criteria from technology-based to performance-based standards where applicable. This final rule takes these changes into account through amendments to both the footprint curves and standards applicable to various points within the curves. NHTSA intends that, as a result of this update, automobiles classified as non-passenger will exhibit true non-passenger capabilities that display relevant off-highway vehicle attributes such as approach angle and running clearance or include design features that provide higher payload and towing abilities for transporting cargo.

By surveying the measured fuel economy performance of gasoline- and diesel-powered passenger cars and light trucks produced for the U.S. market in MY 2022, NHTSA has created a maximum feasible foundation from which to establish standards for subsequent model years. NHTSA is setting fuel economy standards for passenger automobiles that increase from the newly finalized MY 2022 standards at a rate of 0.90 percent per year through MY 2029 followed by one

[6] 49 U.S.C. 32902(a) and (f).

[7] 49 U.S.C. 32902(h).

[8] 90 FR 8237 (Jan. 28, 2025).

[9] 90 FR 8353 (Jan. 29, 2025).

[10] See DOT, Fixing the CAFE Program, Memorandum (2025), available at: *https://www.transportation.gov/briefing-room/memorandum-fixing-cafe-program* (accessed: June 18, 2026).

[11] 90 FR 24518 (June 11, 2025).

percent per year through MY 2031, with MY 2030 stringency acting as a bridge between the vehicle classification updates. For non-passenger automobiles, NHTSA is setting fuel economy standards that increase from the newly finalized MY 2022 standards at a rate of 0.51 percent per year through MY 2029 followed by one percent per year through MY 2031, with MY 2030 stringency acting as a bridge between vehicle classification updates.[12]

The final standards may, in places, be referred to as the ''Preferred Alternative(s),'' but NHTSA intends ''final standards,'' ''finalized standards,'' and ''Preferred Alternative(s)'' to be used interchangeably for purposes of this document. In addition to the final standards, NHTSA considered a range of regulatory alternatives for each fleet, consistent with the agency's obligations under the Administrative Procedure Act (APA), National Environmental Policy Act (NEPA), and E.O. 12866. In response to public comments and the agency's additional analysis, NHTSA considered a greater number of regulatory alternatives for this final rule than were considered in the NPRM, for each fleet. The regulatory alternatives are as follows:

Table I-1: Regulatory Alternatives Considered for MYs 2022-2031 Passenger Car and Light Truck CAFE Standards[13]

Name of Alternative	Passenger Car Stringency Changes	Light Truck Stringency Changes
No-Action Alternative	1.5% for MY 2023 8% per year for MYs 2024-2025 10% for MY 2026 2% per year for MYs 2027-2031	1.5% for MY 2023 8% per year for MYs 2024-2025 10% for MY 2026 0% per year for MYs 2027-2028 2% per year for MYs 2029-2031
Alternative 1	80% compliance share* MY 2022 0.44% per year for MYs 2023-2029 -1.1% for MY 2030** 0.25% for MY 2031	80% compliance share* MY 2022 0.54% per year for MYs 2023-2029 -15.1% for MY 2030** 0.25% for MY 2031
Alternative 2	75% compliance share* MY 2022 0.47% per year for MYs 2023-2029 -1.1% for MY 2030** 0.25% for MY 2031	70% compliance share* MY 2022 0.46% per year for MYs 2023-2029 -15.1% for MY 2030** 0.25% for MY 2031
Alternative 3 (Final)	70% compliance share* MY 2022 0.90% per year for MYs 2023-2029 -0.3% for MY 2030** 1% for MY 2031	50% compliance share* MY 2022 0.51% per year for MYs 2023-2029 -14.4% for MY 2030** 1% for MY 2031
Alternative 4	55% compliance share* MY 2022 1.32% per year for MYs 2023-2029 -0.7% for MY 2030** 0.5% for MY 2031	40% compliance share* MY 2022 1.5% per year for MYs 2023-2029 -14.9% for MY 2030** 0.5% for MY 2031
Alternative 5	55% compliance share* MY 2022 2.81% per year for MYs 2023-2029 -0.8% for MY 2030** 0.5% for MY 2031	40% compliance share* MY 2022 3.03% per year for MYs 2023-2029 -14.7% for MY 2030** 0.5% for MY 2031
* Compliance shares were determined based on the production-weighted share of vehicles that met or exceeded their target function value for each regulatory alternative in MY 2022. ** Stringency change reflects the growth rate in class average standard value from MYs 2029-2030.		

NHTSA has concluded that the levels of standards represented by Alternative 3 are the maximum feasible level for these model years, as discussed in more detail in Section V of this preamble. NHTSA has determined that the finalized standards satisfy the statutory requirements of maximum feasibility across the full range of gasoline- and diesel-powered vehicles currently on the market. These standards will be appropriately stringent in promoting fuel efficiency in the Nation's light-duty vehicle fleet while remaining technologically feasible and economically practicable to achieve without consideration of EV dedicated fuel economy or PHEV electric operation. The finalized standards also consider the effect of other motor vehicle standards of the Government on

[12] For a detailed discussion of the transition to new footprint-based standards curves as a result of vehicle reclassification please see Section III.A.

[13] Percentages in the table represent the year over year reduction in gal/mile applied to the mpg values on the target curves. The reduction in gal/mile results in an increased mpg.

the fuel economy performance of new motor vehicles, as well as the need of the United States to conserve energy. NHTSA has determined that it is both reasonable and consistent with EPCA to weigh the need of the United States to conserve energy such that vehicle fuel economy standards require continuous improvements over time, but at sustainable levels for manufacturers, consumers, and society at large. In particular, the diminishing effects attributable to fuel economy improvements from higher standards moderates against weighing the need of the United States to conserve energy too heavily compared to the other statutory factors.[14] Manufacturers have limited supplies of capital for technological advancement and are constrained in recovering those investments by what consumers can afford to pay for technological innovations in new vehicles. Maximum feasible fuel economy standards, when set appropriately weighing economic practicability, should not incentivize manufacturers, for example, to add technologies that have questionable real-world fuel economy benefits that consumers reject, at the cost of investments in or application of vehicle safety technologies. Instead, when truly maximum feasible standards apply, manufacturers should be able to develop and apply continually both proven fuel-saving and safety-enhancing technologies in such a manner that allows consumers both to afford and desire the new vehicle.

NHTSA concludes that this decision best comports with statutory requirements, and that the agency should exercise its authority to amend standards set in final rules issued in 2020, 2022, and 2024, respectively. The standards set in those final rules were set higher than maximum feasible levels because NHTSA considered statutorily prohibited factors in establishing those standards.[15] Those rules resulted in distortions in the marketplace, which this final rule minimizes. These distortions include major non-market-based changes in automobile designs and the introduction of fundamental alterations in production processes not primarily driven by market demand.

Increasing the stringency of standards at modest annual rates, following a reset to eliminate the consideration of impermissible factors that were applied in setting the 2020, 2022, and 2024 standards, and coupled with a re-examination of the shape of the fuel economy target functions and the vehicle classification definitions, best comports with statutory requirements. Moreover, the level, shape, and applicability of the final standards to the passenger and non-passenger automobile fleets are justified by the inappropriate distortions the existing regulations have caused in the marketplace. Those regulations resulted in unnecessary regulatory burdens that did not further statutory purposes because the standards were not attainable for the gasoline- and diesel-powered vehicle fleet.

The final CAFE standards remain vehicle-footprint-based, like the current CAFE standards in effect since MY 2011. The footprint of a vehicle is the area calculated by multiplying the wheelbase times the track width, essentially the rectangular area of a vehicle measured from tire to tire where the tires contact the ground. This means that the standards are defined by mathematical equations that represent constrained linear functions relating vehicle footprint to fuel economy targets for passenger cars and light trucks.[16] For this final rule, NHTSA has updated the mathematical functions (*i.e.,* the target curves relating footprint to fuel economy) for passenger cars and light trucks based on the latest available data. NHTSA has concluded, based on this data, that the relationship between footprint and fuel economy has shifted from MY 2008 (the model year on which the current curves are based) and it is thus appropriate to modify the mathematical functions accordingly. NHTSA has also updated the functions that would be applied beginning in MY 2030 to reflect changes based on the finalized vehicle classification regulations.

NHTSA estimates that the final standards would correspond to a combined industry fleetwide average of roughly 34.9 mpg in MY 2031 for passenger cars and light trucks.[17] NHTSA notes that this is a projection because the actual CAFE standards are the footprint target curves for passenger cars and light trucks. This is important because it means that the ultimate fleetwide levels will vary depending on the mix of vehicles that manufacturers produce for sale in those model years. NHTSA also calculates and presents ''estimated achieved'' fuel economy levels, which differ somewhat from the estimated required levels for each fleet, for each year.[18] Note that the industry-average required and achieved values presented below reflect the end of the modeled application of AC and FCIV adjustments, beginning in MY 2028, and updated vehicle classification regulatory definitions, which go into effect beginning in MY 2030.

For simplification, NHTSA provides industry-wide mpg estimates corresponding to the finalized standards in the table below but reiterates that the coefficients used to define the mathematical functions comprise the actual standards.

[14] As an example, a vehicle owner who drives a light vehicle 15,000 miles per year and trades in a vehicle with fuel economy of 15 mpg for one with fuel economy of 20 mpg, will reduce their annual fuel consumption from 1,000 gallons to 750 gallons—saving 250 gallons annually. If, however, that owner trades in a vehicle with fuel economy of 30 mpg for one with fuel economy of 40 mpg, the owner's annual gasoline consumption would drop from 500 gallons/year to 375 gallons/year—a fuel savings of only 125 gallons even though the mpg improvement is twice as large. Going from 40 to 50 mpg would save only 75 gallons/year. Yet each additional fuel economy improvement becomes much more expensive as the easiest to achieve low-cost technological improvement options are exhausted.

[15] 85 FR 24174 (Apr. 30, 2020); 87 FR 25710 (May 2, 2022); 89 FR 52540 (June 24, 2024).

[16] Generally, passenger cars have more stringent targets than light trucks regardless of footprint, and smaller vehicles will have more stringent targets than larger vehicles because smaller vehicles are generally more fuel efficient. No individual vehicle or vehicle model need meet its target exactly, but a manufacturer's compliance is determined by how its average fleet fuel economy compares to the average fuel economy of the targets of the vehicles it manufactures.

[17] NHTSA notes both that real-world fuel economy is generally 20–30 percent lower than the estimated required CAFE level stated above, because CAFE compliance is evaluated per 49 U.S.C. 32904(c) Testing and Calculation Procedures, which states that the EPA Administrator (responsible under EPCA/EISA for measuring vehicle fuel economy) must use the same procedures used for MY 1975 (weighted 55 percent urban cycle and 45 percent highway cycle) or comparable procedures. Colloquially, this is known as the 2-cycle test. The ''real-world'' or 5-cycle evaluation includes the 2-cycle tests and three additional tests that are used to adjust the city, and highway estimates to account for higher speeds, AC use, and colder temperatures. In addition to calculating vehicle fuel economy, EPA is responsible for providing the fuel economy data that is used on the fuel economy label on all new cars and light trucks, which uses the ''real-world'' values. In 2006, EPA revised the test methods used to determine fuel economy estimates (city and highway) appearing on the fuel economy label of all new cars and light trucks sold in the United States, effective with MY 2008 vehicles.

[18] NHTSA's analysis reflects that almost all manufacturers make the technological improvements prompted by CAFE standards at times that coincide with existing product ''refresh'' and ''redesign'' cycles, rather than unrealistically applying new technology every year regardless of those cycles. It is significantly more cost effective to make fuel economy-improving technology updates when a vehicle is being updated. See the Final TSD and preamble Section II for additional discussion about manufacturer refresh and redesign cycles.

[19] There is no legal requirement for combined passenger car and light truck fleets, but NHTSApresents information this way in recognition of the fact that many readers will be accustomed to seing such a value.

Table I-2: Estimated Required Average and Estimated Achieved Average of CAFE Levels (mpg) for Passenger Cars and Light Trucks, Final Standards (Alt. 3)[19]

Model Year	2022[a]	2023[a]	2024	2025[b]	2026[b]	2027	2028[c]	2029	2030[d]	2031
Passenger Car										
Required[d]	37.4	37.5	38.1	38.5	38.9	39.2	39.6	39.9	39.8	40.2
Achieved	39.5	39.2	43.2	-	-	51.3	49.2	49.9	45.4	45.5
Light Truck										
Required[d]	29.4	29.7	29.8	30.0	30.1	30.3	30.4	30.6	26.2	26.4
Achieved	29.7	29.9	32.7	-	-	38.5	36.7	37.1	31.1	31.3
Total LD Fleet										
Required[e]	31.8	31.8	32.0	32.1	32.2	32.3	32.4	32.6	34.6	34.9
Achieved	32.6	32.3	35.4	-	-	41.3	39.4	39.8	40.0	40.2

a: Achieved values do not include the effects of AC and FCIV adjustments.
b: Final validated data for model years is not available. Achieved values neither included nor estimated.
c: Achieved values decline due to removal of AC and FCIV adjustments.
d: Regulatory class achieved values decline due to effects of reclassification.
e: Based on compliance data for MYs 2022-2024. Projected forward for later years using the CAFE Model. MYs 2025-2026 determined using the baseline projection of the fleet in these years and the finalized standards. MYs 2027-2031 determined using the final standard's fleet projection and the finalized standards.

To the extent that manufacturers are simulated to be over-complying with required fuel economy levels being set in MY 2027, NHTSA notes that this is due to factors including previous application of fuel economy technologies required by standards set for prior model years in a manner inconsistent with the statute because the analysis considered alternative fuel (*e.g.,* EV) technology applications. Once standards are established that consider all statutory factors and limitations appropriately, manufacturers that previously applied technologies to meet standards set using an analysis inconsistent with the statute will have relief, while manufacturers that faced certain penalties can continue to improve efficiency to meet maximum feasible standards. NHTSA's review of achieved compliance at the manufacturer level also shows that, while some manufacturers manage to achieve greater over-compliance, other manufacturers are expected to achieve compliance values that will track the levels of the new standards. In addition, NHTSA believes that the finalized standards established for model years prior to the MY 2030 fleet reclassification, which NHTSA also extended from MY 2028 from the proposal in response to manufacturer comments regarding lead time and planning cycles, will allow manufacturers to plan strategically with sufficient lead time to manage that transition within their projected model year sales cycles. For all fleets, average requirements and average achieved CAFE levels will depend ultimately on manufacturer and consumer response to standards, technology developments, economic conditions, fuel prices, and other factors.

NHTSA is also finalizing new minimum domestic passenger car CAFE standards (MDPCS) for MYs 2022–2026 and MYs 2027–2031, which are applied to passenger cars manufactured in the United States. Section 32902(b)(4) of 49 U.S.C. requires NHTSA to project the minimum domestic standard when it promulgates passenger car standards for a model year; these standards are shown in Table I–3 below. NHTSA continues to apply an offset (albeit a smaller one than was first used in the 2020 final rule and applied to the 2022 and 2024 final rules) when calculating the MDPCSs for MYs 2027–2031, reflecting prior differences between passenger car footprints forecast originally by the agency and passenger car footprints as they occurred in the real world. The finalized MDPCS for each model year is shown in the table below.

Table I-3: Minimum Domestic Passenger Car Standard (mpg)

2022	2023	2024	2025	2026	2027*	2028*	2029*	2030*	2031*
34.4	34.5	35.1	35.4	35.7	35.8	36.1	36.4	36.3	36.6

* Includes 0.7-percent offset.

NHTSA uses the CAFE Compliance and Effects Modeling System (the CAFE Model or the Model) developed and maintained by the Volpe National Transportation Systems Center (Volpe Center or Volpe) as a tool for assessing the likely regulatory effects of the final rule and various regulatory alternatives. The Model does not determine which

standards satisfy the requirements of EPCA, and no model can predict precisely the engineering configurations automakers are likely to introduce in response to evolving trends in market demand. However, the analysis developed using the CAFE Model provides further support for NHTSA's judgment that the standards finalized in this rule are the maximum standards that are technologically feasible and economically practicable for the gasoline- and diesel-powered vehicles covered by the final rule, considering the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy.

One significant modification from previous standard-setting proceedings and previous applications of the CAFE Model is that NHTSA did not include EVs in the base fleet for analysis purposes and did not consider or model the potential production of EVs as a CAFE compliance strategy for automakers. Section 32902 of chapter 49 directs NHTSA to establish fuel economy standards that are feasible and practicable for gasoline- and diesel-powered vehicles without regard to any reliance on alternatives. Automakers, of course, are free to produce EVs, or any other technologies, in response to market demand, and their production and sale of EVs will earn credit toward compliance with the CAFE standards in accordance with the ''petroleum equivalency factor,'' or ''PEF,'' prescribed by the Department of Energy (DOE).[20]

Additional updates to the CAFE Model and its inputs since the 2024 final rule and the 2025 proposal include updating the Market Data Input File to reflect the change in analysis fleet from MY 2022 to MY 2024, updating the modeling capability to allow for vehicle reclassification, updating the Scenarios Input File to set the value of civil penalties at zero,[21] updating the Parameters Input File to set the monetary value of changes in non-criteria emissions at zero, updating other economic values, such as rebound elasticity and the payback periods, and updating fuel price projections using the 2026 Annual Energy Outlook's (AEO) Alternative Transportation and Electricity Case. These and other updates are described in more detail in Section II and the Final Technical Support Document (Final TSD).

NHTSA estimates that this final rule will reduce the average up-front vehicle costs due to CAFE standards by approximately $1,290, cutting by more than half what consumers might expect to pay as a result of increased requirements under the No-Action Alternative. NHTSA also estimates that this rule will be net beneficial economically for society.[22] The tables below summarize estimates of the present discounted values of selected impacts viewed from both the model year and calendar year (CY) perspectives,[23] for each of the regulatory alternatives, relative to the No-Action Alternative.

[20] 49 U.S.C. 32904(a)(2)(B); Public Law 96–185, 93 Stat. 1324 (Jan. 7, 1980); 10 CFR part 474.

[21] *See* Public Law 119–21, 139 Stat. 72 (July 4, 2025).

[22] In rulemakings such as this one, where the agency is reducing the stringency of CAFE standards, the application of additional fuel-saving technologies may no longer be necessary when standards are reduced relative to a reference baseline level. Therefore any costs associated with meeting higher fuel economy standards in that baseline become cost savings when standards decrease in stringency. Negative benefits reflect a reduction in this category, while negative entries for costs reflect savings to manufacturers and vehicle buyers. Overall positive net benefits indicate that the reduction in benefits is outweighed by the total cost savings.

[23] The bulk of the analysis for passenger cars and light trucks presents a ''model year'' perspective rather than a ''calendar year'' perspective. The model year perspective considers the lifetime impacts attributable to all passenger cars and light trucks produced through MY 2031, accounting for the operation of these vehicles over their entire lives (with some MY 2031 vehicles estimated to be in service as late as CY 2070). This approach emphasizes the role of the model years for which new standards are being finalized. The calendar year perspective, on the other hand, includes the annual impacts attributable to all vehicles estimated to be in service in each calendar year for which the analysis includes a representation of the entire registered light-duty fleet. For this final rule, this calendar year perspective covers each of CYs 2024–2050. Compared to the model year perspective, the calendar year perspective includes model years of vehicles produced in the longer term, beyond those model years for which standards are being finalized.

Table I-4: Estimated Monetized Costs and Benefits – Passenger Cars and Light Trucks – MY and CY Perspectives by Alternative and Discount Rate[24]

	Alt. 1		Alt. 2		Alt. 3 (Final Standards)		Alt. 4		Alt. 5	
Monetized Benefits ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	-101.4	-64.1	-100.8	-63.8	-95.8	-60.5	-76.9	-48.5	-24.0	-15.2
CYs 2024-2050	-360.1	-194.5	-358.4	-193.6	-343.5	-185.3	-285.1	-153.3	-101.6	-54.1
Monetized Costs ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	-143.1	-100.7	-142.5	-100.3	-137.5	-96.9	-115.9	-81.7	-48.8	-35.1
CYs 2024-2050	-520.7	-293.3	-518.9	-292.2	-502.7	-283.1	-428.7	-241.5	-180.5	-103.1
Monetized Net-Benefits ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	41.7	36.6	41.7	36.5	41.8	36.3	39.0	33.2	24.9	19.9
CYs 2024-2050	160.6	98.8	160.4	98.7	159.2	97.8	143.6	88.2	78.9	48.9

The current estimates of costs and benefits are important considerations, performed as directed by E.O. 12866, and also serve as an informative data point in NHTSA's consideration of the factors that NHTSA is required to balance by statute when determining maximum feasible standards. NHTSA concludes, for the purposes of this final rule, that Alternative 3 is maximum feasible on the basis of these respective factors. NHTSA also considered several sensitivity cases by varying different inputs and concluded that, even when varying inputs resulted in changes to net benefits, those changes were not significant enough to alter the conclusion that Alternative 3 is maximum feasible.

Finally, NHTSA has computed ''annualized'' benefits and costs relative to the No-Action Alternative, as follows:

[24] For this and similar tables in this section, net benefits may differ from benefits minus costs due to rounding.

Table I-5: Estimated Annualized Monetized Costs and Benefits – Passenger Cars and Light Trucks – MY and CY Perspectives by Alternative and Discount Rate[25]

	Alt. 1		Alt. 2		Alt. 3 (Final Standards)		Alt. 4		Alt. 5	
Monetized Benefits ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	-4.1	-4.7	-4.0	-4.7	-3.8	-4.4	-3.1	-3.5	-1.0	-1.1
CYs 2024-2050	-19.6	-16.2	-19.6	-16.1	-18.7	-15.5	-15.6	-12.8	-5.5	-4.5
Monetized Costs ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	-5.7	-7.4	-5.7	-7.3	-5.5	-7.1	-4.6	-6.0	-2.0	-2.6
CYs 2024-2050	-28.4	-24.5	-28.3	-24.4	-27.4	-23.6	-23.4	-20.2	-9.8	-8.6
Monetized Net Benefits ($ billion)										
Discount Rate	3%	7%	3%	7%	3%	7%	3%	7%	3%	7%
MYs 1985-2031	1.7	2.7	1.7	2.7	1.7	2.7	1.6	2.4	1.0	1.5
CYs 2024-2050	8.8	8.2	8.8	8.2	8.7	8.2	7.8	7.4	4.3	4.1

Though NHTSA is prohibited from considering the availability of certain flexibilities in making its determination about the levels of CAFE standards that would be maximum feasible, manufacturers have a variety of flexibilities available to aid their compliance. NHTSA is finalizing certain changes to these flexibilities and other features of the CAFE program as shown in Table I–6, and as described further in Section VI of this preamble. NHTSA is also finalizing a technical amendment to update NHTSA's civil penalty for CAFE shortfalls in accordance with Public Law 119–21. Because NHTSA does not exercise any discretion in making the changes required by Public Law 119–21, NHTSA finds good cause, pursuant to 5 U.S.C. 553(b)(B), to make those changes without prior notice and opportunity for comment as such procedures are unnecessary. Accordingly, NHTSA is publishing this final rule without prior notice and comment. Discussion of this technical amendment is also found in Section VI of this preamble.

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[25] For this and similar tables in this section, net benefits may differ from benefits minus costs due to rounding.

Table I-6: Overview of Changes to CAFE Program

Fleet Performance Requirements			
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Changes in Final Rule**
Fuel Economy Standards	49 CFR 531.5 and 49 CFR 533.5 (49 U.S.C. 32902)	Fuel economy standards are footprint-based fleet average standards for each of a manufacturer's compliance category (*i.e.*, domestic passenger automobile, import passenger automobile, and non-passenger automobile), which are expressed in miles per gallon (mpg). NHTSA sets average fuel economy standards that are the maximum feasible for each compliance category and model year (*i.e.*, passenger automobiles and non-passenger automobiles). In setting these standards, NHTSA considers technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the U.S. to conserve energy. NHTSA is precluded from considering the fuel economy of vehicles that operate only on alternative fuels, the portion of operation of a dual-fueled vehicle powered by alternative fuel, and the trading, transferring, or availability of credits.	Amendments to 49 CFR 531.5(a) and 49 CFR 533.5(a) to set standards for MYs 2022-2026 and MYs 2027-2031.
Vehicle Classification	49 CFR part 523	Standards are set for two regulatory categories (*i.e.*, passenger automobiles and non-passenger automobiles). Vehicles are assigned to either the passenger automobile or non-passenger automobile categories based on definitions in EPCA, as implemented through definitions and specific criteria in NHTSA's regulations.	Amendments to 49 CFR part 523 to amend the criteria for non-passenger automobiles to take effect in MY 2030 and beyond.
Minimum Domestic Passenger Car Standards	49 CFR 531.5 (49 U.S.C. 32902(b)(4))	Domestic passenger automobile fleets are required to meet a MDPCS. This standard applies in addition to the footprint-based standard.	Amendments to 49 CFR 531.5(b) to set MDPCS for MYs 2022-2026 and MYs 2027-2031.
Determining Average Fleet Performance			
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Changes in Final Rule**
2-Cycle Testing	49 CFR 531.6(a) citing	Vehicle testing is conducted by EPA using the Federal Test Procedure (light-duty FTP or "city" test) and Highway	None

	40 CFR part 600 and 49 CFR 533.6 citing 40 CFR part 600 (49 U.S.C. 32904)	Fuel Economy Test (HFET or "highway" test).	
AC Efficiency FCIVs	49 CFR 531.6(b)(1) citing 40 CFR 86.1868-12 and 49 CFR 533.6(c)(1) citing 40 CFR 86.1868-12 (49 U.S.C. 32904)	This adjustment to the results of the 2-cycle testing for fuel consumption improvement from technologies that improve AC efficiency that are not accounted for in the 2-cycle testing. The AC efficiency FCIV program began in MY 2017 for NHTSA. Starting in MY 2027, AC efficiency FCIVs may only be generated by internal combustion engine (ICE) vehicles.	NHTSA is removing consideration of FCIVs from its standard-setting analysis beginning in MY 2028. NHTSA is also finalizing technical amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for AC efficiency FCIVs.
OC FCIVs	49 CFR 531.6(b)(2) and (3) citing 40 CFR 86.1869-12 and 49 CFR 533.6(c)(3) and (4) citing 40 CFR 86.1869-12 (49 U.S.C. 32904)	This adjustment to the results of the 2-cycle testing for fuel consumption improvement from technologies that are not accounted for or not fully accounted for in the 2-cycle testing. The OC FCIV program began in MY 2017 for NHTSA. Starting in MY 2027, OC FCIVs may only be generated by ICE vehicles, with the program phasing out and is ending with MY 2032 under EPA's current regulations.	NHTSA is removing consideration of FCIVs from its standard-setting analysis beginning in MY 2028. NHTSA is also finalizing technical amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for OC FCIVs.
Advanced Full-Size Pickup Truck FCIVs	49 CFR 533.6(c)(2) citing 40 CFR 86.1870-12 (49 U.S.C. 32904)	This adjustment increases a manufacturer's average fuel economy for full-size pickup trucks equipped with hybridized or other performance-based technologies. Manufacturers were eligible to earn these adjustments in MYs 2017-2021 and MYs 2023-2024.	None
Dedicated Alternative-Fueled Vehicles	49 CFR 536.10 citing 40 CFR 600.510-12(c) (49 U.S.C. 32905(a) and (c))	EPA calculates the fuel economy of dedicated alternative fueled vehicles assuming that a gallon of liquid/gaseous alternative fuel is equivalent to 0.15 gallons of gasoline per 49 U.S.C. 32905(a). For BEVs, EPA uses the petroleum equivalency factor as defined by the DOE (*see* 10 CFR 474.3) (per 49 U.S.C. 32904(a)(2)).	None
Dual-Fueled Vehicles	49 CFR 536.10 citing 40 CFR 600.510-12(c) (49 U.S.C. 32905(b), (d), and (e)) and (49 U.S.C. 32906(a))	EPA calculates the fuel economy of dual-fueled vehicles using a utility factor to account for the portion of power energy consumption from the different energy sources. For EVs, EPA uses DOE's petroleum equivalency factor for the electric portion of the vehicle's expected energy use (per 49 U.S.C. 32904(a)(2)). Starting in MY 2020 and subject to statutory limit, the average fuel economy of certain dual-fueled vehicles cannot increase a manufacturer's average fuel economy.	None

Earning and Using Credits for Over-compliance and Addressing Shortfalls			
Earning Credits	49 CFR 536.4 (49 U.S.C. 32903(a))	Manufacturers earn credits for each one tenth of mile by which the average fuel economy vehicles in a particular compliance category in a model year exceeds the applicable fuel economy standard, multiplied by the number of vehicles sold in that compliance category (*i.e.*, fleet).	None
Carry-Forward Credits	49 CFR part 536 (49 U.S.C. 32903(a)(2))	Manufacturers may carry forward credits up to five model years into the future.	None
Carry-Back Credits	49 CFR part 536 (49 U.S.C. 32903(a)(1))	Manufacturers may carry back credits up to three model years into the past.	None
Credit Transfers	49 CFR part 536 (49 U.S.C. 32903(g))	Manufacturers may transfer credits between their fleets to increase a fleet's average fuel economy by up to 2 mpg. Manufacturers may not use transferred credits to meet the MDPCS (*see* 49 U.S.C. 32903(g)(4) and 49 CFR 536.9).	None
Credit Trading	49 CFR 536.8 (49 U.S.C. 32903(f))	Manufacturers may trade over-compliance credits into fleets of the same compliance category. A manufacturer may then transfer those credits to a different compliance category, but only up to the 2-mpg limit for transfers. Manufacturers may not use traded credits to meet the MDPCS (*see* 49 U.S.C. 32903(f)(2) and 49 CFR 536.9).	Amendments to 49 CFR 536.6 and 536.8 to reflect that credits generated in MY 2028 and beyond may not be traded. Credits earned through MY 2027 may be traded and used for up to five model years after they were generated.
Civil Penalties	49 CFR 578.6(h) (49 U.S.C. 32912)	Civil penalties may be assessed for CAFE credit shortfalls that are not resolved through credit flexibilities. Pub. L. No. 119-21 set civil penalties for the CAFE program to $0 starting in MY 2022.	Amendment to 49 CFR 578(h) to update the CAFE penalty provision to reflect the statutory amendment in section 40003 of Pub. L. No. 119-21 One Big Beautiful Bill Act (OB3).

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The following sections of this preamble discuss a summary of the proposal and comments received, the technical foundation for NHTSA's analysis, the regulatory alternatives considered in this final rule, the estimated effects of the regulatory alternatives, the basis for NHTSA's conclusion that the final standards are maximum feasible, and NHTSA's approach to compliance and enforcement. The extensive record for this action consists of this final rule, a Final TSD, a Final Regulatory Impact Analysis (FRIA), and a Final Supplemental Environmental Impact Statement (Final SEIS), along with extensive analytical documentation, supporting references, and many other resources. Most of these resources are available on NHTSA's website, and other references not available on NHTSA's website can be found in the rulemaking docket, the docket number of which is listed at the beginning of this preamble.[26]

B. Overview of the Final Rule

1. Summary of the NPRM

In the NPRM, NHTSA proposed to amend the CAFE standards for passenger cars and light trucks for MYs 2022–2026 and MYs 2027–2031. NHTSA explained that it was proposing these amended standards to fulfill its statutory obligation to set CAFE standards at the maximum feasible level, and to do so in a manner that provides for a substantial recalibration of the program to comply with statutory constraints. This included explicitly excluding the fuel economy of alternative fuel and dual-fueled vehicles, such as battery-powered EVs and the electric operation of PHEVs, and compliance credits from the standard-setting analysis. The proposal was also consistent with E.O. 14148 and E.O. 14154, and the Secretarial memorandum titled ''Fixing the CAFE Program.''

[26] NHTSA, Corporate Average Fuel Economy, available at: *https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy* (accessed: May 28, 2026).

NHTSA indicated that the agency did not incorporate EPA's non-criteria emissions standards into its proposal, as the EPA had then recently proposed to rescind its Endangerment Finding and all resulting greenhouse gas (GHG) emissions standards for light-, medium-, and heavy-duty vehicles and engines. NHTSA also explained that it was removing the consideration of California's Zero Emission Vehicle (ZEV) mandates and manufacturers' voluntary commitments to California from its standard-setting analysis. NHTSA concluded that its prior consideration of these programs and commitments in the analysis for the 2022 and 2024 final rules was inconsistent with the statute because the analysis considered alternative fueled vehicles and distorted the resulting CAFE standards for the model years regulated in those rules.

Based on the agency's updated analysis excluding those factors prohibited from consideration under subsection 32902(h) and considering the most up-to-date data available, NHTSA proposed fuel economy standards that increased from newly proposed MY 2022 standards at a rate of 0.5 percent per year through MY 2026, followed by a rate of 0.35 percent for passenger cars and 0.7 percent for light trucks in MY 2027, and 0.25 percent per year through MY 2031. In Section V of the NPRM, NHTSA outlined its legal justification for tentatively concluding that the proposed standards were maximum feasible, emphasizing its obligation to balance four statutory factors under EPCA: technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy. The agency determined that prior CAFE standards established in 2020, 2022, and 2024 were set above the maximum feasible level because they considered factors prohibited by 49 U.S.C. 32902(h). To rectify this, NHTSA proposed to use EPCA's process to amend standards for previous model years not yet administratively closed to bring the CAFE program back into better alignment with statutory restrictions in a manner that does not penalize manufacturers for failing to meet standards established based upon the agency's prior analysis.[27]

When re-evaluating the four statutory factors with EPCA's statutory constraints in mind, NHTSA outlined that considering the factor of technological feasibility does not require the agency to set technology-forcing standards. This is particularly true when the factor of economic practicability cautions against establishing such standards. For economic practicability, the agency focused on consumer acceptance and affordability, and the financial capabilities of the industry to advance the fuel efficiency of gasoline- and diesel-powered vehicles. NHTSA also considered the safety implications of the CAFE program.

NHTSA is also required to weigh the effect of other motor vehicle standards of the Government that affect fuel economy. In so doing, NHTSA determined it could consider only standards of the Federal Government, explicitly excluding California's Advanced Clean Car Rule—which purports to establish separate State-law tailpipe carbon dioxide (CO_2) emissions standards and a ZEV mandate—from its analysis. NHTSA has always considered these programs as related to fuel economy,[28] and even modeled their impact in previous CAFE rulemakings.[29] But since EPCA specifically prohibits consideration of alternative fuel vehicle (AFV) technologies when establishing fuel economy standards, and expressly preempts any State laws related to fuel economy standards, NHTSA proposed to exclude consideration of these elements in its proposal. Finally, when assessing the need of the United States to conserve energy, NHTSA tentatively concluded that the dramatic change in exposure to petroleum supply shocks enabled by the recently established abundance of domestic energy resources since the shale oil revolution reduces the weight of this factor. The United States is now the world's largest petroleum producer by a large margin, and is now a net energy exporter; these are circumstances completely unimagined when EPCA was enacted in the 1970s—or even when amended by EISA in 2007. Consequently, while the factor is afforded significant consideration, NHTSA asserted that the need to conserve energy now warranted less stringent standards that increased at smaller, steady, and incremental rates.

Ultimately, NHTSA tentatively concluded that the previous rules distorted the marketplace by leveraging the CAFE program to push automakers to produce EVs faster than market demand would support. The agency stated that this forced transition undermined national security by increasing America's strategic dependence on foreign countries for critical EV battery materials, degraded highway safety by making new vehicles unaffordable and thereby slowing the fleet transition to newer and safer vehicles, and exacerbated the vulnerabilities of America's electricity grid. By eliminating the consideration of these factors, NHTSA tentatively concluded that the proposed reset represented the maximum feasible levels for the gasoline- and diesel-powered fleets.

NHTSA also proposed a substantial reclassification of the light-duty fleet to distinguish passenger cars more appropriately from light trucks, elimination of the inter-manufacturer credit trading program, and removal of AC/OC FCIVs from the standard-setting analysis. The agency justified its vehicle reclassification proposal by discussing the ways past standards incentivized manufacturers to alter vehicle attributes to classify passenger-oriented vehicles as light trucks to obtain the advantages of lower fuel economy standards. Specifically, NHTSA observed that manufacturers classified vehicles as light trucks designed for off-road purposes through existing ground clearance criteria while simultaneously retaining low, aerodynamic approach angles that severely limited real-world off-highway capability. To address this distortion, NHTSA proposed transitioning from technology-based specifications of non-passenger automobiles to performance-based criteria. This proposed change included eliminating axle clearance, a now defunct characteristic defined by a specific suspension technology, as a defining characteristic for high ground clearance and requiring vehicles to meet all four of the remaining clearance characteristics. NHTSA also proposed removing the non-passenger classification criterion for vehicles with three or more rows of seating, stating that this feature primarily indicated a passenger-carrying purpose rather than cargo transport. To ensure that vehicles used for transporting property will be classified correctly without relying on passenger-based design elements, NHTSA proposed adding a new performance-based light-duty work factor (LDWF) metric.

[27] Administratively closed refers to model years for which the Secretary of Transportation has provided notification pursuant to 49 U.S.C. 32903(b)(2)(B), specifying the penalty due for the average fuel economy of that manufacturer being less than the applicable standard prescribed under sec. 32902 of that title.

[28] *See, e.g.,* 85 FR 24174, at 24257 (Apr. 30, 2020) (''. . . the ZEV mandate is expressly and impliedly preempted by EPCA . . . .''

[29] 87 FR 25710 (May 2, 2022); 89 FR 52540 (June 24, 2024).

The agency also noted that the combination of inappropriately stringent standards and the credit trading system has increasingly incentivized ICE vehicle manufacturers to purchase credits from EV manufacturers to meet requirements, effectively subsidizing EV production without any increase in the fuel efficiency of the internal combustion fleet. Accordingly, NHTSA proposed to remove the credit trading program starting in MY 2028. By eliminating credit trading, the agency intended to encourage manufacturers to make steady, real-world fuel economy improvements across their own fleets of gasoline- and diesel-fueled vehicles. Finally, NHTSA proposed to eliminate AC/OC FCIVs from the standard-setting analysis, tentatively determining that the current FCIVs based on MY 2008 vehicle assessments, are no longer representative of real-world fuel savings and have created market distortions by incentivizing technologies that failed to provide commensurate fuel economy benefits.

NHTSA sought comment on a range of alternatives, including a No-Action Alternative and three action alternatives for each time period covered by this rulemaking (MYs 2022–2026 and MYs 2027–2031). NHTSA also sought comment on all aspects of the proposal, including the accompanying Draft SEIS and the Paperwork Reduction Act information collections. The agency requested feedback on several foundational legal and compliance assumptions, including whether Congress granted authority under EPCA to consider environmental effects when setting standards, whether an EIS is required under NEPA for standard setting in light of recent case law, and the assumption that manufacturers will make maximum practicable efforts to comply despite the newly enacted $0 CAFE civil penalty rate. Further, NHTSA requested comment on its proposals to end credit trading by MY 2028, the impact of the $0 penalty on credit values, and the agency's determination that FCIVs for AC/OC technologies no longer represent real-world fuel savings and should be removed.

The agency's requests for comments also focused on its economic and consumer behavior modeling. NHTSA sought comment on its updated 36-month payback assumption, sales elasticity estimate of −0.4 (and whether to apply separate short- and long-run elasticities), and the variables and methodology used in its scrappage module. NHTSA also asked whether it should remove the vehicle miles traveled (VMT) constraint across alternatives to account for mode shift, how best to account for the rebound effect, and whether it is accurate to assume drivers internalize 90 percent of the safety risk associated with rebound driving. In addition, NHTSA requested feedback on its estimation of opportunity costs, how best to incorporate vehicle affordability, alternative presentations of lifetime fuel savings that account for multiple vehicle owners, and an alternative cost-benefit analysis approach based upon using revealed consumer preference. The agency even requested feedback on whether manufacturers might simply install larger fuel tanks to limit increases in vehicle refueling frequency, and it requested data to quantify repair and maintenance costs.

Finally, NHTSA sought detailed technical feedback on its fleet data and emissions modeling, including its use of EPA's MOVES5 model for criteria emissions and brake and tire wear (BTW), as well as requests for better macroeconomic data sources or alternative approaches to its labor analysis. To support review of vehicle classification and standard-setting functions, the agency asked for input on its updated footprint curve shape analysis and whether there is a distinguishable overlap between 4WD and AWD technologies when determining off-highway classification. NHTSA also requested that stakeholders identify any missing data or errors in the MY 2024 analysis fleet dataset used as the starting point for the CAFE Model.

NHTSA estimated that the proposal would reduce the average upfront vehicle costs due to CAFE standards by approximately $900, cutting in half the increased cost consumers might expect to pay under the No-Action Alternative. NHTSA also estimated that the proposed standards would be net beneficial for society, projecting positive net benefits of $24.0 billion at a three percent discount rate and $22.2 billion at a seven percent discount rate, using a model year-based analysis.

The proposal was based upon an accompanying Preliminary Regulatory Impact Analysis (PRIA), a Draft Supplemental Environmental Impact Statement (Draft SEIS), a Draft Technical Support Document (Draft TSD), and other technical documentation, including documentation for the CAFE Model and Argonne's CAFE Autonomie modeling.

2. Public Participation Opportunities and Summary of Comments

The NPRM, with an accompanying Draft SEIS, was published on NHTSA's website on December 3, 2025, and in the **Federal Register** on December 5, 2025.[30] Publication in the **Federal Register** began a 45-day comment period allowing the public to submit comments regarding the NPRM and Draft SEIS on or before January 20, 2026. On January 14, 2026, NHTSA announced a 15-day extension to the comment period for the NPRM and Draft SEIS, ending the comment period on February 4, 2026.[31] A separate **Federal Register** notice was published on December 12, 2025, that announced a virtual public hearing taking place across multiple days starting on January 7, 2026.[32] Approximately 78 individuals and organizations signed up to participate in the hearing. The hearing started at 9:00 a.m. EDT on January 7, 2026 and ended at approximately 2:40 p.m., after hearing from the entire list of participants, and resulting in a 70-page transcript.[33] NHTSA also received many pages of comments from participants, in addition to the hearing transcript, all of which were submitted to the docket for the rule.

NHTSA received a total of 68,294 comments in the docket for the proposed rule (Docket No. NHTS–2025–0491) and 2,695 comments in the docket for the Draft SEIS (Docket No. NHTSA–2025–0490).

NHTSA received comments on the proposal from a diverse range of stakeholders, including vehicle manufacturers, automotive suppliers, trade associations, environmental and public health non-governmental organizations (NGOs), State and local governments, Members of Congress, and individual citizens. Commenters expressed divided views on the agency's proposed recalibration of the CAFE standards and other proposed compliance provisions.

Many vehicle manufacturers, States, energy companies, and energy industry trade associations supported the proposal. Commenters supporting the proposal, such as the U.S. Chamber of Commerce, the Alliance for Automotive Innovation (The Alliance), and the American Petroleum Institute (API), commented in support of NHTSA's realigning the CAFE program with EPCA's statutory limitations. These commenters agreed with NHTSA's decision to exclude the imputed fuel

[30] 90 FR 56438 (Dec. 5, 2025).

[31] 91 FR 1494 (Jan. 14, 2026).

[32] 90 FR 57726 (Dec. 12, 2025).

[33] Docket No. NHTSA–2025–0491–4805.

economy of EVs and the electric operation of PHEVs from the baseline and maximum feasibility determinations. Automakers, ranging from Volkswagen Group of America (Volkswagen) to Jaguar Land Rover (JLR) to Mazda North American Operations (Mazda), commented that the proposed reset would provide a stable and achievable regulatory framework that avoids forcing manufacturers to divert essential capital away from innovation toward meeting unrealistic requirements. Other supporters of the proposal, such as the National Automobile Dealers Association (NADA) and the Congressional Western Caucus, commented that the proposed stringency levels reflect current automotive market realities, and would help lower the upfront purchase price of new vehicles. Fuel industry groups noted the proposal properly re-incentivizes investments and innovation in advanced ICE technologies and compatible liquid fuels.

Conversely, many environmental NGOs, other States, and a group of Members of Congress commented in opposition to the proposal, arguing that EPCA mandates NHTSA to set standards at maximum feasible levels to achieve energy conservation, and that the proposed standards fail to do so. Several stakeholders, including the Southern Environmental Law Center, the American Council for an Energy-Efficient Economy (ACEEE), and Our Children's Trust (OCT), noted that the proposed MY 2031 standard of 34.5 mpg is lower than the 35.4-mpg average achieved by the light-duty fleet in MY 2024. These commenters asserted that NHTSA's exclusion of EVs and PHEVs in its baseline analysis relies on an incomplete and artificially low status quo, resulting in standards that are significantly weaker than what automakers are capable of producing. Furthermore, a coalition of Attorneys General argued that the proposal's rationale is pretextual and improperly shaped by Executive Orders aimed at promoting fossil fuel use at the expense of zero-emission technologies.

Opponents also highlighted alleged economic and environmental harms associated with less stringent standards. The National Association of Clean Air Agencies (NACAA) and the U.S. Conference of Catholic Bishops (USCCB) noted that, although the proposal claims to reduce average upfront vehicle costs, these savings would be more than offset by increased long-term fuel expenditures, which disproportionately impact lower-income households. Environmental groups and individual citizens emphasized that the proposed standards would lead to increased emissions of so-called GHGs and criteria pollutants, exacerbating climate change and harming public health and national parks. In addition, opponents commented that reducing the stringency of CAFE standards would undermine American innovation, global competitiveness, and job growth in the advanced electric powertrain sector.

In other areas, commenters expressed views on the specific compliance and structural changes proposed. For example, one individual commenter supported the proposal to eliminate the inter-manufacturer credit trading program, agreeing that manufacturers should achieve compliance within their own fleets. SEMA, PMI, and Manufacturers of Emission Controls Association (MECA) voiced support for the agency's proposed modifications to vehicle classifications within the CAFE program. Other commenters raised concerns about the timing and effects of the proposed vehicle reclassification.

NHTSA appreciates the robust public participation and the extensive, detailed feedback provided by a diverse range of stakeholders regarding the proposed recalibration of the CAFE standards. After a comprehensive review of comments and underlying data associated with those comments, in addition to other information the agency updated for the analysis, NHTSA has carefully reconsidered the stringency of the proposed standards. The agency balanced the statutory factors specified by EPCA—with particular focus on the need of the United States to conserve energy and the economic practicability of the standards. Based on this thorough evaluation, the agency has determined that somewhat more stringent standards than originally proposed represent maximum feasible fuel economy levels, capturing additional energy savings while maintaining a sustainable compliance pathway for manufacturers. Accordingly, in this final rule, NHTSA is adopting the NPRM's proposed Alternative 3 standards as the final light-duty vehicle fuel economy standards for the model years in question, subject to certain adjustments.

In addition to adjusting the final mathematical standards, NHTSA evaluated feedback concerning the structural and compliance changes detailed in the proposal, such as the elimination of the inter-manufacturer credit trading program and the modifications to vehicle classification provisions. In response to substantive comments highlighting the need for adequate industry lead time and regulatory certainty to prevent market disruptions, the agency has modified its original timeline and deferred the implementation of the vehicle reclassification proposal to MY 2030. The agency has also made adjustments in the final standards to mitigate the unintended consequences of the transition to the reclassified fleets. In addition, the final rule provides that, while manufacturers will no longer be able to generate tradable credits starting with MY 2028, credits generated through MY 2027 will remain tradable and applicable for up to five model years as provided in existing regulations.

NHTSA received numerous other substantive comments concerning its technical analysis, baseline assumptions, legal interpretations, and economic modeling. Detailed responses to these issues, along with the agency's final legal and technical determinations, are integrated and discussed throughout the relevant sections of this final rule preamble and accompanying documentation.

3. Changes to the CAFE Model in Light of Public Comments and New Information

As with all prior CAFE rules, NHTSA appreciates all comments received on the NPRM, because they are critical for gathering additional information that can inform the agency about aspects or effects of the proposal that the agency may not have considered at the time the proposal was issued. Comments can identify potential necessary analytical corrections, or provide understanding of stakeholder positions. The views, data, requests, and suggestions contained in the comments helped NHTSA to make appropriate adjustments to the agency's proposals to ensure that the final standards are reasonable throughout the timeframe covered by the rulemaking. For this final rule, the agency made substantive changes and corrections based on the suggestions and recommendations from commenters, as well as new information obtained since the time the proposal was developed. These changes reflect DOT's long-standing commitment to ongoing refinement and improvement of its approach to estimating the potential impacts of new CAFE standards. Through further consideration and deliberation, and also in response to public comments received, NHTSA has made a number of changes to the CAFE Model since the 2025 NPRM, including those that are listed below and detailed in Section II, as well as in the Final TSD and FRIA that accompany this final rule.

Following the 2024 final rule, NHTSA made several updates to the CAFE

Model specifically for the proposed rule. Within the Market Data Input File, the agency updated its analysis fleet from MY 2022–2024, incorporated vehicle reclassification functionality, and included advanced truck credits for MY 2024, though the agency noted these credits sunset after that single year. To align with its recalibrated standard-setting approach, NHTSA updated the Model's algorithms and settings to remove statutorily prohibited inputs, to allow toggling between constrained and unconstrained analyses, to enable vehicle reclassification modeling, and to exclude PHEV electricity usage when those vehicles are operating in gasoline-only mode. The Scenarios Input File was also modified to phase out AC/OC FCIVs, to adjust the phase-out timeframe for 45X, 30D, and 45W tax credits, and to set civil penalties to zero. In addition, the agency updated numerous economic assumptions: it shifted the base dollar year from 2021 to 2024, implemented a bracketed costing approach for five levels of mass reduction, set the social cost of carbon to zero, and updated the rebound elasticity, payback period, and value of travel time. Default MOVES5 assumptions were used for emissions rates, and numerous other updates were made based on the 2025 AEO.

For the final rule analysis, NHTSA implemented further refinements based on public comments, newly identified issues, and minor errors. The Market Data Input File was revised to address stakeholder feedback and to reflect a change in the implementation year for vehicle reclassification. The Scenarios Input File was updated to incorporate changes stemming from the petroleum equivalency factor (PEF) interim final rule and to adjust the 45X battery tax credit implementation through 2032. Furthermore, economic and emissions parameters were refreshed using the 2026 AEO, GREET 2025 emissions rates, and updated MOVES5 inputs.

NHTSA also made several structural modifications to the CAFE Model software itself for the final rule. These included expanding emissions reporting to distinguish between domestic and global quantities, refining battery tax credit calculations to utilize per-vehicle battery capacity based on Argonne simulation data, and adjusting the calculation of forgone consumer sales surplus so as properly to include vehicle and battery tax credits while fixing a minor calculation error. In addition, the agency improved its insurance cost calculations by transitioning from a sales-weighting method to weighting based on the surviving fleet at each vehicle age. NHTSA also made various adjustments to enable additional sensitivity case analyses, which are discussed in FRIA Chapter 9. Ultimately, these extensive updates reflect NHTSA's longstanding commitment to continually improving how it estimates the potential impacts of new CAFE standards, with further details provided throughout this preamble and associated technical documents.

4. Final Standards—Stringency

NHTSA is setting CAFE standards for passenger automobiles and non-passenger automobiles manufactured for sale in the United States in MYs 2022–2026 and MYs 2027–2031. Passenger automobiles are generally sedans, station wagons, and some crossovers and sport utility vehicles (CUVs and SUVs), and non-passenger automobiles are generally 4WD SUVs designed for offroad use, pickups, and passenger/cargo vans.[34] NHTSA is setting fuel economy standards for passenger automobiles that increase from the newly finalized MY 2022 standards at a rate of 0.90 percent per year through MY 2029 followed by one percent per year through MY 2031, with MY 2030 stringency acting as a bridge between the vehicle classification updates. For non-passenger automobiles, NHTSA is setting fuel economy standards that increase from the newly finalized MY 2022 standards at a rate of 0.51 percent per year through MY 2029 followed by one percent per year through MY 2031, with MY 2030 stringency acting as a bridge between vehicle classification updates.[35] The final standards, like the proposed standards, are defined by a mathematical equation that relates vehicle footprint to fuel economy targets for both passenger cars and light trucks.[36]

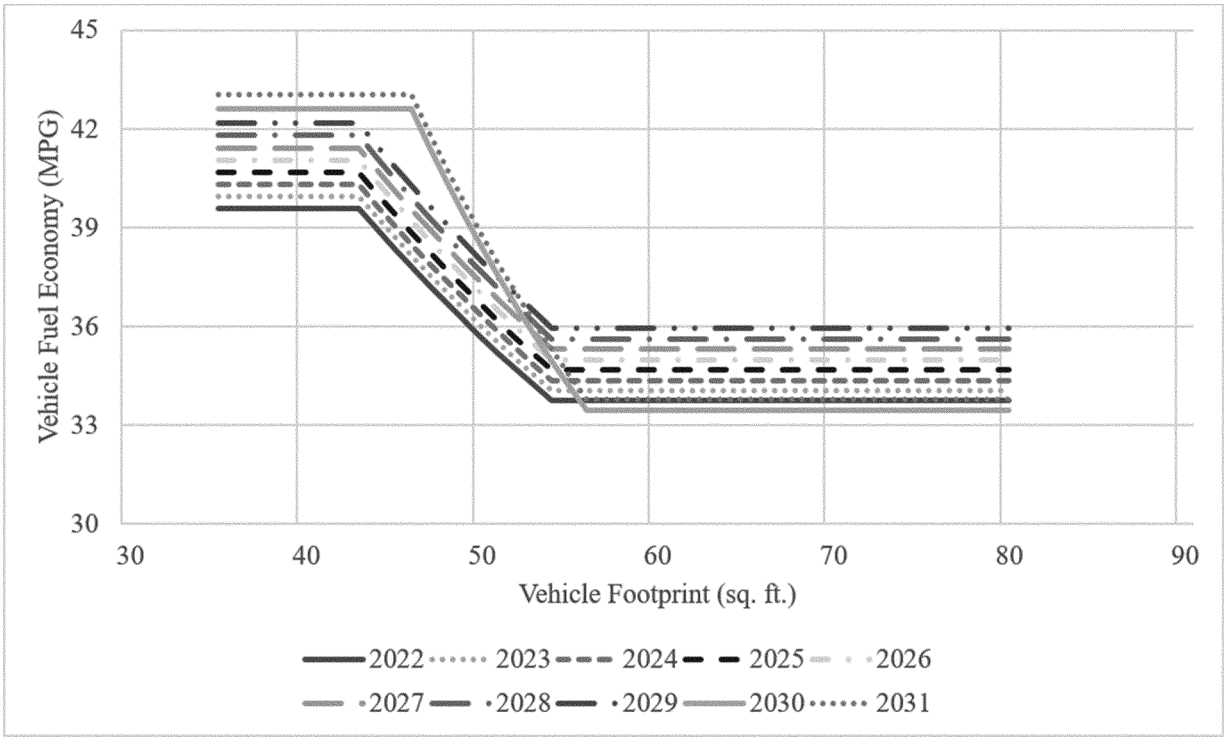
Graphical representations of the target curves for passenger cars and light trucks for MY 2022–2031 are presented in Figure I–1 and Figure I–2 below. NHTSA underscores that the equations and coefficients defining the curves are, in fact, the CAFE standards, and not the mpg numbers that the agency currently estimates could result from manufacturers' complying with the standards. To give context for what the passenger automobile footprint curve is showing in Figure I–1, for MY 2022 the smallest passenger automobile footprint is 43 sq. ft., and the target fuel economy is 39.6 mpg. For MY 2031 the smallest footprint vehicle is 46 sq. ft. and has a target of 43.05 mpg.

[34] ''Passenger automobile'' and ''non-passenger automobile'' are defined at 49 CFR part 523.

[35] For a detailed discussion of the transition to new footprint-based standards curves as a result of vehicle reclassification please see Section III.A.

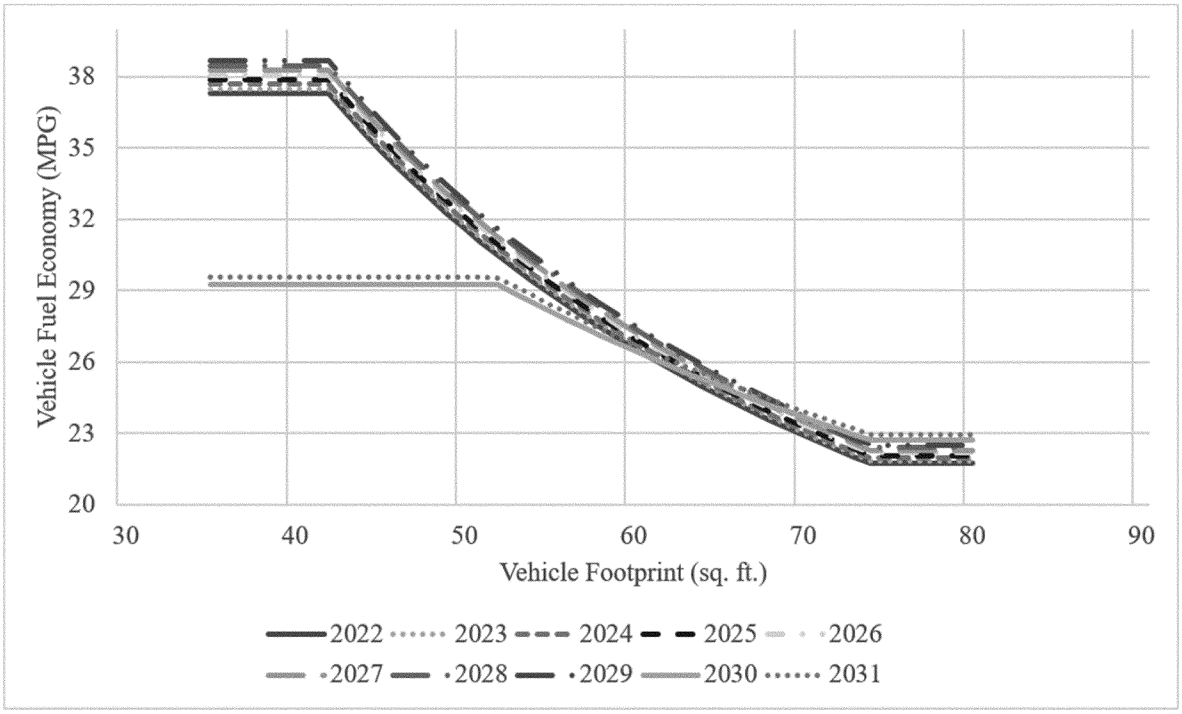
[36] Vehicle footprint is roughly measured as the rectangle that is made by the four points where the vehicle's tires touch the ground. Generally, passenger cars have more stringent targets than light trucks regardless of footprint, and smaller vehicles will have more stringent targets than larger vehicles. No individual vehicle or vehicle model need meet its target exactly, but a manufacturer's compliance is determined by how its average fleet fuel economy compares to the average fuel economy of the targets of the vehicles it manufactures.

Figure I-1: Final Passenger Automobile Standards, Target Curves



For the non-passenger automobile footprint curve shown in Figure I–2, the largest footprint is 74 sq. ft., and the target fuel economy would be 21.7 mpg for MY 2022. And in MY 2031, for the same largest footprint, the target is 23.0 mpg. The smallest footprint non-passenger automobile targets would be 37.3 mpg at 42 sq. ft., and 29.5 mpg at 52 sq. ft., for MYs 2022 and MY 2031 respectively.

Figure I-2: Final Non-Passenger Automobile Standards, Target Curves



NHTSA has also amended the minimum domestic passenger car standard (MDPCS) for MY 2022–2031. Section 32902(b)(4) of 49 U.S.C. requires NHTSA to project the MDPCS when it promulgates passenger car standards for a model year, as a result the MDPCSs are established as specific mpg values. NHTSA used a direct estimate for MY 2022–2026 and estimated from analysis values for MYs 2027–2031. NHTSA retained the proposed 0.7-percent offset to the MDPCS values estimated from the analysis for MYs 2027–2031 to account for recent projection errors as part of estimating the total passenger car fleet fuel economy. The final MDPCS values for MYs 2022–2031 are presented above in Table I–3.

5. Final Standards—Impacts

As with past rulemakings, NHTSA has used the CAFE Model to estimate the effects of the final CAFE standards and other regulatory alternatives under consideration. Some inputs to the CAFE Model are derived from other models, such as Argonne National Laboratory's (Argonne) ''Autonomie'' vehicle simulation tool and Argonne's ''GREET'' fuel-cycle emissions analysis model, the National Energy Modeling System (NEMS) of the U.S. Energy Information Administration's (EIA's), and EPA's Motor Vehicle Emission Simulator (MOVES) vehicle emissions model. Given the temporal scope of the NHTSA's analysis (through MY 2050, with driving of MY 2031 vehicles accounted for through CY 2070), these inputs are subject to a multitude of uncertainties including future population and economic growth, future gasoline and electricity prices, future petroleum market characteristics (*e.g.,* imports and exports), future manufacturer responses to standards and fuel prices, future buyer responses to changes in vehicle prices and fuel economy levels, and future emission rates for ''upstream'' processes (*e.g.,* fuel refining and finished fuel transportation). As a result, NHTSA underscores that all results of this analysis are subject to some degree of uncertainty but represent the agency's best estimates based on the information currently before the agency and on the agency's reasonable judgment.

NHTSA estimates that this final rule would increase the eventual average of manufacturers' CAFE requirements to about 34.9 mpg by MY 2031 rather than an average of about 49.3 mpg under the No-Action Alternative (*i.e.,* the standards issued in 2024). For passenger cars, the average in MY 2031 is estimated to reach 40.2 mpg, and for light trucks, 26.4 mpg. This compares with 65.8 mpg and 45.4 mpg for passenger cars and light trucks, respectively, under the No-Action Alternative. NHTSA notes that the significant downward shift in required fuel economy stringency beginning in MY 2030 is reflective of the fleet reclassification that moves lighter crossovers from the light truck fleet to the passenger car fleet—necessarily reducing the fuel economy performance of both fleets.

Table I-7: Estimated Average of Required CAFE Levels (mpg), Final Standards (Alt. 3)

Model Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Passenger Cars	37.4	37.5	38.1	38.5	38.9	39.2	39.6	39.9	39.8	40.2
Light Trucks	29.4	29.7	29.8	30.0	30.1	30.3	30.4	30.6	26.2	26.4
Overall Fleet	31.8	31.8	32.0	32.1	32.2	32.3	32.4	32.6	34.6	34.9

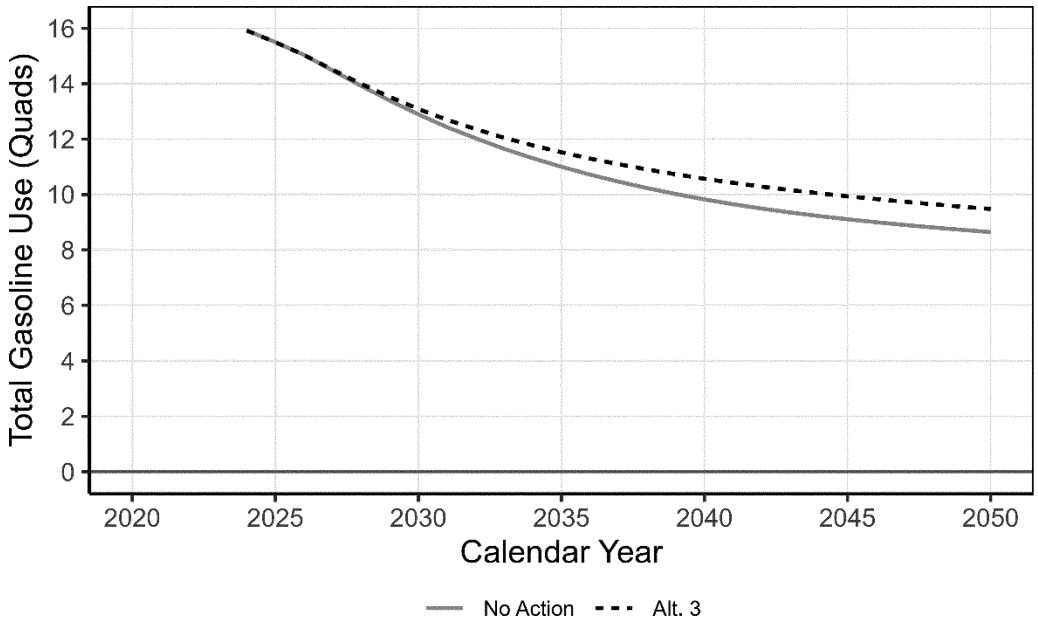
A key indicator of individual, or consumer, cost effects for the analysis is the per-vehicle regulatory cost. The regulatory cost represents the sum of vehicle costs caused by changes in vehicle technology and any fines incurred by manufacturers due to shortfalls in meeting the standards. Under current law there are no fines for manufacturer shortfalls, and therefore, only technology costs are incurred in this analysis. As summarized in Table I–8, NHTSA projects that under the final rule, technology costs, summed over the entire fleet, could decrease by $15.3 billion relative to the No-Action Alternative for MY 2031, assuming all manufacturers will attempt to meet standards with all practicable effort. If those savings are passed on to consumers, NHTSA estimates that per-vehicle costs for new vehicles would be reduced by $1,289 for MY 2031, on average, compared to the No-Action Alternative.

Table I-8: Estimated Regulatory Cost Savings Relative to No-Action Alternative, MY 2031

	Total Regulatory Cost Savings ($b)	Per-vehicle Regulatory Cost Savings ($)
Alternative 3 (Final)	15.3	1,289

Under all regulatory alternatives considered, including the Final Preferred Alternative, absolute fleetwide fuel consumption is projected to decline over time. While the Final Preferred Alternative is estimated to result in a 4.6-percent increase in gasoline consumption through CY 2050 when measured against the No-Action baseline, this relative difference does not negate the broader, macro-level reductions in aggregate fuel use. Rather, due to continuous technological improvements and the steady retirement of older, less efficient vehicles through fleet turnover, the long-term energy conservation trajectory of the light-duty fleet remains intact under the finalized standards. Figure I–3 shows the total change in gasoline energy use in comparison to the No-Action Alternative.[37]

Figure I-3: Projected Gasoline Energy Usage



NHTSA measures and reports benefits and costs from changes in fuel economy and efficiency standards from two different perspectives. First, the agency's ''model year'' perspective focuses on the benefits and costs of establishing alternative CAFE standards for MYs 2027–2031, and measures these over the lifetime of vehicles in each separate model year. The ''calendar year'' perspective includes the annual impacts attributable to all vehicles in the registered passenger car and light truck fleet estimated to be in service in each calendar year covered in the analysis. For this final rule, this calendar year perspective covers each of CYs 2024–2050. Compared to the model year perspective, the calendar year perspective includes model years of vehicles produced after those model years for which standards are being finalized, under the assumption that the MY 2031 standards remain in place for MY 2032 and beyond. The strengths and limitations of each accounting perspective are discussed in detail in FRIA Chapter 5.

With benefits and costs discounted at three percent and estimates attributable to vehicles produced during and prior to MY 2031 over the course of their lives, NHTSA estimates that monetized reduction of costs and benefits would be approximately $137.5 billion and $95.8 billion, respectively, relative to the No-Action baseline. This results in an estimated present value of aggregate monetized net benefits to society of approximately $41.8 billion. With benefits and costs discounted at seven percent, NHTSA estimates approximately a reduction of approximately $96.9 billion in monetized costs and $60.5 billion in monetized benefits, such that the present value of aggregate net monetized benefits to society would be approximately $36.3 billion.

Table I-9: Incremental Monetized Benefits and Costs Over the Lifetimes of the LD Fleet Produced Through 2031 (2024$ Billions), for the Final Standards

	Totals		Annualized	
	3% DR	7% DR	3% DR	7% DR
Total Incremental Social Costs	-137.5	-96.9	-5.5	-7.1
Total Incremental Social Benefits	-95.8	-60.5	-3.8	-4.4
Total Incremental Net Social Benefits	41.8	36.3	1.7	2.7

With benefits and costs discounted at three percent and calculated for the full on-road light-duty fleet over CYs 2024–2050, NHTSA estimates that the monetized reduction of costs and benefits would be approximately $502.7 billion and $343.5 billion, respectively, such that the present value of aggregate monetized net benefits to society would be approximately $159.2 billion. With benefits and costs discounted at seven percent, NHTSA estimates reductions of

[37] 1 Quad is equal to one quadrillion (10^{15}) British thermal units of energy.

$283.1 billion in monetized costs and $185.3 billion in monetized benefits, such that the present value of aggregate net monetized benefits to society could be approximately $97.8 billion.

Table I-10: Incremental Monetized Benefits and Costs for the LD Fleet CYs 2024-2050 (2024$ Billions), for the Final Standards

	Totals		Annualized	
	3% DR	7% DR	3% DR	7% DR
Total Incremental Social Costs	-502.7	-283.1	-27.4	-23.6
Total Incremental Social Benefits	-343.5	-185.3	-18.7	-15.5
Total Incremental Net Social Benefits	159.2	97.8	8.7	8.2

6. Final Standards Are Maximum Feasible

NHTSA's conclusion, after consideration of the factors described in this document and information in the administrative record for this action, is that that maximum feasible standards for passenger automobiles for MYs 2022–2031 are the newly finalized MY 2022 standards, increasing at a rate of 0.90 percent per year through MY 2029 followed by one percent per year through MY 2031, with the MY 2030's adjusted stringency acting as a bridge between the vehicle classification updates. Maximum feasible standards for non-passenger automobiles are an increase from the newly finalized MY 2022 standards at a rate of 0.51 percent per year through MY 2029 followed by one percent per year through MY 2031, again with the adjusted MY 2030 stringency acting as a bridge between vehicle classification updates.[38]

DOT is committed to improving the affordability of light-duty vehicles while maintaining a reasonable level of fuel economy, removing market distortions caused by overly aggressive prior standards and program elements, such as FCIVs, and inappropriate classification criteria, and resetting the CAFE program in compliance with the statute. NHTSA has concluded that, in light of present and forecast economic, technological, and energy circumstances, the Alternative 3 proposed in the NPRM, subject to certain adjustments described below, will best achieve the standards which are technologically feasible, are economically practicable, accurately consider the effect of other motor vehicle standards of the Government on fuel economy, and appropriately address the need of the United States to conserve energy, as mandated by Congress.

II. Technical Foundation for the Final Rule Analysis

A. Why is NHTSA conducting this analysis?

When NHTSA promulgates new regulations or amends its existing regulations, it generally presents an analysis that estimates the impacts of those regulations, including the impacts of other regulatory alternatives it considered during the rulemaking. These analyses derive from statutes such as the APA [39] and the NEPA,[40] from Executive Orders (such as E.O. 12866),[41] and from other administrative guidance (*e.g.,* Office of Management and Budget (OMB) Circular A–4).[42] NHTSA's authorizing statute for fuel economy regulations, the Energy Policy and Conservation Act of 1975 (EPCA), as amended, contains several requirements governing the scope and nature of fuel economy standard setting.[43] Among these, some have been in place since EPCA was first signed into law in 1975, some were added in the Alternative Motor Fuels Act of 1988 (AMFA) [44] and in the Energy Policy Act of 1992,[45] and others were added in 2007 when Congress passed EISA.[46] Most recently, the One Big Beautiful Bill Act (OB3) amended EPCA's civil penalty provisions.[47]

These statutes contain a variety of requirements for which NHTSA seeks to account in its analysis. NHTSA captures all of these requirements by presenting an analysis that spans a meaningful range of regulatory alternatives; that quantifies a range of technological, economic, and environmental impacts; and that does so in a manner that accounts for various express statutory requirements for the CAFE program (*e.g.,* passenger cars and light trucks must be regulated separately; and the standard for each fleet must be set at the maximum feasible level in each model year). NHTSA's standards are thus supported, though not dictated, by extensive analysis of potential impacts of the regulatory alternatives under consideration. Together with this preamble, a Final TSD, a FRIA, and a Final SEIS provide a detailed enumeration of related analysis methods, estimates, assumptions, and results. These additional analyses can be found in the rulemaking docket for this final rule and on NHTSA's website.[48] [49]

This section provides further detail on the key features and components of NHTSA's standard-setting (also known as ''constrained'') analysis. NHTSA's standard-setting analysis reflects statutory limitations on what NHTSA

[38] For a detailed discussion of the transition to new footprint-based standards curves as a result of vehicle reclassification, please see Section III.A.

[39] Codified in 5 U.S.C. 551–559.

[40] Codified in 42 U.S.C. 4321–4347.

[41] E.O. 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735 (Oct. 4, 1993), available at: *https://www.archives.gov/files/federal-register/executive-orders/pdf/12866.pdf* (accessed: Jul. 20, 2026) (hereinafter, ''E.O. 12866'').

[42] Office of Management and Budget, Circular A–4 (Sept. 17, 2003), available at: *https://www.whitehouse.gov/wp-content/uploads/2025/08/CircularA-4.pdf* (accessed: June 3, 2026) (hereinafter, ''Circular A–4'').

[43] Public Law 94–163, 89 Stat. 871 (Dec. 22, 1975).

[44] Public Law 100–494, 102 Stat. 2441 (Oct. 14, 1988)

[45] Public Law 102–486, 106 Stat. 2776 (Oct. 24, 1992).

[46] Public Law 110–140, 121 Stat. 1492 (Dec. 19, 2007).

[47] Public Law 119–21, 139 Stat. 72 (July 4, 2025).

[48] Docket No. NHTSA–2025–0491; Docket No. NHTSA–2025–0490.

[49] See NHTSA, Corporate Average Fuel Economy, available at: *https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy* (accessed: May 28, 2026).

can consider when determining maximum feasible CAFE standards. In determining maximum feasible fuel economy levels, ''the Secretary of Transportation—(1) may not consider the fuel economy of dedicated automobiles; (2) shall consider dual-fueled automobiles to be operated only on gasoline or diesel fuel; and (3) may not consider, when prescribing a fuel economy standard, the trading, transferring, or availability of credits.'' [50] NHTSA also conducts an ''unconstrained'' CAFE Model analysis to evaluate, as required by NEPA, the reasonably foreseeable environmental effects of its proposed action and a reasonable range of alternatives that meet the purpose and need for the proposed action.[51] The technical assumptions for EIS simulations are discussed in the Final SEIS Appendix D.

This section also describes how NHTSA's analysis has been constructed specifically to reflect other governing law applicable to CAFE standards, reviews how NHTSA's analysis has been updated to adhere to relevant statutory provisions, and describes additional technical work recently conducted by the agency. The analysis for this final rule aids NHTSA in implementing its statutory obligations, including the weighing of various considerations, by informing decision-makers about the estimated effects of different regulatory alternatives.

1. What are the key components of NHTSA's analysis?

NHTSA's analysis makes use of a range of data (*i.e.,* observations of things that have occurred), estimates (*i.e.,* things that are unknown or may occur in the future), and models (*i.e.,* methods for making estimates). Two examples of *data* include (1) records of actual odometer readings used to estimate annual mileage accumulation at different vehicle ages and (2) CAFE compliance data used as the foundation for the ''reference fleet'' containing, among other things, production volumes and fuel economy levels of specific configurations of specific vehicle models produced for sale in the United States. Two examples of *estimates* include (1) forecasts of future gross domestic product (GDP) growth used, with other estimates, to forecast future vehicle sales volumes and (2) technology cost estimates, which include estimates of the technologies' ''direct cost,'' marked up by a ''retail price equivalent'' factor, to estimate the ultimate cost to consumers of a given fuel-saving technology, and an estimate of ''cost learning effects'' (*i.e.,* the tendency that it will cost a manufacturer less to apply a technology as the manufacturer gains more experience doing so).

In coordination with the DOT Volpe National Transportation Systems Center (Volpe or the Volpe Center), NHTSA uses the CAFE Compliance and Effects Modeling System (CAFE Model or the Model) to simulate and analyze manufacturers' potential responses to new CAFE standards and to estimate various impacts of those responses. NHTSA has used the CAFE Model to perform analyses supporting every CAFE rulemaking since 2001. Working together, NHTSA and Volpe ensure that the CAFE Model's operation reflects the statutory directives discussed in more detail in the remainder of this section.

The CAFE Model first estimates how vehicle manufacturers might respond to a given regulatory scenario; from that potential compliance solution, the system estimates what impact that response will have on fuel consumption, emissions, safety impacts, and economic externalities. The following section summarizes information necessary to understand the analysis, while Final TSD Chapter 2 and the CAFE Model Documentation present additional details on the Model's operation.

The CAFE Model may be characterized as an integrated system of models that estimate the impact of various policy options. For example, one model estimates manufacturers' responses, another estimates resultant changes in total vehicle sales, and still another estimates resultant changes in fleet turnover (*i.e.,* scrappage). More importantly, the modeling system does not determine the form or stringency of the standards, which must be developed in consideration of statutory factors that must be balanced by policy-makers. Instead, the CAFE Model applies inputs specifying the form and stringency of standards to be analyzed and produces outputs showing the impacts of manufacturers working to meet those standards, which become part of the basis for comparing different potential stringencies. A regulatory scenario, meanwhile, involves specification of the form, or shape, of the standards (*e.g.,* flat standards, or linear or logistic attribute-based standards), scope of passenger car and light truck regulatory classes, and stringency of the standards for each model year to be analyzed. For example, a regulatory scenario may define standards for a particular class of vehicles that increase in stringency by a given percent per year for a given number of consecutive years.

Manufacturer compliance simulation and the ensuing effects estimation, collectively referred to as compliance modeling, encompass numerous subsidiary elements. Compliance simulation begins with a detailed user-provided initial forecast of the vehicle models offered for sale during the simulation period.[52] The compliance simulation then attempts to bring each manufacturer into compliance with the standards defined by the regulatory scenario contained within an input file developed by the user.

Estimating impacts involves calculating resulting changes in new vehicle costs, estimating a variety of costs (*e.g.,* for fuel expenditures or reduced or increased technology costs) and effects (*e.g.,* gallons of fuel used by the fleet) occurring as vehicles are driven over their lifetimes before eventually being scrapped, and estimating the monetary value of these effects. Estimating impacts also involves consideration of consumer responses (*e.g.,* the impact of vehicle fuel economy, operating costs, and vehicle price on consumer demand for light-duty vehicles). Both basic analytical elements involve the application of many inputs. Many of these inputs are developed outside of the Model and not by the Model. For example, the Model applies fuel price projections from DOE's EIA; it does not estimate fuel prices.

NHTSA also uses EPA's Motor Vehicle Emission Simulator (MOVES) model to estimate ''vehicle'' or ''downstream'' emission factors for criteria pollutants [53] and uses four DOE and DOE-sponsored models to develop inputs to the CAFE Model, including three developed and maintained by DOE's Argonne National Laboratory (Argonne). The agency uses the NEMS from EIA to estimate fuel prices [54] and uses Argonne's Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) Model to

[50] 49 U.S.C. 32902(h).

[51] 42 U.S.C. 4332.

[52] Because the CAFE Model is publicly available, anyone can develop their own initial forecast (or other inputs) for the Model to use. The DOT-developed Market Data Input File that contains the forecast for this final rule is available on NHTSA's website at *https://www.nhtsa.gov/corporate-average-fuel-economy/cafe-compliance-and-effects-modeling-system* (accessed: May 25, 2026).

[53] See *https://www.epa.gov/moves.* This final rule uses version MOVES5 (the latest version at the time of analysis), which is available at *https://www.epa.gov/moves/latest-version-motor-vehicle-emission-simulator-moves* (accessed: July 28, 2026).

[54] See *https://www.eia.gov/outlooks/aeo/.* This final rule uses fuel prices estimated using the Annual Energy Outlook (AEO) (2026) version of NEMS. See *https://www.eia.gov/outlooks/aeo/tables_ref.php* (accessed: May 20, 2026).

estimate emissions rates from fuel production and distribution processes.[55] DOT also sponsors Argonne to run its Autonomie full-vehicle modeling and simulation system to estimate the fuel economy impacts for over a million combinations of technologies and vehicle types.[56] The Final TSD and FRIA describe details of the agency's use of these models. In addition, as discussed in the Final SEIS accompanying this final rule, NHTSA relied on a range of models to estimate various environmental impacts.

To prepare for the analysis supporting this final rule, DOT continued to refine and expand the capabilities of the CAFE Model. As examples, and as discussed in more detail below, the reference fleet uses mid-MY 2024 compliance data (the most recent available high-quality data at the time of the analysis) and includes the capability (in addition to capabilities integrated into the modeling system) to account for changes to regulatory vehicle classification definitions. The analysis also employs separate input files for the modeling runs that NHTSA uses for its standard-setting analysis (*i.e.,* the constrained analysis), which excludes the 49 U.S.C. 32902(h) factors that NHTSA cannot consider, and the modeling runs that NHTSA uses for its analysis of impacts under NEPA (*i.e.,* the unconstrained analysis), which does not exclude the 49 U.S.C. 32902(h) factors, and those input files have been updated accordingly. Common to both analyses are routine updates to dollar year values (*e.g.,* 2021$ to 2024$) and routine updates to gas price projections. Some other updates, like updates to manufacturer credit banks, are confined to the unconstrained analysis only and are discussed further in the Final SEIS Appendix D. The values of many inputs remain uncertain, and NHTSA has conducted sensitivity analyses around selected inputs to attempt to capture some of that uncertainty. These changes reflect the agency's long-standing commitment to ongoing refinement of its approach to estimating the potential impacts of new CAFE standards. These and other updated analytical inputs are outlined in Section II below and discussed in detail in the Final TSD and FRIA.

2. How do statutory requirements shape NHTSA's analysis?

Multiple requirements govern the scope and nature of CAFE standard setting; the specific requirements regarding the technical characteristics of CAFE standards and the analysis thereof include, but are not limited to, the following:

Corporate Average Standards: 49 U.S.C. 32902 requires that standards apply to the average fuel economy levels achieved by each manufacturer's fleet of vehicles produced for sale in the United States. The CAFE Model calculates the CAFE fuel economy of each manufacturer's fleet based on estimated production volumes and characteristics, including fuel economy levels, of distinct vehicle models that could be produced for sale in the United States.

Separate Standards for Passenger and Non-Passenger Automobiles: 49 U.S.C. 32902 requires DOT to set separate CAFE standards for passenger automobiles and non-passenger automobiles. The CAFE Model accounts for passenger and non-passenger automobiles separately, including differentiated standards and compliance.

Attribute-Based Standards: 49 U.S.C. 32902 requires DOT to define CAFE standards (separately for passenger and non-passenger automobiles) as mathematical functions expressed in terms of one or more attributes related to fuel economy. This means that, for a given manufacturer's fleet of vehicles produced for sale in the United States in a given regulatory class and model year, the applicable minimum CAFE requirement (*i.e.,* the numerical value of the requirement) is computed based on the applicable mathematical function as well as the mix and attributes of vehicles in the manufacturer's fleet. The CAFE Model accounts for such functions and vehicle attributes explicitly.

Separately Defined Standards for Each Model Year: 49 U.S.C. 32902 requires DOT to set CAFE standards (separately for passenger and non-passenger automobiles) at the maximum feasible levels in each model year. The CAFE Model represents each model year explicitly and accounts for the production relationships between model years. For example, a new engine first applied to a given vehicle model/configuration in MY 2030 will most likely be retained in MY 2031; that same vehicle model reflects the fact that manufacturers do not apply brand-new engines to a given vehicle model every year.

Separate Compliance for Domestic and Imported Passenger Car Fleets: 49 U.S.C. 32904 requires the U.S. EPA to determine CAFE compliance for each manufacturer's fleet of domestic passenger cars and imported passenger cars separately. A passenger car is domestic or import based on the definitions provided in 49 U.S.C. 32904. The CAFE Model accounts explicitly for this requirement when simulating manufacturers' potential responses to CAFE standards.

Minimum CAFE Standards for Domestic Passenger Car Fleets: 49 U.S.C. 32902 requires that domestic passenger car fleets also meet a minimum CAFE standard, which is calculated as 92 percent of the average fuel economy projected by the Secretary for the combined domestic and non-domestic passenger automobile fleets manufactured for sale in the United States by all manufacturers in the model year. This projection is published at the time the standard is promulgated. The CAFE Model accounts explicitly for this requirement.

Statutory Basis for Stringency: 49 U.S.C. 32902 requires DOT to set CAFE standards for passenger and non-passenger automobiles at the maximum feasible levels, determined by considering technological feasibility, economic practicability, the need of the U.S. to conserve energy, and the impact of other motor vehicle standards of the Federal Government on fuel economy. The analysis and balancing of these factors necessarily change in light of current and projected economic and market conditions. Accordingly, NHTSA has continued to expand and refine its qualitative and quantitative analysis to account for these statutory factors considering such conditions. For example, the simulations of technology effectiveness reflect the agency's judgment that it would not be economically practicable, appropriate, or cost effective for a manufacturer to ''split'' an engine shared among many vehicle models/configurations into myriad versions each optimized to a single vehicle model/configuration.

Civil Penalties for Noncompliance: 49 U.S.C. 32912 (and implementing regulations) prescribe a rate (in dollars per tenth of a mile per gallon) at which the Secretary is to levy civil penalties if a manufacturer fails to comply with a

[55] Information regarding GREET is available at *https://greet.anl.gov/* (accessed: May 22, 2025). This final rule uses the R&D GREET (2023) version.

[56] As part of the Argonne simulation effort, individual technology combinations simulated in Autonomie were paired with Argonne's BatPaC model to estimate the battery cost associated with each technology combination based on characteristics of the simulated vehicle and its level of electrification. Information regarding Argonne's BatPaC model is available at *https://www.anl.gov/cse/electrochemical-chemical-TEA.* In addition, the impact of engine technologies on fuel consumption, torque, and other metrics was characterized using GT–POWER simulation modeling in combination with other engine modeling that was conducted by IAV Automotive Engineering, Inc. (IAV). The engine characterization ''maps'' resulting from this analysis were used as inputs for the Autonomie full-vehicle simulation modeling. Information regarding GT–POWER is available at *https://www.gtisoft.com/gt-power/.*

CAFE standard for a given fleet in a given model year. When civil penalties are applicable, the CAFE Model will calculate civil penalties for CAFE shortfalls. Statutory civil penalties were set to $0 by OB3, Public Law 119–21 (July 4, 2025), so NHTSA did not use the CAFE Model to calculate civil penalties for the NPRM or this final rule.

Dual-Fueled and Dedicated Alternative Fuel Vehicles: For purposes of calculating CAFE levels used to determine passenger and non-passenger automobile fleet compliance, 49 U.S.C. 32905 and 32906 specify methods for calculating the fuel economy levels of vehicles operating on alternative fuels to gasoline or diesel fuels. The CAFE Model can account for these requirements explicitly for each relevant vehicle model. However, 49 U.S.C. 32902 also prohibits consideration of the fuel economy of dedicated AFV models (or the non-gasoline or non-diesel calculated fuel economy of dual-fueled AFVs) when NHTSA determines what levels of passenger and non-passenger automobile CAFE standards are maximum feasible. The CAFE Model is therefore run in a manner that excludes dedicated AFV technologies and limits the consideration of a dual-fueled AFV's fuel economy to their gasoline or diesel operation only. NHTSA operates the Model with this limitation when performing the analysis that is used to inform the setting of standards. The CAFE Model can also be run without this analytical constraint, and the agency does so in the NEPA analysis, as described below.

Creation and Use of Compliance Credits: 49 U.S.C. 32903 provides that manufacturers may earn CAFE ''credits'' by achieving a CAFE level beyond that required of a given fleet in a given model year and specifies how these credits may be used to offset the amount by which a different fleet falls short of its corresponding requirement. These provisions allow credits to be ''carried forward'' a maximum of five model years and ''carried back'' a maximum of three model years, transferred between regulated classes, and traded between manufacturers. However, credit use is also subject to specific limits: the statute caps the amount of credits that can be transferred between a manufacturer's fleets and prohibits manufacturers from applying traded or transferred credits to offset a failure to achieve the minimum standard for domestic passenger automobiles. The CAFE Model has the capability to simulate manufacturers' potential use of credits carried forward from prior model years or transferred from other fleets;[57] however, this capability is not used in the standard-setting analysis because 49 U.S.C. 32902 prohibits consideration of manufacturers' potential application of CAFE compliance credits when setting maximum feasible CAFE standards for passenger and non-passenger automobiles.

National Environmental Policy Act (NEPA): The Final SEIS accompanying this final rule documents changes in fuel use and emissions as estimated using the CAFE Model and also documents corresponding estimates—based on the application of other models documented in the Final SEIS—of environmental impacts of the regulatory alternatives under consideration.

3. What updated capabilities and assumptions does the current Model reflect as compared to the version used in the analysis of the 2024 final rule?

DOT has continued its ongoing effort to refine and expand the capabilities of the CAFE Model for use in analyzing regulatory alternatives as considered in the NPRM and in this final rule. Any analysis of regulatory actions that will be implemented several years in the future, and whose benefits and costs accrue over decades, requires many assumptions. Over such time horizons, many, perhaps even most, of the relevant assumptions in such an analysis are inevitably uncertain. To help address this, NHTSA updates the assumptions used in each successive CAFE analysis to reflect the current state of the world more accurately and to apply the best current estimates of future conditions. Accordingly, since the 2024 final rule, DOT made the following changes to the CAFE Model and its inputs for the NPRM:

- Updated the Market Data Input File to reflect the change in analysis fleet from MY 2022 to MY 2024;
- Updated algorithms and settings to remove statutorily prohibited inputs from the standard-setting analysis and to select between different types of analyses (*i.e.,* constrained and unconstrained);
- Updated the base dollar year from 2021$ to 2024$;
- Updated the capability to exclude PHEV electricity usage when PHEV fuel economy operation is in gasoline-only mode for standard setting;
- Updated the modeling capability to allow for vehicle reclassification;
- Updated the Market Data Input File to include vehicle reclassification;
- Updated the Model to use a bracketed costing approach to determine prices for the five levels of mass reduction;
- Updated the Scenarios Input File to phase out AC and OC fuel consumption improvement values (FCIVs);
- Updated the Market Data Input File to include advanced truck credits for MY 2024 vehicles, noting that those credits sunset after MY 2024 and are therefore only applicable to that 1 year;
- Updated the Parameters Input File to set the social cost of carbon at zero;
- Updated the Parameters Input File for changes in other economic variables;
- Updated the Scenarios Input File with an adjusted 45X, 30D, and 45W tax credit phase-out timeframe;
- Updated the Scenarios Input File to set civil penalties to zero;
- Updated selected economic assumptions:
  - Rebound elasticity;
  - Payback period;
  - Value of travel time per vehicle; and
  - Numerous other updates based on the 2025 AEO.
- Updated emission rates based on default MOVES5 assumptions.

NHTSA has made further updates for the final rule analysis in response to comments received on the proposal, minor errors and omissions identified, and new information. These changes include:

- Updating the Market Data Input File based on comments received and other identified issues:
  - Refresh and redesign years updated based on OEM announcements;[58]
  - U.S. dealership labor hours updated based on new data;

[57] Note that the CAFE Model does not simulate the potential for manufacturers to carry CAFE credits back (*i.e.,* borrow) from future model years or acquire and use CAFE compliance credits from other manufacturers. NHTSA believes that there is significant uncertainty in how manufacturers may choose to use these particular flexibilities in the future: for example, though it is reasonably foreseeable that a manufacturer who over-complies in 1 year may ''coast'' through several subsequent years relying on that prior improvement rather than continuing to make technology improvements year after year, it is harder to assume with confidence that manufacturers will rely on future technology investments to offset prior-year shortfalls, or whether and how manufacturers will trade credits with market competitors rather than make their own technology investments.

[58] NHTSA reviewed manufacturers' announcements regarding nameplate refresh and redesign for MYs 2025 and 2026. If the actual refresh or redesign misaligned with what was in the Market Data Input File for the NPRM, NHTSA updated the Market Data Input File to reflect the actual refresh or redesign year of the nameplate. The specific updates for nameplate refresh and redesign years can be found in Docket No. NHTSA–2025–0491 titled, ''2026_FRM_Refresh_Redesign_Update.xlsx.''

○ MR5 SKIP applied for light trucks; [59]

○ Vehicle platforms realigned to segregate EV variants; [60]

○ E85 fuel shares shifted to gasoline; and

○ Miscellaneous data entry anomalies addressed.

• Updating the Market Data Input File based on the changes to the vehicle reclassification implementation year.

• Updating the Scenarios Input File based on the changes to the PEF interim final rule.[61]

• Updating the Scenarios Input File with an adjustment to the 45X battery tax credit implementation through 2032.

• Updating economic and emissions assumptions in the Parameters Input File:

○ Numerous updates based on the 2026 AEO; and

○ Updating selected emission rates based on GREET 2025 and updated input assumptions to MOVES5.

• Modifying the CAFE Model to expand capabilities and implement minor corrections:

○ Update emissions calculations to report domestic quantities in addition to global quantities;

○ Adjust calculations of forgone consumer sales surplus to include vehicle and battery tax credits and correct a minor error in calculation;

○ Refine battery tax credit calculations to use per-vehicle battery capacity based on Argonne simulation data;

○ Improve insurance cost calculation by transitioning from sales-weighting to weights based on the surviving fleet at each age; and

○ Various adjustments to allow for additional sensitivity case analysis, as discussed in FRIA Chapter 9.

These and other updated analytical inputs are discussed in the remainder of this section and in detail in the Final TSD.

B. What is NHTSA analyzing?

NHTSA is analyzing the effects of different potential CAFE standards on industry, consumers, and society at large. These different potential standards are described as ''regulatory alternatives,'' and, among the regulatory alternatives, NHTSA selects one set of final standards (*i.e.,* one set consists of a standard for passenger cars and a standard for light trucks). EPCA, as amended by EISA, expressly requires that CAFE standards for passenger cars and light trucks be based on one or more vehicle attributes related to fuel economy and be expressed in the form of a mathematical function.[62] Thus, the standards (and the regulatory alternatives) for passenger cars and light trucks take the form of fuel economy targets expressed as functions of vehicle footprint (the product of vehicle wheelbase and average track width) that are separate for passenger cars and light trucks.

Under the footprint-based standards, the function defines a fuel economy performance target for each unique footprint combination within a car or truck model type. Using the functions, each manufacturer thus will have an average fuel economy standard for each year that is unique to each of its regulatory fleets (*i.e.,* passenger automobiles and non-passenger automobiles, consistent with 49 U.S.C. 32902(b)), based on the footprint and production volumes of the vehicle models produced by that manufacturer. The functions are negatively sloped, so that vehicles with larger footprints will generally be subject to lower mpg targets than vehicles with smaller footprints. This is because vehicles with smaller footprints are typically more capable of achieving higher levels of fuel economy, because they tend not to require as much energy to propel the mass necessary to perform their driving task. The standards with which a manufacturer must comply are determined by its final model year production figures. A manufacturer's calculation of its fleet average standards, as well as its fleets' average performance at the end of the model year, will thus be based on the production-weighted average target and performance of each model in its fleet.[63]

For passenger cars, consistent with prior rulemakings, NHTSA proposed to define fuel economy targets as shown in Equation II–1.

Equation II–1: Passenger Car Fuel Economy Footprint Target Curve

$$\boldsymbol{TARGET_{FE} = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}}$$

Where:

$TARGET_{FE}$ is the fuel economy target (in mpg) applicable to a specific vehicle model type with a unique footprint combination,

a is a minimum fuel economy target (in mpg),

b is a maximum fuel economy target (in mpg),

c is the slope (in gallons per mile (or gpm) per square foot) of a line relating fuel consumption (the inverse of fuel economy) to footprint, and

d is an intercept (in gpm) of the same line.

Here, *MIN* and *MAX* are functions that take the minimum and maximum values, respectively, of the set of included values. For example, *MIN*[40, 35] = 35 and *MAX*(40, 25) = 40, such that *MIN*[*MAX*(40, 25), 35] = 35.

For light trucks, also consistent with prior rulemakings, NHTSA proposed to define fuel economy targets as shown in Equation II–2.

Equation II–2: Light Truck Fuel Economy Footprint Target Curve

$$TARGET_{FE} = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}$$

[59] See Final TSD Chapter 3.4.3 for discussion on the MR5 SKIP.

[60] To ensure EVs were excluded from the analysis, EV platforms were realigned to not share a powertrain with an ICE, SHEV, or PHEV variant. If a vehicle platform included both ICE and EV powertrains, the EV variant(s) were assigned its own platform.

[61] 91 FR 7810 (Feb. 19, 2026).

[62] 49 U.S.C. 32902(a)(3)(A).

[63] As discussed in prior rulemakings, a manufacturer may have some vehicle models that exceed their target and some that are below their target. Compliance with a fleet average standard is determined by comparing the fleet average standard (based on the production-weighted average of the target levels for each model) with fleet average performance (based on the production-weighted average of the performance of each model). This is inherent in the statutory structure of CAFE, which requires NHTSA to set *corporate average* standards.

Where:

$TARGET_{FE}$ is the fuel economy target (in mpg) applicable to a specific vehicle model type with a unique footprint combination, and

a, b, c, and *d* are as for passenger cars, but take values specific to light trucks.

Though the general model of the target function equation is the same for passenger cars and light trucks, and the same for each model year, the parameters of the function equation differ for cars and trucks.

The parameters defining the general curve shapes have remained the same since the 2012 final rule. NHTSA periodically reconsiders whether to update the mathematical functions but in each prior instance had concluded that the existing curves continued to represent the relationship between footprint and fuel economy reasonably. Consistent with the agency's past practice of reviewing the mathematical functions prior to each rulemaking, NHTSA re-examined the curve shapes for the proposal and then subsequently again for this final rule.

For the proposal, NHTSA performed descriptive statistical analyses using manufacturer-reported data for the MY 2022 and MY 2024 fleets. NHTSA used the MY 2022 fleet for analysis of curve shapes relevant to the MY 2022–2027 standards and used the MY 2024 ''reclassified'' fleet for analysis of curve shapes relevant to the MY 2028–2031 standards. NHTSA used these separate fleets because the proposed updates to NHTSA's vehicle classification regulations proposed to begin in MY 2028 had material impacts on the relationship between fuel economy and footprint for each regulatory class, as expressed by the standards-defining functions.

To estimate the relationship between fuel economy and footprint and to maintain general consistency with analyses of past rules (and the conformance to statutory prohibitions), the agency excluded all diesel engine vehicles and all plug-in EVs, which include plug-in hybrid electric vehicles, battery electric vehicles (BEV), and fuel cell electric vehicles (FCEV), and applied weighting and other adjustments to the fuel consumption and footprint data. Table II–1 summarizes the methodological approaches that NHTSA considered for reassessing the footprint curves.

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Table II-1: Summary of Methodological Approaches Considered for Assessing Footprint Curves

Category	Type	Description	Key Considerations
Regression types	Ordinary Least-Squares (OLS)	Regression solution that minimizes squared errors	Describes the average relationship between footprint and fuel economy; outliers receive additional weight.
	Minimum Absolute Deviation (MAD)	Regression solution that minimizes absolute errors	Describes the median relationship between footprint and fuel economy; does not give outliers as much weight as OLS.
Datapoint weighting	Production weights	Data weighted by production volumes of each vehicle model	High production, mass-market vehicles have a greater influence on the footprint curve form than vehicles with lower production levels.
	Model weights	Each vehicle model receives equal weighting	Estimates treat all vehicle model lines equally and therefore measures footprint curves based on vehicle model offerings (*i.e.*, ignores the effect of sales volume).
Vehicle technology levels	Existing technology	Analysis dataset contains information on current observed technology in the baseline fleet	Represents the existing market, including demand factors; retains existing heterogeneity in technology application across the fleet.
	Simulated maximum technology[64]	Analysis dataset derived from simulation modeling that assumes maximum allowable technology, with multiple candidates for technology limits.	Represents the "engineering" relationship between fuel consumption and footprint by limiting heterogeneity in current technology application across the fleet (*i.e.*, this represents the technology frontier for the current fleet).
Controls	Curb weight (CW) to footprint	Removes variation in fuel consumption caused by above/below average CW-to-footprint.	Limits noise in the observed relationship between fuel consumption and footprint that is introduced by manufacturers optimizing other attributes (*e.g.*, increased acceleration); accounts for some of the variation by body style.
	Horsepower (HP) to CW	Removes variation in fuel consumption caused by above/below average HP-to-CW.	
	Both	Removes variation in fuel consumption caused by above/below average CW-to-footprint and HP-to-CW.	

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NHTSA stated its belief in the proposal that the ordinary least-squares (OLS) regression framework continued to be an appropriate method for estimating the relationship of footprint to fuel economy. While the agency relied on the minimum absolute deviation (MAD) regression framework in the 2010 final rule to address the effects of ''outlier'' vehicles in the fleet, the agency addressed outlier vehicles in

this reconsideration through technology-based exclusions (*i.e.,* by excluding diesels, PHEVs, BEVs, and FCEVs, as mentioned above) and data normalization through the application of controls, including curb weight (CW) to footprint, horsepower (HP) to CW, and both together, depending on the regulatory fleet under consideration, as it has in each of its CAFE rulemakings since 2012.

The curves presented in the proposal also reflected updated fleet data to reset the ''cutpoints,'' or the places at the lowermost and uppermost bounds of vehicle footprint distributions where the standards remain flat (*i.e.,* the mpg target does not continue to increase as footprint decreases, and vice versa). Since the 2012 final rule, the cutpoints had remained unchanged in subsequent proposed and final revisions to the standards until the proposed rule—passenger car cutpoints were set at 41 square feet (lower) and 56 square feet (upper), and light truck cutpoints were set at 41 square feet (lower) and 74 square feet (upper). NHTSA proposed to set the passenger car lower cutpoint at 45 square feet and an upper cutpoint at 57 square feet and also proposed to set the light truck lower cutpoint at 52 square feet and an upper cutpoint at 70 square feet for light trucks, after reviewing up-to-date fleet data.

NHTSA also discussed in the proposal how the agency considers a variety of technical and policy issues when determining the footprint curve shape in any CAFE rulemaking. For example, standards that decrease with increasing footprint could create incentives for manufacturers to upsize vehicles, since small changes in vehicle footprint would result in a significant change in the vehicle's fuel economy target; conversely, gradually increasing standards could create a significant amount of additional technology burden for larger vehicles to meet fuel economy targets like those of smaller vehicles. That said, NHTSA performed an analysis for the 2024 final rule showing that vehicle footprints, within vehicle types, have been stable on a sales-weighted basis since MY 2012.[65] The biggest increase to within-type footprints was for the sedan/wagon category, which increased by 3.4 percent (or about 2 square feet) from 2012 (for reference, a 1.5-square foot increase would equate to about a 2-inch increase in the track width of a MY 2022 Toyota Corolla). NHTSA concluded that the disconnect between vehicle class-level characteristics and what was being perceived at the fleet level (*i.e.,* vehicles seemingly getting larger) was traceable to the increase in the share of fleet vehicles classified as light trucks relative to the share of passenger cars. Available data indicate that the use of footprint as an attribute did not appear to lead to manufacturers significantly altering the size of their vehicles within vehicle classes.

The footprint curve updates presented in the proposal were intended to ensure that the agency appropriately captures the footprint-to-fuel-economy relationship using the most current data. As NHTSA discussed in the Draft TSD, the observed relationship between footprint and fuel economy for both the passenger car and light truck fleets is on average ''flatter'' (*i.e.,* on average, the fuel economy did not vary as much across footprint levels) than the MY 2008 fleet used to create the footprint curves for the past several rules. While the technical concerns and policy trade-offs associated with the curve shapes still hold to some extent, NHTSA concludes it is more likely, as shown from the agency's 2024 analysis and the updated discussion in Section VI, that any shift in vehicle attributes present in the market over time has not been due to the shapes of curves or the use of footprint as the relevant attribute.

NHTSA sought comments on this conclusion, as well as the updated footprint curve shape analysis.

Hyundai Motor North America (Hyundai) commented in support of the continued use of footprint as the attribute for the development of attribute-based standards to ensure certainty and continuity in the design of CAFE standards.[66] JLR criticized the design of standards due to the relative lack of separation between the passenger car and light truck curves in the mid-50s ft^2 range.[67] In contrast, the International Council on Clean Transportation (ICCT) argued that maintaining two separate curves for passenger cars and light trucks leaves open an incentive for manufacturers to redesign vehicles to be in a regulatory class subject to less stringent standards.[68]

NHTSA is continuing to set separate standards for passenger cars and light trucks. As discussed in more detail in Section V, based on the plain language of EPCA, as amended, NHTSA consistently has interpreted the statutory requirement to set separate standards for passenger and non-passenger automobiles as preventing NHTSA from setting a single combined CAFE standard. NHTSA believes that the reclassification of the passenger car and light truck fleets (discussed in more detail in Section VI) will provide a better structure to address the incentives issue raised by ICCT. With the reclassification, the distinction between passenger cars and light trucks will be sharpened, as vehicles will be classified as light trucks based on their offroad and cargo-hauling capabilities, characteristics that involve a footprint-to-fuel-consumption profile that differs more significantly from that of passenger cars. In combination with the setting of fuel economy standards that are realistic and achievable for a wider range of passenger car models, this reclassification will minimize, if not eliminate, any regulation-induced incentive manufacturers may have to modify or add features to vehicles so that they can be classified as light trucks to get the benefit of less stringent CAFE requirements.

As explained further below, in this final rule, NHTSA has decided to push back implementation of the reclassification until MY 2030, instead of MY 2028 as initially proposed, and has also decided to make adjustments in the methodology for transitioning the standards from MY 2029 to MY 2030 in a manner that will limit the immediate regulatory impact of the reclassification, in particular for vehicles that are unlikely to change their classification. These adjustments will help to separate the fuel economy curves of the two classes along the lines advocated by JLR in its comments, while still allowing the curves to be closer in the footprint ranges where passenger cars and light trucks are most similar in design.

The Institute for Policy Integrity at the New York University School of Law (IPI) criticized several features of NHTSA's estimation strategy, including the assumption of a linear relationship between footprint and fuel consumption levels and the agency's choice of control variables.[69] IPI also supported the use of production weighting to limit the influence of statistical outliers in the curve estimation, while ICCT argued that using production weights tends to

[65] NHTSA, Technical Support Document: Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond, NHTSA: Washington, DC, pp. 1–20 (2024), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/2024-06/CAFE-2027-2031-HDPUV-2030-2035_Final-Technical-Support-Document.pdf* (accessed: July 28, 2026).

[66] Hyundai, Docket No. NHTSA–2025–0491–4972–A1, at 2.

[67] JLR, Docket No. NHTSA–2025–0491–5196–A1, at 2–3.

[68] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 13.

[69] IPI, Docket No. NHTSA–2025–0491–6015–A1, at 85.

increase the slope of the footprint curve after vehicles are reclassified. ICCT also argued that current technology deployment for larger vehicles and production volumes is not representative of the future state of the market, making production weighting less suitable for designing policy in future years.[70]

NHTSA agrees with IPI that the risk of outliers influencing the estimated relationship represents a significant source of potential bias in estimating the slope parameter and thus is continuing to use production weights. In response to ICCT's comment, NHTSA examined versions of the fleet with greater technology deployment on the upper end of the footprint curve and found that, after including control variables, the slope of the relationship was similar to that found in the observed data. While production volumes may change in future years as ICCT argues, so too may the models offered for sale by manufacturers. NHTSA will continue to monitor the market and determine whether it is suitable to update its estimated relationship in future rulemakings.

NHTSA disagrees with IPI's contention that estimating a linear relationship between levels of fuel consumption and footprint is inappropriate. NHTSA examined the residuals of its regressions and did not find a statistically significant relationship between footprint and the residuals when production weighting was used. Had a linear model been inappropriate as IPI contended, it is likely that a relationship between the explanatory variable and residuals would have been significant. NHTSA also investigated IPI's contention that using controls could cause instability in its model's results through collinearity of its explanatory variables. To do so, NHTSA examined the variance inflation factor (VIF)[71] for a linear model including footprint, horsepower to curb weight, and curb weight to footprint. The VIF measures how much the variance of an estimated regression coefficient is increased due to collinearity. Values above five indicate a cause for concern with collinearity, while a VIF of one indicates no correlation between a predictor and the other explanatory variables, and values between indicate some correlation but not enough to threaten stability. NHTSA found that for each of the datasets it used to set standards (MY 2022 and MY 2024 fleets for passenger cars and light trucks) the VIF was below two for each of the three explanatory variables. As a result, NHTSA is not changing its set of control variables.

The Alliance and Stellantis both criticized the proposed light truck upper cutpoint of 70 ft,^{2} arguing that there is a significant volume of production above this cutpoint that require design features to accommodate their higher towing and payload capacity.[72] These commenters argued that placing a cutpoint at 70 ft,^{2} a lower footprint level than the existing cutpoint, would unfairly penalize these vehicles and discourage their production. The Alliance also argued that the changes NHTSA proposed would require significant lead time in order to address vehicle design changes necessary to comply with the standards under the new classification system.[73]

After considering comments, NHTSA has pushed back the year in which it is changing its vehicle classification system from MY 2028 to MY 2030. NHTSA agrees with The Alliance that manufacturers should be given additional time to update production plans in advance of the change in classification. NHTSA used the MY 2022 fleet for analysis of curve shapes relevant to the MY 2022–2029 standards and used the MY 2024 ''reclassified'' fleet for analysis of curve shapes relevant to the MY 2030–2031 standards. NHTSA updated its MY 2024 reclassified fleet for the final rule to account for changes in its classification system after considering comments. This required NHTSA to re-estimate the coefficients used for the later period, and to re-evaluate its choice of cutpoints.

For cutpoint placement, NHTSA continued to examine regions of the footprint curve where the local relationship (LOESS)[74] between footprint and fuel consumption varied from the overall linear relationship. These regions represent areas in which the tradeoff between footprint and fuel consumption no longer remains stable and thus are suitable bounds for constraining the level of the standards. For the final rule, the agency examined footprint levels at which the linear relationship diverged from a 95 percent confidence surrounding the local fit. The agency has shifted passenger car cutpoints inward by 1 square foot each to 46 sq. ft. for the lower cutpoint and 56 sq. ft. for the upper cutpoint. The light truck lower cutpoint remains the same as proposed in the NPRM at 52 sq. ft.

Though the 70 sq. ft. upper cutpoint was determined using the 95 percent confidence interval, NHTSA is finalizing a 74 sq. ft. upper cutpoint for light trucks. The agency reviewed comments as well as the cutpoint placement justification in the 2012 final rule. As discussed by commenters, reducing the upper cutpoint to 70 sq. ft. would disproportionately affect targets for several large footprint light trucks that require greater power to provide workplace utility. In the agency's engineering judgment, retaining a 74 sq. ft. cutpoint better balances fuel economy needs with commercial use cases.[75]

The required CAFE level applicable to a passenger car (either domestic or import) or light truck fleet in a given model year is determined by calculating the production-weighted harmonic average[76] of fuel economy targets applicable to specific vehicle model configurations in the fleet, as shown in Equation II–3.

Equation II–3: Calculation for Required CAFE Level

$$CAFE_{required} = \frac{\sum_i PRODUCTION_i}{\sum_i \frac{PRODUCTION_i}{TARGET_{FE,i}}}$$

[70] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 13.

[71] Fox, J. and Monette, G., Generalized collinearity diagnostics, *Journal of the American Statistical Association,* Vol. 87(417): 178–83 (1992), *https://doi.org/10.1080/01621459.1992.10475190* (accessed: July 28, 2026).

[72] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 10; Stellantis, Docket No. NHTSA–2025–0491–5968–A2, at IV 1 to IV 3.

[73] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 2 and 6.

[74] LOESS stands for Locally Estimated Scatterplot Smoothing, a non-parametric statistical method.

[75] See preamble III.A for discussion of how standards were adjusted to account for vehicle reclassification.

[76] Specialized average that accounts for both the number of cars sold and their different fuel economy target rates

Where:

$CAFE_{required}$ is the CAFE level the fleet is required to achieve,

i refers to specific vehicle model configurations in the fleet,

$PRODUCTION_i$ is the number of model configuration *i* produced for sale in the United States, and

$TARGET_{FE,\ i}$ is the fuel economy target (as defined above) for model configuration *i.*

Additional details about the specific values defining the mathematical functions and visual representations of the fuel economy target curves are presented in Section III, below.

C. What inputs does the compliance analysis require?

The first step in the agency's analysis of the effects of different levels of fuel economy standards is the compliance simulation. As used throughout this rulemaking, ''compliance simulation'' means the simulation of how manufacturers could comply with different levels of CAFE standards by adding fuel economy-improving technology to an existing fleet of vehicles, using the CAFE Model. The CAFE Model uses a variety of data, including data provided by manufacturers, to simulate final fleet sales and performance.[77]

At the most basic level, a model is a set of equations, algorithms,[78] or other calculations used to make predictions about a complex system. A model may consider various inputs, such as technology costs or other relevant factors, and use those inputs to generate output predictions. NHTSA used two separate approaches for this rulemaking to amend the existing CAFE standards, one for the analysis for amending the MY 2022–2026 standards and one for the analysis for amending the standards for MYs 2027–2031. The sections below discuss the inputs each of those analyses used.

1. What inputs does the analysis require for 2022–2026?

For the MYs 2022–2026 analysis, NHTSA performed two exercises: first, the agency re-evaluated the statistical model used to determine the shape (*i.e.,* slope, intercept, and cutpoints) of the target functions for passenger cars and light trucks. Then, based on its preferred choice of shape, NHTSA evaluated the compliance position of manufacturers in MYs 2022–2024 under alternative stringencies and compared results to the manufacturers achieved average fuel economy in these years. For both exercises, NHTSA relies on compliance data from manufacturer mid-year compliance reports. For its curve fitting analysis, NHTSA uses vehicle model level data on vehicle attributes, including footprint, HP, CW, and 2-cycle fuel economy. NHTSA also uses mid-year estimates of model sales from manufacturer compliance data. NHTSA's curve fitting analysis is described in greater detail in Final TSD Chapter 1. For NHTSA's comparison of achieved fuel economy and finalized standards levels, the agency uses compliance data at the model level for vehicle footprint, 2-cycle fuel economy, and mid-year estimates of vehicle sales.

For MYs 2022–2024, NHTSA uses each standard to calculate vehicle model target function values for each vehicle model in the standard-setting fleet.[79] Consistent with past rulemakings, the agency uses piecewise linear functions of vehicle footprint, which map to a target value of fuel consumption rate in gallons per mile.[80] NHTSA determines a vehicle's target fuel economy level in mpg for a given set of standards and then takes the reciprocal of this value. NHTSA determines the CAFE standards for each manufacturer at the regulatory class level under each alternative by taking the sales-weighted harmonic mean of the relevant models produced by the manufacturer in each regulatory class in each model year. The agency repeats these calculations for each model year under consideration to determine a single value for each regulatory class in which the manufacturer produced vehicles.

NHTSA also computes the MDPCS for each model year by taking the sales-weighted harmonic mean of the model-level target function values for all vehicles in the passenger car fleet in that model year and multiplying the value by 92 percent.[81]

NHTSA determines each manufacturer's achieved fuel economy in mpg separately for each regulatory class using the sales-weighted average of the 2-cycle fuel economy values of all models produced by the manufacturer in the relevant regulatory class. NHTSA then compares this achieved value to the corresponding regulatory class standard for each manufacturer in each model year to determine whether the fleet of vehicles to which it corresponds would comply with each standard. To determine the total number of vehicles out of compliance, NHTSA determines compliance for each manufacturer's regulatory fleet in each model year under each finalized alternative. If a fleet is determined to be out of compliance, the agency sums the total number of vehicles sold in the non-compliant fleet.

As discussed in more detail in Section IV, NHTSA analyzes the difference between each manufacturer's fleet CAFE compliance value and the standard. NHTSA considered using the CAFE Model to simulate behavior for the MYs 2022–2026 compliance period to estimate how manufacturers and consumers could have responded to different CAFE standards. However, for MYs 2022–2026, production is closed or is in process at the time of this final rule's publishing. This type of analysis overestimates the ability of manufacturers to optimize in response to the finalized standards for these years and likely leads to different results from the actual outcomes. Thus, simulating a response and any monetized costs or benefits deriving from that response do not represent real economic effects from the final change in policy.

2. What inputs does the compliance analysis require for 2027–2031?

For the MYs 2027–2031 amendment analysis, NHTSA used the CAFE Model to simulate manufacturers' potential responses to new CAFE standards and to estimate the various impacts of those responses on manufacturers and society. The Model considers various inputs, such as technology effectiveness data, technology costs, and other relevant factors, and uses those inputs to generate output predictions.

NHTSA attempts to ensure that the technology inputs and assumptions that go into the CAFE Model are based on sound science and reliable data and that NHTSA's reasons for using those inputs and assumptions are transparent and understandable to stakeholders. This section and the following section discuss at a high level how the agency generates the technology inputs and assumptions that the CAFE Model uses for the compliance simulation.[82] The

[77] When NHTSA uses the phase ''the Model'' throughout this section, NHTSA is referring to the CAFE Model. Any other model is specifically named.

[78] See Merriam-Webster ''algorithm.'' Broadly, an algorithm is a step-by-step procedure for solving a problem or accomplishing some end. More specifically, an algorithm is a procedure for solving a mathematical problem (as of finding the greatest common divisor) in a finite number of steps that frequently involves repetition of an operation.

[79] Per 49 U.S.C. 32902(h), dedicated alternative fueled vehicles, such as EVs, are excluded from this analysis. For dual-fueled vehicles, the analysis uses a fuel economy value for the vehicles operating only on gasoline or diesel fuel. *Id.*

[80] See Chapter 1.2 of the Final TSD discussing footprint functions.

[81] 49 U.S.C. 32902(b)(4).

[82] As explained throughout this section, a NHTSA input is a specific number or datapoint used by the Model, and NHTSA's assumptions are based on

Continued

Final TSD, CAFE Model Documentation, CAFE Analysis Autonomie Documentation,[83] and other technical reports supporting this final rule discuss the agency's technology inputs and assumptions in more detail.

NHTSA incorporates technology inputs and assumptions either directly in the CAFE Model or in the CAFE Model's various input files. The compliance simulation algorithm is at the heart of the CAFE Model's approach on applying technologies to a manufacturer's vehicles to project how the manufacturer could meet CAFE standards. The compliance simulation algorithm consists of several equations that direct the Model to apply fuel economy-improving technologies to vehicles in a way that simulates how manufacturers might apply those technologies to their vehicles in the real world. The compliance simulation algorithm projects a cost-effective pathway for manufacturers to comply with different levels of CAFE standards, considering the technology present on manufacturers' vehicles now and what technology could be applied to their vehicles in the future. Embedded in the CAFE Model is the universe of technology options that the Model can consider and rules about the order in which it can consider those options, as well as estimates of how effective fuel economy-improving technology is on different types of vehicles (*e.g.,* sedan or pickup truck).

Technology inputs and assumptions are also located in all four of the CAFE Model Input Files. The Market Data Input File is a spreadsheet file that characterizes the fleet of vehicles used as the starting point for the CAFE Model. There is one row describing each vehicle model and model configuration manufactured for the United States market in a model year (or years) and input and assumption data that links those vehicles to technology and economic, environmental, and safety inputs and assumptions. The Technologies Input File identifies 69 technologies the agency uses in the analysis, along with information used to inform the compliance simulation and effects estimates, including phase-in caps to identify when and how widely each technology can be applied to specific types of vehicles, most of the technology costs (hybrid vehicle battery costs are provided in a separate file), and the fuel share percentage for PHEV to capture the charge sustaining operation. The Scenarios Input File provides the coefficient values defining the standards for each regulatory alternative [84] and other relevant information applicable to modeling each regulatory scenario.[85] Finally, the Parameters Input File contains mainly economic and environmental data.[86]

NHTSA generates these technology inputs and assumptions in several ways, including using data submitted by vehicle manufacturers pursuant to their CAFE reporting obligations; public data on vehicle models from manufacturer websites, press materials, marketing brochures, and other publicly available information; collaborative research, testing, and modeling with other Federal agencies, like Argonne; and research, testing, and modeling with independent organizations, like IAV GmbH Ingenieurgesellschaft Auto und Verkehr (IAV), Southwest Research Institute (SwRI), National Academy of Sciences (NAS), and FEV North America. NHTSA also considers the work done to develop inputs and assumptions for prior rules to the extent it is still relevant and applicable; feedback from stakeholders on prior rules and from meetings conducted before the commencement of this final rule; and NHTSA's own engineering judgment. NHTSA uses the term ''engineering judgment'' throughout this rulemaking to refer to decisions made by a team of NHTSA engineers and analysts. This judgment is based on their experience working in the automotive industry and other relevant fields and assessment of all the data sources described above. Most importantly, the agency uses engineering judgment to assess how best to represent vehicle manufacturers' potential responses to different levels of CAFE standards within the boundaries of the agency's modeling tools, as ''a model is meant to simplify reality in order to make it tractable.'' [87] In other words, NHTSA uses engineering judgment to concentrate potential technology inputs and assumptions from millions of discrete data points from hundreds of sources into four external input files and three datasets integrated into the CAFE Model. How the CAFE Model decides to apply technology (*i.e.,* the compliance simulation algorithm) has been developed using engineering judgment considering factors that manufacturers consider when they add technology to vehicles in the real world. The specific technology inputs and assumptions are discussed in more detail in the following sections and in the associated technical documentation.

a. Technology Options and Pathways

NHTSA begins the compliance analysis by defining the range of fuel economy-improving technologies that the CAFE Model could add to a manufacturer's vehicles in the U.S. market. These are technologies that the agency believes are representative of what vehicle manufacturers currently use on their vehicles, and that vehicle manufacturers could use on their vehicles in the timeframe for the finalized standards (MYs 2027–2031). The technology options include engines, transmissions, hybridization, and road load technologies, which include mass reduction, aerodynamic improvement (aerodynamic drag technology (AERO)), and tire rolling resistance (ROLL) reduction technologies.[88]

Adding a technology to the range of options that the CAFE Model can consider requires several data elements, including a broadly applicable technology definition, estimates of how effective that technology is at improving fuel economy on different vehicle types (*e.g.,* sedan or pickup truck), and the cost to apply that technology to each. Each technology the agency selects is designed to be representative of a wide range of specific technology applications used in the automotive industry. Some manufacturers' systems may perform better or worse than NHTSA's modeled systems, and some

judgment after careful consideration of available evidence. An assumption can be an underlying reason for the *use* of a specific datapoint, function, or modeling process. For example, an input might be the fuel economy value of the Ford Mustang, whereas the assumption is that the Ford Mustang's fuel economy value reported in Ford's CAFE compliance data should be used in NHTSA's modeling.

[83] The Argonne report is titled ''Vehicle Simulation Process to Support the Analysis for MY 2027 and Beyond CAFE and MY 2030 and Beyond HDPUV FE Standards.'' However, for ease of use and consistency with the Final TSD it is referred to as ''CAFE Analysis Autonomie Documentation.''

[84] The coefficient values are defined in RIA Chapter 3 for the CAFE standard.

[85] This file also includes information about the amount of fuel consumption improvement values a manufacturer currently generates for compliance purposes under EPA's regulations and information on EPA's regulatory limits on generating FCIVs for each model year in the analysis. For this analysis the FCIVs will go to 0 in MY 2028 for the regulatory alternatives, as discussed in preamble Section II.D.8.

[86] See CAFE Model Documentation for a detailed discussion of what inputs are held in each of the input data files.

[87] *Chem. Mfrs. Ass'n* v. *EPA,* 28 F.3d 1259, 1264–65 (D.C. Cir. 1994) (citing Milton Friedman, in Friedman, M., The Methodology of Positive Economics, in Essays in Positive Economics 3, University of Chicago Press: Chicago, IL, pp. 14–15 (1953), available at: *https://www.wiwiss.fu-berlin.de/fachbereich/bwl/pruefungs-steuerlehre/loeffler/Lehre/bachelor/investition/Friedman_the_methology_of_positive_economics.pdf* (accessed: May 28, 2026)).

[88] Final TSD Chapter 3 contains discussion on the technology tree and technologies available.

may cost more or less than NHTSA's modeled systems. However, selecting representative technology definitions for the agency's analysis ensures the agency captures a reasonable level of costs and benefits that would result from any manufacturer applying the technology.

NHTSA has been refining the technology options it considers since first developing the CAFE Model in 2002. In this context, ''refining'' means both adding and removing technology options depending on current technology availability and projected future availability in the U.S. market, while balancing a reasonable amount of modeling and analytical complexity. In recent years, the agency has refined internal combustion engine (ICE) technology options, particularly the TURBO and high compression ratio (HCR) pathways, to reflect better the diversity of engines in the current fleet. The agency includes several hybrid technologies to represent appropriately the diversity of current and anticipated future technology options while ensuring NHTSA's analysis remains consistent with statutory limitations prohibiting the consideration of EVs in establishing standards and considering only the gas or diesel operation of dual-fueled automobiles.

The technology options do not include technologies NHTSA has determined will not be available in the rulemaking timeframe. As with past analyses, the agency does not include technologies unlikely to be feasible in the rulemaking timeframe, engine technologies designed for markets other than the United States market or required to use unique gasoline,[89] or technologies for which appropriate data are not available for the range of vehicles that the agency models in the analysis (*i.e.,* technologies that are still in the research and development phase and not ready for mass-market production). Each technology section below and Chapter 3 of the Final TSD discuss these modeling decisions in detail.

The CAFE Model does not dictate or predict the technologies manufacturers must use to comply; rather, the CAFE Model outlines a technology pathway that manufacturers could use to meet the standards in a cost-effective way. While NHTSA estimates the costs and benefits for different levels of CAFE standards based on a simulation of the technology manufacturers could apply in the rulemaking timeframe, it is entirely possible and reasonable that manufacturers may use different technology options to meet the agency's standards in the real world and may even use technologies that NHTSA does not include in the analysis. This is because NHTSA's standards do not mandate the application of any technology. Rather, NHTSA's standards are performance-based: manufacturers can and do use a range of compliance solutions that include technology application and encouraging sales shifts from one vehicle model or trim level to another.[90] The agency has determined that the 69 technology options included in the analysis strike a reasonable balance between representing the diversity of technology used by the entire industry and simplifying reality to make modeling workable.[91]

Chapter 3 of the Final TSD and Section II.D below describe the technologies that NHTSA uses for the analysis. Each technology has a name that loosely corresponds to its real-world technology equivalent. NHTSA abbreviates the name to a short signifier for the CAFE Model to read. The agency organizes those technologies into groups based on technology type: basic and advanced engines, transmissions, hybridization, and road load technologies, which include mass reduction, aerodynamic improvement, and low rolling resistance tire technologies.

NHTSA then organizes the groups into pathways. The pathways instruct the CAFE Model how and in what order to apply technology. In other words, the pathways define mutually exclusive technologies (*i.e.,* those that cannot be applied at the same time) and define the direction in which vehicles can advance as the Model evaluates which technologies to apply. The respective technology chapters in the Final TSD and Section 4 of the CAFE Model Documentation include a visual of each technology pathway. In general, the paths are tied to ease of implementation of additional technology and how closely the technologies are related.

As an example, NHTSA's ''Turbo Engine Path'' consists of five different engine technologies that employ different levels of turbocharging technology. A turbocharger is essentially a small turbine driven by exhaust gases produced by the engine. As these gases flow through the turbocharger, they spin the turbine, which in turn spins a compressor that pushes more air into an engine's cylinders. Having more air in the engine's cylinders allows the engine to burn more fuel, which then creates more power, without needing a physically larger engine. In the agency's analysis, an engine that is turbocharged ''downsizes,'' or becomes smaller. Choosing to turbocharge an engine allows a manufacturer to maintain similar levels of performance to a larger, non-turbocharged engine with a smaller engine that uses less fuel to do the same amount of work. Allowing basic engines to be downsized and turbocharged instead of just turbocharged keeps the vehicle's utility and performance constant so that NHTSA can measure the costs and benefits of different levels of fuel economy improvements, rather than the change in different vehicle attributes. This concept of performance neutrality is discussed further below.

The Model allows only forward movement along the technology pathways, adding more advanced technology as the Model moves through the technology tree. This ensures that a vehicle that uses a more advanced technology cannot downgrade to a less advanced version of the technology and ensures that a vehicle does not switch to technology that is significantly technically different. This progressive order also realistically represents how manufacturers often start with the lowest and most cost-effective technologies and generally advance along particular technology pathways. As an example, if a vehicle in the compliance simulation begins with a TURBOD engine—a turbocharged engine with cylinder deactivation—it cannot adopt a TURBO0 engine.[92] Similarly, this vehicle with a TURBOD engine cannot adopt an advanced cylinder deactivation on a dual-overhead camshaft (ADEACD) engine.[93] As an example of NHTSA's rationale for ordering technologies on the technology

[89] In general, most vehicles produced for sale in the United States have been designed to use ''regular'' gasoline, or 87 octane. See EIA, Gasoline Explained: What is octane?, last revised: Nov. 17, 2022, available at: *https://www.eia.gov/energyexplained/gasoline/octane-in-depth.php* (accessed: May 25, 2026).

[90] Manufacturers could increase their production of one type of vehicle with higher fuel economy, like the hybrid version of a conventional vehicle model, to meet the standards. For example, Ford has conventional and hybrid versions of its F-150 pickup truck, and Toyota has conventional, hybrid, and plug-in hybrid versions of its RAV4 sport utility vehicle.

[91] For each technology option, the analysis includes distinct technology cost and effectiveness values for 10 different types of vehicles, resulting in nearly half a million different technology effectiveness and cost data points.

[92] TURBO0 is the baseline turbocharged engine and TURBOD is TURBO0 with the addition of cylinder deactivation (DEAC). Chapter 3 of the Final TSD provides more discussion on engine technologies.

[93] ADEACD is a dual-overhead camshaft engine with advanced cylinder deactivation. Chapter 3 of the Final TSD provides more discussion on engine technologies.

tree, an engine could potentially be changed from TURBO0 to TURBO2 without redesigning the engine block or requiring significantly different expertise to design and implement. A change to ADEACD likely would require a different engine block that might not fit in the engine bay of the vehicle without a complete redesign and different technical expertise requiring years of research and development. This change, which would strand capital and impact parts sharing, is why the advanced engine paths restrict most movement between them. The concept of stranded capital is discussed further in Section II.C.2.f.

NHTSA also considers two categories of technology that the agency could not simulate as part of the CAFE Model's technology pathways for the regulatory alternatives for some of standard-setting years. ''Off-cycle'' and AC efficiency are two types of technologies that improve vehicle fuel economy but are not accounted for using 2-cycle testing. To account for the benefits of these technologies, EPA has allowed manufacturers to generate FCIVs when they add these technologies, which are used to improve a manufacturers' fleet average fuel economy used for complying with the CAFE standards. As an example, manufacturers can generate FCIVs for technology like active seat ventilation and solar reflective surface coatings that make the cabin of a vehicle more comfortable for the occupants without using less efficient accessories like heat or AC. Instead of including OC and AC efficiency technologies in the technology pathways, NHTSA includes the improvement as a defined benefit that gets applied to a manufacturer's entire fleet in applicable model years instead of to individual vehicles. The defined benefit that each manufacturer receives in the analysis for using OC and AC efficiency technology on their vehicles is located in the Market Data Input File. Chapter 3.7 of the Final TSD provides more discussion on how OC and AC efficiency technologies are developed and modeled. As discussed further in preamble Section II.D.8, NHTSA is removing consideration of FCIVs from its standard-setting analysis beginning with MY 2028. Preamble Section VI contains discussion of how manufacturers generate FCIVs under the limits for FCIVs under EPA's regulations.

To illustrate how NHTSA simulates technology application, throughout this section NHTSA follows the hypothetical vehicle mentioned above that begins the compliance simulation with a TURBOD engine. The agency's hypothetical vehicle, Generic Motors' Ravine Runner F Series, is a roomy, top-of-the-line SUV. The Ravine Runner F Series starts the compliance simulation with technologies from most technology pathways; specifically, after looking at Generic Motors' website and marketing materials, the agency determines that it has technology that loosely fits within the following technologies that the agency considers in the CAFE Model: it has a turbocharged engine with cylinder deactivation, a fairly advanced 10-speed automatic transmission, a 12V start-stop system, the least advanced tire technology, a fairly aerodynamic vehicle body, and it employs a fairly advanced level of mass reduction. NHTSA tracks the technologies on each vehicle using a ''technology key,'' which is the string of technology abbreviations for each vehicle. The vehicle technologies and their abbreviations that the agency considers in this analysis are shown in Final TSD Chapter 2. The technology key for the Ravine Runner F Series is ''TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3.''

b. Defining Manufacturers' Current Technology Positions in the Analysis Fleet

The Market Data Input File is one of four Excel input files that the CAFE Model uses for compliance and effects simulation. The Market Data Input File's ''Vehicles'' tab (or worksheet) houses one of the most significant compilations of technology inputs and assumptions in the analysis, which is a characterization of the fleet of vehicle models each manufacturer produced for sale in the United States for MY 2024. This provides the starting point from which the CAFE Model adds fuel economy-improving technology. NHTSA calls this fleet the ''analysis fleet.'' The analysis fleet includes a number of inputs necessary for the Model to add fuel economy-improving technology to each vehicle for the compliance analysis and to calculate the resulting impacts for the effects analysis.

The ''Vehicles'' tab contains a separate row for each vehicle model. Vehicle models are vehicles that share the same fuel economy value and vehicle footprint based on EPA's regulations for calculating fuel economy. This means that vehicle ''trims'' with different configurations that affect the vehicle's certification fuel economy value are considered unique models distinguished in separate rows in the Vehicles tab. For example, the agency's Ravine Runner example vehicle comes in three different configurations—the Ravine Runner FWD, Ravine Runner AWD, and Ravine Runner F Series—which would be reported separately under EPA's regulations for compliance purposes and would therefore result in three separate rows in the ''Vehicles'' tab.

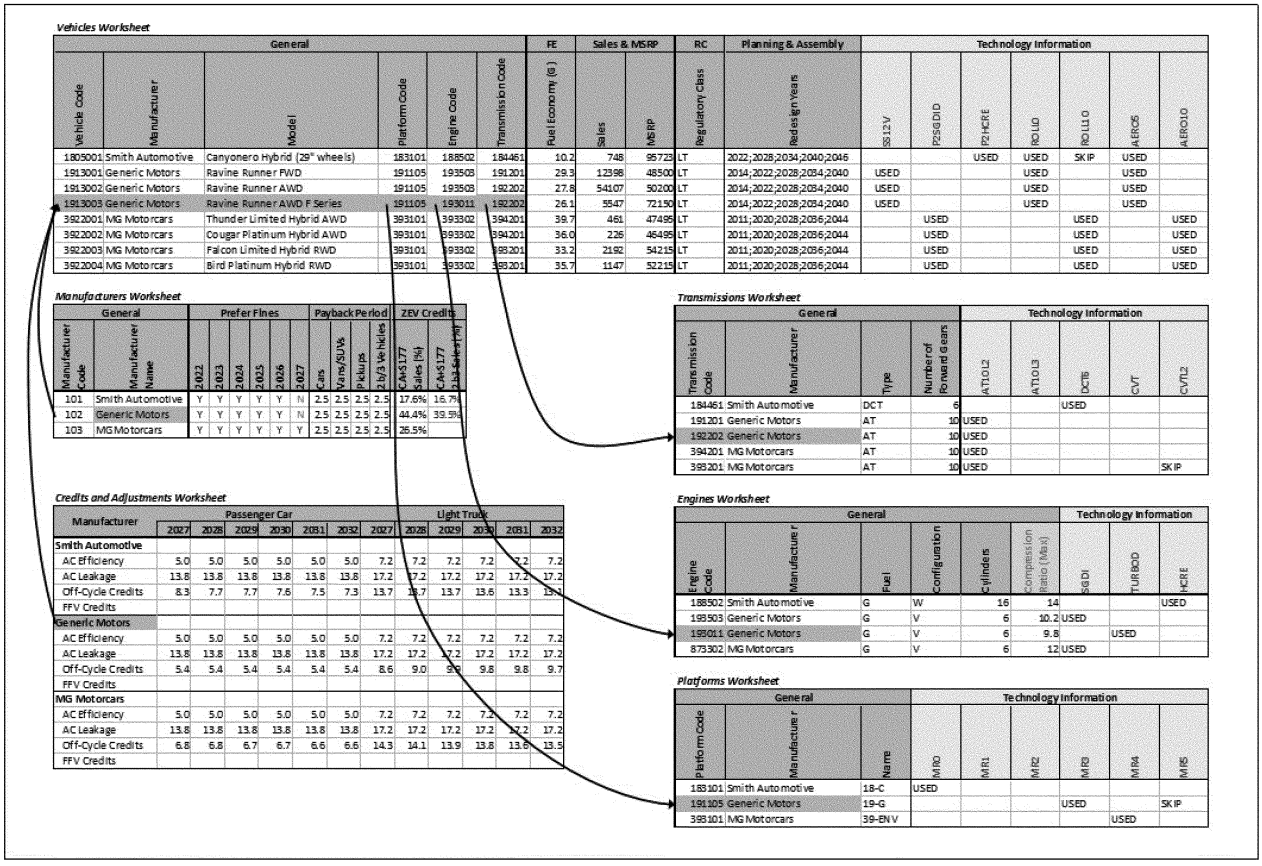
In each row, NHTSA also designates a vehicle's engine, transmission, and platform codes.[94] Vehicles that have the same engine, transmission, or platform code are deemed to ''share'' that component in the CAFE Model. Parts sharing helps manufacturers achieve economies of scale, deploy capital efficiently, and make the most of shared research and development expenses, while still presenting a wide array of consumer choices to the market. The CAFE Model has been developed to treat vehicles, platforms, engines, and transmissions as separate entities, which allows the modeling system to evaluate technology improvements on multiple vehicles that may share a common component concurrently. Sharing also enables realistic propagation, or ''inheriting,'' of previously applied technologies from an upgraded component down to the vehicle ''users'' of that component that have not yet realized the benefits of the upgrade. Section 2.1 and Section 4.4 of the CAFE Model Documentation contain additional information about the initial state of the fleet, as well as technology evaluation and inheriting within the CAFE Model.

Figure II–1 below shows how an example of how the different configurations of the hypothetical Ravine Runner would be separated. NHTSA sees by the Platform Codes that these Ravine Runners all share the same platform, but only the Ravine Runner FWD and Ravine Runner AWD share an engine. Even so, all three fuel economy values are different, which is common for vehicles that differ in drive type (drive type meaning whether the vehicle has AWD, 4-wheel drive (4WD), front-wheel drive (FWD), or rear-wheel drive (RWD)). Though it is simpler to aggregate vehicles by model, ensuring that NHTSA captures model variants at the level they would be reported for compliance improves the accuracy of the analysis and the potential that estimated costs and benefits from different levels of standards are appropriate. NHTSA includes information about other vehicle

[94] Each numeric engine, transmission, or platform code designates important information about that vehicle's technology; for example, a vehicle's 6-digit transmission code includes information about the manufacturer, the vehicle's drive configuration (*e.g.,* front-wheel drive, all-wheel drive, 4WD, or rear-wheel drive), transmission type, number of gears (*i.e.,* a 6-speed transmission has 6 gears), and the transmission variant.

technologies at the farthest right side of the Vehicles tab, and in the ''Engines,'' ''Transmissions,'' and ''Platforms'' worksheets, as discussed further below.

Figure II-1: Generic Motors' Ravine Runner F Series in the Market Data Input File[95]



Vehicles Worksheet

General						FE	Sales & MSRP		RC	Planning & Assembly	Technology Information						
Vehicle Code	Manufacturer	Model	Platform Code	Engine Code	Transmission Code	Fuel Economy (G)	Sales	MSRP	Regulatory Class	Redesign Years	SS12V	PSSGDID	P2HCRE	RDLUD	RDLU0	AERO5	AERO10
1805001	Smith Automotive	Canyonero Hybrid (29" wheels)	183101	188502	184461	10.2	748	95723	LT	2022;2028;2034;2040;2046			USED	USED	SKIP	USED	
1913001	Generic Motors	Ravine Runner FWD	191105	193503	191201	29.3	12398	48500	LT	2014;2022;2028;2034;2040	USED			USED		USED	
1913002	Generic Motors	Ravine Runner AWD	191105	193503	192202	27.8	54107	50200	LT	2014;2022;2028;2034;2040	USED			USED		USED	
1913003	Generic Motors	Ravine Runner AWD F Series	191105	193011	192202	26.1	5547	72150	LT	2014;2022;2028;2034;2040	USED			USED		USED	
3922001	MG Motorcars	Thunder Limited Hybrid AWD	393101	393302	394201	39.7	461	47495	LT	2011;2020;2028;2036;2044		USED			USED		USED
3922002	MG Motorcars	Cougar Platinum Hybrid AWD	393101	393302	394201	36.0	226	46495	LT	2011;2020;2028;2036;2044		USED			USED		USED
3922003	MG Motorcars	Falcon Limited Hybrid RWD	393101	393302	393201	33.2	2192	54215	LT	2011;2020;2028;2036;2044		USED			USED		USED
3922004	MG Motorcars	Bird Platinum Hybrid RWD	393101	393302	393201	35.7	1147	52215	LT	2011;2020;2028;2036;2044		USED			USED		USED

Manufacturers Worksheet

General		Prefer FInes					Payback Period			ZEV Credits	
Manufacturer Code	Manufacturer Name	2022	2023	2024	2025	2026	2027	Cars	Vans/SUVs	Pickups	2/3 Vehicles	CAM 177 Sales (%)	CAM 177 (1st sale only)
101	Smith Automotive	Y	Y	Y	Y	Y	N	2.5	2.5	2.5	2.5	17.6%	16.7%
102	Generic Motors	Y	Y	Y	Y	Y	N	2.5	2.5	2.5	2.5	44.4%	39.5%
103	MG Motorcars	Y	Y	Y	Y	Y	Y	2.5	2.5	2.5	2.5	26.5%	

Transmissions Worksheet

General				Technology Information				
Transmission Code	Manufacturer	Type	Number of Forward Gears	AT1O12	AT1O13	DCT6	CVT	CVT12
184461	Smith Automotive	DCT	6			USED		
191201	Generic Motors	AT	10	USED				
192202	Generic Motors	AT	10	USED				
394201	MG Motorcars	AT	10	USED				
393201	MG Motorcars	AT	10	USED				SKIP

Credits and Adjustments Worksheet

Manufacturer	Passenger Car						Light Truck					
	2027	2028	2029	2030	2031	2032	2027	2028	2029	2030	2031	2032
Smith Automotive												
AC Efficiency	5.0	5.0	5.0	5.0	5.0	5.0	7.2	7.2	7.2	7.2	7.2	7.2
AC Leakage	13.8	13.8	13.8	13.8	13.8	13.8	17.2	17.2	17.2	17.2	17.2	17.2
Off-Cycle Credits	8.3	7.7	7.7	7.6	7.5	7.3	13.7	13.7	13.7	13.6	13.3	13.1
FFV Credits												
Generic Motors												
AC Efficiency	5.0	5.0	5.0	5.0	5.0	5.0	7.2	7.2	7.2	7.2	7.2	7.2
AC Leakage	13.8	13.8	13.8	13.8	13.8	13.8	17.2	17.2	17.2	17.2	17.2	17.2
Off-Cycle Credits	5.4	5.4	5.4	5.4	5.4	5.4	8.6	9.0	9.9	9.8	9.8	9.7
FFV Credits												
MG Motorcars												
AC Efficiency	5.0	5.0	5.0	5.0	5.0	5.0	7.2	7.2	7.2	7.2	7.2	7.2
AC Leakage	13.8	13.8	13.8	13.8	13.8	13.8	17.2	17.2	17.2	17.2	17.2	17.2
Off-Cycle Credits	6.8	6.8	6.7	6.7	6.6	6.6	14.3	14.1	13.9	13.8	13.6	13.5
FFV Credits												

Engines Worksheet

General						Technology Information		
Engine Code	Manufacturer	Fuel	Configuration	Cylinders	Compression Ratio (Max)	SGDI	TURBOD	HCRE
188502	Smith Automotive	G	W	16	14			USED
193503	Generic Motors	G	V	6	10.2	USED		
193011	Generic Motors	G	V	6	9.8		USED	
873302	MG Motorcars	G	V	6	12	USED		

Platforms Worksheet

General			Technology Information					
Platform Code	Manufacturer	Name	MR0	MR1	MR2	MR3	MR4	MR5
183101	Smith Automotive	18-C	USED					
191105	Generic Motors	19-G				USED		SKIP
393101	MG Motorcars	39-ENV					USED	

Moving from left to right on the Vehicles tab, after including general information about vehicles and their compliance fuel economy value, NHTSA includes sales and manufacturer's suggested retail price (MSRP) data, regulatory class information (*e.g.,* domestic passenger automobile, import passenger automobile, or non-passenger automobile), and information about how NHTSA classifies vehicles for the effectiveness and safety analyses. Each of these data points is important to different parts of the compliance and effects analysis, so that the CAFE Model can accurately average the technologies required across a manufacturer's regulatory fleet to meet its CAFE standard or estimate the impacts of higher fuel economy standards on vehicle sales.

Next, NHTSA includes vehicle information necessary for applying different types of technology; for example, designating a vehicle's body style allows NHTSA to apply aerodynamic technology appropriately, and designating starting CW values allows the agency to apply mass reduction technology more accurately. Importantly, this section also includes vehicle footprint data, which is needed because NHTSA sets footprint-based standards.

NHTSA also sets product design cycles, which are the years in which the CAFE Model can apply technologies to vehicles. Manufacturers often introduce fuel-saving technologies at a ''redesign'' of their product or adopt technologies at ''refreshes'' in between product redesigns. As an example, the redesigned third generation Chevrolet Silverado was released for MY 2019 and featured a new platform, updated drivetrain, increased towing capacity, reduced weight, improved safety, and expanded trim levels, to name a few improvements. For MY 2022, the Chevrolet Silverado received a refresh (or facelift as it is commonly called), with an updated interior, infotainment, and front-end appearance.[96] Setting these product design cycles provides realistic durations of product stability and ensures that the CAFE Model simulates the opportunities manufacturers have to apply technologies in line with refresh and redesign cycles.

During modeling, all improvements from technology application are initially realized on a component and then propagated (or inherited) down to the vehicles that share that component. As such, new component-level technologies are initially evaluated and applied to a platform, engine, or transmission during their respective redesign or refresh years. Any vehicles that share the same redesign or refresh schedule as the component apply these technology improvements during the same model year. The rest of the vehicles inherit technologies from the component during their refresh or

[95] Note that not all data columns are shown in this example for brevity.

[96] GM Authority, 2022 Chevy Silverado, last revised: 2022, available at: *https://gmauthority.com/blog/gm/chevrolet/silverado/2022-chevrolet-silverado/* (accessed: May 28, 2026).

redesign year (for engine- and transmission-level technologies) or during a redesign year only (for platform-level technologies). Section 4.4 of the CAFE Model Documentation contains additional information about technology evaluation and inheriting within the CAFE Model.

The CAFE Model also considers the potential safety effect of mass reduction technologies and crash compatibility of different vehicle types. Mass reduction technologies lower the vehicle's CW, which may change crash compatibility and safety, depending on the type of vehicle. NHTSA assigns each vehicle in the Market Data Input File a ''safety class'' that best aligns with the CAFE Model's analysis of vehicle mass, size, and safety, and include the vehicle's starting CW.[97] [98]

The CAFE Model includes procedures to consider the direct labor impacts of manufacturers' responses to CAFE regulations, considering the assembly location of vehicles, engines, and transmissions; the percent U.S. content (based on the percent U.S. and Canadian content, as reported by manufacturers to NHTSA); and the dealership employment associated with new vehicle sales. Estimated labor information, by vehicle, is included in the Market Data Input File. Sales volumes included in and adapted from the market data also influence total estimated direct labor projected in the analysis. Chapter 6.2.5 of the Final TSD contains additional discussion of the labor utilization analysis.

NHTSA then assigns the technologies to individual vehicles. This initial linkage of vehicle technologies is how the CAFE Model knows how to advance a vehicle down each technology pathway. Assigning CAFE Model technologies to individual vehicles is dependent on the mix of information the agency has about any particular vehicle and trends about how a manufacturer has added technology to that vehicle in the past, equations and models that translate real-world technologies to their counterparts in NHTSA's analysis (*e.g.,* drag coefficients and body styles can be used to determine a vehicle's AERO level), and the agency's engineering judgment.

As discussed further below, the agency uses information directly from manufacturers to populate some fields in the Market Data Input File, like vehicle HP ratings and vehicle weight. NHTSA also uses manufacturer data as an input to various other models that calculate how a manufacturer's real-world technology equates to a technology level in the agency's model. For example, the agency calculates initial mass reduction, aerodynamic drag reduction, and ROLL levels by looking at industry-wide trends and calculating—through models or equations—levels of improvement for each technology. The models and algorithms that the agency uses are described further below and in detail in Chapter 3 of the Final TSD. Other fields, like vehicle refresh and redesign years, are projected forward based on historic trends.

Recall the Ravine Runner F Series example with the technology key ''TURBOD; AT10L2, SS12V; ROLL0; AERO5; MR3.'' For this example, Generic Motor's publicly available specification sheet for the Ravine Runner F Series says that it uses Generic Motor's Turbo V6 engine with proprietary Adaptive Cylinder Management Engine (ACME) technology. Generic Motor's ACME improves fuel economy and lowers emissions by operating the engine using only three of the engine's cylinders in most conditions and using all six engine cylinders when more power is required. Based on this information, NHTSA would conclude that this engine is turbocharged and uses a form of cylinder deactivation, meaning it would be appropriately classified as TURBOD. Generic Motors uses this engine in several of their vehicles, and the specifications of the engine can be found in the Engines Tab of the Market Data Input File, under a six-digit engine code.[99]

This is a relatively easy engine to assign based on publicly available specification sheets, but some technologies are more difficult to assign. Manufacturers use different trade names or terms for different technology, and the way that the agency assigns the technology in the agency's analysis may not necessarily line up with how a manufacturer describes the technology. NHTSA must use some engineering judgment to determine how discrete technologies in the market best fit the technology options that the agency considers in the agency's analysis. The agency discusses factors used to assign each vehicle technology in the individual technology subsections below.

In addition to the Vehicles Tab that houses the analysis fleet, the Market Data Input File includes information that affects how the CAFE Model might apply technology to vehicles in the compliance simulation. Specifically, the Market Data Input File's ''Manufacturers'' tab includes a list of vehicle manufacturers considered in the analysis and several pieces of information about their economic and compliance behaviors. For this analysis, the compliance simulation assumes that manufacturers continue to apply technology to the extent practicable to reach compliance. This modeling change is made by indicating in the ''Manufacturers'' tab that all manufacturers will comply with NHTSA's standards and is consistent with the recent amendment to EPCA that set civil penalties (*i.e.,* fines) to $0 effective for MY 2022 vehicles and beyond.[100] The CAFE Model's compliance simulation algorithm is discussed in Section II.C.2.f.

Finally, NHTSA designates a ''payback period'' for each manufacturer. The payback period represents an assumption that consumers are willing to buy vehicles with more fuel economy technology because the fuel economy technology saves them money on gas in the long run. For the past several rulemaking analyses using the CAFE Model the agency has assumed that in the absence of CAFE or other regulatory standards, manufacturers apply technology that ''pays for itself''—by saving the consumer money on fuel—in 30 months, or 2.5 years. NHTSA has updated the agency's payback period for this rulemaking to assume a full 3-year payback period based on an examination of empirical economics literature. This is discussed in detail in Section II.E.1.a below, and in the Final TSD and FRIA.

Before the agency begins building the Market Data Input File for any analysis, NHTSA must consider what model year vehicles comprise the analysis fleet. There is an inherent time delay in the data the agency can use for any analysis because NHTSA receives compliance data after a model year has been completed.

For this rulemaking, NHTSA uses data from manufacturers' 2024 mid-model year compliance reports. Though the agency possesses a limited amount of more recent data, NHTSA is not using

[97] Vehicle curb weight is the weight of the vehicle with all fluids and components but without the drivers, passengers, or cargo.

[98] Preamble Section II.H.1 and Final TSD Chapter 7.3 provides more in depth discussion on the impacts of mass reduction on safety.

[99] Like the transmission codes discussed above, the engine codes include information identifying the manufacturer, engine displacement (how many liters the engine is), whether the engine is naturally aspirated or force-inducted (turbocharged), and other unique engine attributes.

[100] *See* Public Law 119–21, 139 Stat. 72, sec. 40006 (July 4, 2025).

that data for this rulemaking because the dataset is not complete.

At the time NHTSA starts building the analysis fleet, data received from vehicle manufacturers [101] offers the best snapshot of vehicles for sale in the United States in a model year. The mid-model year reports include information about individual vehicles at the vehicle configuration level. NHTSA uses the vehicle configuration, certification fuel economy, sales, regulatory class, and additional technology data from these reports as the starting point to build a ''row'' (*i.e.,* a vehicle model, with all necessary information about the vehicle) in the Market Data Input File's Vehicles Tab. Additional technology data comes from publicly available information, including vehicle specification sheets, manufacturer press releases, owner's manuals, and websites. NHTSA also generates some assumptions in the Market Data Input File for data fields where there is limited data, like refresh and redesign cycles for future model years, and technology levels for certain road load reduction technologies like mass reduction and aerodynamic drag reduction.

For this analysis, the light-duty analysis fleet consists of every vehicle model in MY 2024 in nearly every configuration that has a different compliance fuel economy value. This results in nearly 4,000 individual rows in the Vehicles Tab of the Market Data Input File.

The next section discusses how the agency's analysis evaluates how effectively adding technology to a vehicle in the analysis fleet improves that vehicle's fuel economy value.

c. Technology Effectiveness Values

The CAFE Model uses technology effectiveness values to allow it to know which technologies to apply. Without these values, it does not know how effective any particular technology is at improving a vehicle's fuel economy value. Accurate technology effectiveness estimates require information about (1) the vehicle type and size; (2) other technologies on the vehicle or being added to the vehicle at the same time; and (3) and how the vehicle is driven. Any oversimplification of these complex factors could make the effectiveness estimates less accurate.

To build a database of technology effectiveness estimates that includes these factors, NHTSA partners with Argonne. Argonne has developed and maintains a modeling and simulation tool called Autonomie that generates technology effectiveness estimates for the CAFE Model. The Autonomie Model is a mathematical representation of an entire vehicle, including its individual technologies (such as the engine and transmission), overall vehicle characteristics (such as mass and aerodynamic drag), and environmental conditions (such as ambient temperature and barometric pressure). The Autonomie Model simulates vehicle behavior over time.

NHTSA simulates a vehicle model's behavior over the two-cycle tests used to measure vehicle fuel economy.[102] The two-cycle test is carried out by operating a vehicle on a dynamometer. Using a dynamometer is like running a car on a treadmill following a program—or more specifically, two programs. The programs are the Federal Test Procedure (FTP) and the Highway Fuel Economy Test (HFET). The FTP and HFET are also commonly referred to as the urban cycle and highway cycle, respectively. For the FTP drive cycle, the vehicle meets certain speeds at certain times during the test, or in technical terms, the vehicle must follow a designated speed trace.[103] The FTP is meant to simulate stop-and-go city driving, and the HFET is meant to simulate steady flowing highway driving at about 50 miles per hour (mph). The agency also uses Society of Automotive Engineers (SAE) recommended practices to simulate hybridized drive cycles,[104] which involves the test cycles mentioned above as well as additional test cycles to measure battery energy consumption and range. For PHEVs, this analysis utilizes only the gasoline (charge-sustaining) mode for the drive cycles.

Measuring every vehicle's fuel economy value by using the same test cycles ensures that the fuel economy certification results are repeatable for each vehicle model and comparable across all the different vehicle models. When performing physical vehicle cycle testing, sophisticated test and measurement equipment is calibrated according to strict industry standards, which ensures repeatability and comparability of the results. Testing variables can include dynamometers, environmental conditions, types and locations of measurement equipment, and precise testing procedures. These physical tests provide the benchmarking empirical data used to develop and verify Autonomie's vehicle control algorithms and simulation results. Autonomie's inputs are discussed in more detail later in this section.

Full-vehicle modeling and simulation are also essential to measuring how all technologies on a vehicle interact. For example, if technology A improves a particular vehicle's fuel economy by 5 percent and technology B improves a particular vehicle's fuel economy by 10 percent, an analysis using single or limited point estimates may erroneously assume that applying both of these technologies together would achieve a simple additive fuel economy improvement of 15 percent. Single point estimates generally do not provide accurate effectiveness values because they do not capture complex relationships among technologies. Technology effectiveness often differs significantly depending on the vehicle type (*e.g.,* sedan or pickup truck) and the way in which the technology interacts with other technologies on the vehicle, as different technologies may provide different incremental levels of fuel economy improvement if implemented alone or in combination with other technologies. Any oversimplification of these complex factors could lead to less accurate technology effectiveness estimates.

In addition, because manufacturers often add several fuel-saving technologies simultaneously when redesigning a vehicle, it is difficult to isolate the effect of adding any one individual technology to the full-vehicle system. Modeling and simulation offer the opportunity to isolate the effects of individual technologies by using a single or small number of initial vehicle configurations and incrementally adding technologies to those configurations. This provides a consistent reference point for the incremental effectiveness estimates for each technology and for combinations of technologies for each vehicle type.

[101] 49 U.S.C. 32907(a)(2) and 49 CFR part 537.

[102] NHTSA is statutorily required to use the two-cycle tests to measure vehicle fuel economy in the CAFE program. *See* 49 U.S.C. 32904(c) (''Testing and calculation procedures. . . . [T]he Administrator shall use the same procedures for passenger automobiles the Administrator used for model year 1975 (weighted 55 percent urban cycle and 45 percent highway cycle), or procedures that give comparable results.'').

[103] EPA, Emissions Standards Reference Guide: EPA Federal Test Procedure (FTP), last revised: Mar. 13, 2025, available at: *https://www.epa.gov/emission-standards-reference-guide/epa-federal-test-procedure-ftp* (accessed: May 28, 2026).

[104] SAE, Recommended Practice for Measuring the Exhaust Emissions and Fuel Economy of Hybrid-Electric Vehicles, Including Plug-in Hybrid Vehicles, SAE Standard J1711_202302, SAE International: Warrendale, PA (2023), available at: *https://www.sae.org/standards/j1711_202302-recommended-practice-measuring-exhaust-emissions-fuel-economy-hybrid-electric-vehicles-including-plug-hybrid-vehicles* (accessed: May 28, 2026); SAE, Battery Electric Vehicle Energy Consumption and Range Test Procedure, SAE Standard J1634_202104, SAE International: Warrendale, PA (2021), available at: *https://www.sae.org/standards/content/j1634_202104/* (accessed: May 28, 2026).

Vehicle modeling also reduces the potential for overcounting or undercounting technology effectiveness.

Argonne does not build an individual vehicle model for every single-vehicle configuration in NHTSA's light-duty Market Data Input File. This would be nearly impossible, because Autonomie requires very detailed data on hundreds of different vehicle attributes (*e.g.,* the weight of the vehicle's fuel tank, the weight of the vehicle's transmission housing, the weight of the engine, or the vehicle's 0–60 mph time) to build a vehicle model. For practical reasons, NHTSA cannot acquire 4,000 vehicles and obtain these measurements every time the agency promulgates a new rule, and the agency cannot acquire vehicles that have not yet been built. Rather, Argonne builds a discrete number of vehicle models representative of the most popular vehicles on sale in the current fleet. The agency refers to the vehicle model's type and performance level as the vehicle's ''technology class.'' By assigning each vehicle in the Market Data Input File a ''technology class,'' NHTSA can connect it to the Autonomie effectiveness estimate that best represents how effective the technology would be on the vehicle, accounting for vehicle characteristics like body style (*e.g.,* sedan or pickup truck) and performance metrics. Because each vehicle technology class has unique characteristics, the effectiveness of technologies and combinations of technologies is different for each technology class.

There are 10 technology classes for this analysis: small car (SmallCar), small performance car (SmallCarPerf), medium car (MedCar), medium performance car (MedCarPerf), small SUV (SmallSUV), small performance SUV (SmallSUVPerf), medium SUV (MedSUV), medium performance SUV (MedSUVPerf), pickup truck (Pickup), and high towing pickup truck (PickupHT).

NHTSA uses a two-step process that involves two algorithms to give vehicles a ''fit score'' that determines which vehicles best fit into each technology class. At the first step, the agency determines the vehicle's size. At the second step, NHTSA determines the vehicle's performance level. Both algorithms consider several metrics about the individual vehicle and compare that vehicle to other vehicles in the analysis fleet. This process is discussed in detail in Final TSD Chapter 2.2.

Consider NHTSA's example Ravine Runner F Series, which is a medium-sized performance SUV. The exact same combination of technologies on the Ravine Runner F Series operate differently in a compact car or pickup truck because they are different vehicle sizes. The example Ravine Runner F Series also achieves slightly better performance metrics than other medium-sized SUVs in the analysis fleet. By ''performance metrics,'' the agency means power, acceleration, handling, braking, and so on. For the performance versus standard technology classification, the agency considers the vehicle's estimated 0–60 mph time compared to an average 0–60 mph time for the vehicle's technology class. Accordingly, the ''technology class'' for the Ravine Runner F Series in the agency's analysis is ''MedSUVPerf,'' because it meets the criteria of a ''performance'' 0–60 mph acceleration time.

Table II–2 shows how vehicles in different technology classes that use the exact same fuel economy technology have very different absolute fuel economy values. Note that the Autonomie absolute fuel economy values are not used directly in the CAFE Model; NHTSA calculates the ratio between two Autonomie absolute fuel economy values (one for each technology key for a specific technology class) and applies that ratio to an analysis fleet vehicle's starting fuel economy value.

Table II-2: Examples of Technology Class Differences

Technology Class and Technology Key	Autonomie Absolute Fuel Economy Value (mpg)
MedSUVPerf TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	30.8
MedSUV TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	34.9
CompactPerf TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	42.2
Pickup TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	29.7

Depending on the technology, when two technologies are added to the vehicle together, they may not result in an additive fuel economy improvement. This is an important concept to understand because in Section II.D, NHTSA presents technology effectiveness estimates for every single combination of technology that could be applied to a vehicle. In some cases, technology effectiveness estimates show that a combined technology has a different effectiveness estimate than if the individual technologies were added together individually. However, this is expected and not an error.

Continuing NHTSA's example from above, turbocharging technology and dynamic cylinder deactivation (DEAC) technology both improve fuel economy by reducing the engine displacement and accordingly burning less fuel. Turbocharging allows a manufacturer to use a smaller engine that can offer performance equivalent to a larger naturally aspirated engine, and its fuel efficiency improvements are, in part, due to the reduced displacement. DEAC effectively makes an engine with a particular displacement intermittently offer some of the fuel economy benefits of a smaller displacement engine by deactivating cylinders when the work demand does not require the full engine displacement and reactivating them as-needed to meet higher work demands; the greater the displacement of the deactivated cylinders, the greater the fuel economy benefit. Therefore, a manufacturer upgrading to an engine that uses both a turbocharger and DEAC technology, like the TURBOD engine in the example above, would not see the full combined fuel economy improvement from that specific combination of technologies. Table II–3 shows a vehicle's fuel economy value when using the first-level DEAC technology and when using the first-level turbocharging technology, compared to the agency's example vehicle that uses both of those

technologies combined with a TURBOD engine.

Table II-3: Example of Technology Synergies

MedSUVPerf Technology Key	Autonomie Absolute Fuel Economy Value (mpg)
DOHC; SGDI; AT10L2; SS12V; ROLL0; AERO5; MR3	28.6
DOHC; SGDI; DEAC; AT10L2; SS12V; ROLL0; AERO5; MR3	29.1
TURBO0; AT10L2; SS12V; ROLL0; AERO5; MR3	30.7
TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	30.8

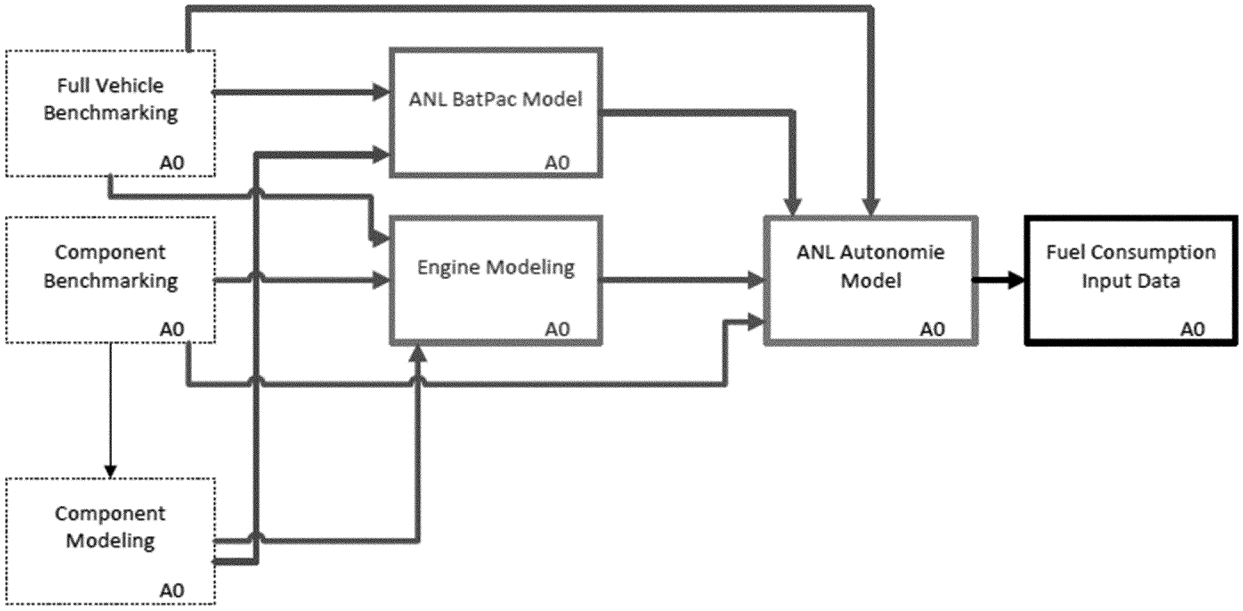
As expected, the percent improvement in Table II–3 between the first and second rows is 1.7 percent and between the third and fourth rows is 0.3 percent, even though the only difference within the two sets of technology keys is the DEAC technology (note that the agency only compares technology keys within the same technology class). This is because there are complex interactions between all fuel economy-improving technologies. The agency models these individual technologies and groups of technologies to reduce the uncertainty and improve the accuracy of the CAFE Model outputs.

Some technologies that NHTSA discusses in Section II.D include advanced engine and hybrid powertrain technology—with some combinations that do not pair well. As an example, NHTSA does not see a particularly high effectiveness improvement from applying advanced engines to existing parallel strong hybrid (*e.g.,* P2) architectures.[105] In this instance, the P2 powertrain improves fuel economy, in part, by allowing the engine to spend more time operating at efficient engine speed and load conditions. This reduces the advantage of adding advanced engine technologies, which also improve fuel economy, by broadening the range of speed and load conditions for the engine to operate at high efficiency. This redundancy in fuel-saving mechanisms results in a lower effectiveness when the technologies are added to each other. Again, NHTSA expects that different combinations of technologies will provide different effectiveness improvements on different vehicle types. These examples all illustrate relationships observed using only full-vehicle modeling and simulation.

Just as NHTSA's CAFE Model analysis requires a large set of technology inputs and assumptions, the Autonomie modeling uses a large set of technology inputs and assumptions. Figure II–2 below shows the suite of fuel consumption input data used in the Autonomie modeling to generate the fuel consumption input data NHTSA uses in the CAFE Model.

[105] A parallel strong hybrid powertrain is fundamentally similar to a conventional powertrain but adds one electric motor to improve efficiency. Final TSD Chapter 3 shows all of the parallel strong hybrid powertrain options that NHTSA has modeled in this analysis.

Figure II-2: Fuel Consumption Input Data Used in the Autonomie Modeling



As shown in Figure II–2 above, full-vehicle benchmarking is a major source of data for the Autonomie model. For full-vehicle benchmarking, vehicles are instrumented with sensors and tested on both the road and chassis dynamometers (*i.e.,* the full-vehicle treadmills used to exercise the vehicle to provide means to calculate a vehicle's fuel economy values) under different conditions and duty-cycles. Vehicles are selected for benchmarking with the goal of selecting a mix of vehicles most representative of vehicle fleet and available technologies, taking into account sales volume, cost, and availability. Some examples of full-vehicle benchmark testing performed in conjunction with the agency's partners at Argonne include a 2019 Chevrolet Silverado, a 2021 Toyota Rav4 Prime, and a 2022 Hyundai Sonata Hybrid.[106] NHTSA has produced a report for each vehicle benchmarked, which can be found in the docket. As discussed further below, full-vehicle benchmarking data are used as inputs to the engine modeling and Autonomie full-vehicle simulation modeling. Component benchmarking is like full-vehicle benchmarking, but instead of testing a full vehicle, the agency instruments a single production component or prototype component with sensors and tests it on a similar duty-cycle as a full vehicle. Examples of components NHTSA benchmarks include engines, transmissions, axles, electric motors, and batteries. Component benchmarking data are used as an input to component modeling, where a production or prototype component is changed in fit, form, or function and modeled in the same scenario. As an example, NHTSA might model a decrease in the size of holes in fuel injectors to see the fuel atomization impact or see how it affects the fuel spray angle.

NHTSA uses a range of models to perform component modeling. As shown in Figure II–2, battery pack modeling using Argonne's BatPaC Model [107] and engine modeling are two of the most significant component models used to generate data for the Autonomie modeling. NHTSA discusses BatPaC in detail in Section II.D, but briefly, BatPaC is the battery pack modeling tool used to estimate the cost of vehicle battery packs for all hybridized vehicles, which is based on the materials chemistry, battery design, and manufacturing design of the plants manufacturing the battery packs.

Engine modeling is used to generate engine fuel map models that define the fuel consumption rate for an engine equipped with specific technologies when operating over a variety of engine load and engine speed conditions. Some performance metrics captured in engine modeling include power, torque, airflow, volumetric efficiency, fuel consumption, turbocharger performance and matching, pumping losses, and more. Each engine map model has been developed ensuring the engine will still operate under real-world constraints using a suite of other models. Some examples of these models that ensure the engine map models capture real-world operating constraints include simulating heat release through a predictive combustion model, simulating knock characteristics through a kinetic fit knock model,[108] and using physics-based heat flow and friction models, among others. NHTSA simulates these constraints using data gathered from component benchmarking as well as engineering and physics calculations.

[106] For all Argonne full-vehicle benchmarking reports, see Docket No. NHTSA–2023–0022–0010.

[107] CAFE Analysis Autonomie Documentation chapter titled ''Battery Performance and Cost Model—BatPac Examples From Existing Vehicles in the Market.''

[108] Engine knock occurs when combustion of some of the air/fuel mixture in the cylinder does not result from propagation of the flame front ignited by the spark plug; rather one or more pockets of air/fuel mixture explode outside of the envelope of the normal combustion front. Engine knock can result in unsteady operation and damage to the engine.

IAV and SwRI developed the engine map models, using the GT–POWER© modeling tool (GT–POWER), by creating a base, or root, engine map and then modifying that root map, incrementally, to isolate the effects of the added technologies. The engine maps are based on real-world engine designs. An important feature of the engine maps is that they use a knock model. As noted above, a knock model ensures that any engine size or specification that the agency models in the analysis does not result in engine knock, which could damage engine components in a real-world vehicle. Though the same engine map models are used for all vehicle technology classes, the effectiveness varies based on the characteristics of each class. For example, as discussed above, a compact car with a turbocharged engine has a different effectiveness value than a pickup truck with the same engine technology type. The engine map model development and specifications are discussed further in Chapter 3 of the Final TSD.

Argonne also compiles a database of vehicle attributes and characteristics reasonably representative of the vehicles in that technology class used to build the vehicle models. Relevant vehicle attributes may include a vehicle's fuel efficiency, HP, 0–60 mph acceleration time, and stopping distance, among others, while vehicle characteristics may include whether the vehicle has AWD, 18-inch wheels, summer tires, and so on. Argonne has identified representative vehicle attributes and characteristics for the light-duty fleet from publicly available information and automotive benchmarking databases, such as A2Mac1,[109] Argonne's Downloadable Dynamometer Database (D^3),[110] EPA compliance and fuel economy data,[111] EPA guidance on 2-cycle tests,[112] and industry partnerships.[113] The resulting vehicle technology class baseline assumptions and characteristics database consists of over 100 different attributes like vehicle height and width and weights for individual vehicle parts.

Argonne then assigns ''reference'' technologies to each vehicle model. The reference technologies are the technologies on the first step of each CAFE Model technology pathway, and they closely (but not exactly) correlate to the technology abbreviations that NHTSA uses in the CAFE Model. As an example, the first Autonomie vehicle model in the MedSUVPerf technology class starts out with the least advanced engine, which is DOHC (a dual-overhead cam engine) in the CAFE Model, or eng01 in the Autonomie modeling. The vehicle has the least advanced transmission (AT5), the least advanced mass reduction level (MR0), the least advanced aerodynamic body style (AERO0), and the least advanced ROLL level (ROLL0). The first vehicle model is also defined by initial vehicle attributes and characteristics that consist of data from the suite of sources mentioned above. Again, these attributes are meant to represent the average of vehicle attributes found on vehicles in a certain technology class.

Then, just as a vehicle manufacturer tests its vehicles to ensure they meet specific performance metrics, Autonomie ensures that the built vehicle model meets its performance metrics. NHTSA includes quantitative performance metrics in the agency's Autonomie modeling to ensure that the vehicle models can meet real-world performance metrics that consumers observe and that are important for vehicle utility and customer satisfaction. The four performance metrics that NHTSA uses in the Autonomie modeling for light-duty vehicles are low-speed acceleration (the time required to accelerate from 0 to 60 mph), high-speed passing acceleration (the time required to accelerate from 50 to 80 mph), gradeability (the ability of the vehicle to maintain constant 65 mph speed on a 6-percent upgrade), and towing capacity for light-duty pickup trucks. The agency has been using these performance metrics for the last several CAFE Model analyses, and vehicle manufacturers have agreed that these performance metrics are representative of the metrics considered in the automotive industry.[114] Argonne simulates the vehicle model driving the two-cycle tests (*i.e.,* running its treadmill ''programs'') to ensure that it meets its applicable performance metrics (*i.e.,* NHTSA's MedSUVPerf does not have to meet the towing capacity performance metric because it is not a pickup truck). These metrics are based on commonly used metrics in the automotive industry, including SAE J2807 tow requirements.[115] Additional details about how NHTSA sizes light-duty powertrains in Autonomie to meet defined performance metrics can be found in the CAFE Analysis Autonomie Documentation.

If the vehicle model does not initially meet one of the performance metrics, then Autonomie's powertrain sizing algorithm increases the vehicle's engine power. The increase in power is achieved by increasing engine displacement (which is the measure of the volume of all cylinders in an engine), which might involve an increase in the number of engine cylinders, which may lead to an increase in the engine weight. This iterative process then determines if the baseline vehicle with increased engine power and corresponding updated engine weight meets the required performance metrics. The powertrain sizing algorithm stops once all the baseline vehicle's performance requirements are met.

[109] A2Mac1: Automotive Benchmarking (proprietary data), available at: *https://www.a2mac1.com* (accessed: May 28, 2026). A2Mac1 is subscription-based benchmarking service that conducts vehicle and component teardown analyses. Annually, A2Mac1 removes individual components from production vehicles, such as oil pans, electric machines, engines, and transmissions, among many other components. These components are weighed and documented for key specifications, which are then available to subscribers.

[110] Argonne National Laboratory, Downloadable Dynamometer Database, last revised: 2025, available at: *https://www.anl.gov/taps/downloadable-dynamometer-database* (accessed: May 28, 2026).

[111] EPA, Compliance and Fuel Economy Data: Data on Cars Used for Testing Fuel Economy, last revised: May 19, 2025, available at: *https://www.epa.gov/compliance-and-fuel-economy-data/data-cars-used-testing-fuel-economy* (accessed: May 28, 2026).

[112] EPA, Proposed Determination on the Appropriateness of the Model Year 2022–2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Technical Support Document, EPA–420–R–16–020, EPA: Washington, DC, pp. 2–265—2–266 (2016), available at: *https://downloads.regulations.gov/EPA-HQ-OAR-2022-0829-0230/attachment_1.pdf* (accessed: May 28, 2026).

[113] North American Council for Freight Efficiency, Research & Analysis Are Fundamental, last revised: 2025, available at: *https://www.nacfe.org/research/overview* (accessed: May 28, 2026).

[114] See NHTSA–2021–0053–1492, at 134 (''Vehicle design parameters are never static. With each new generation of a vehicle, manufacturers seek to improve vehicle utility, performance, and other characteristics based on research of customer expectations and desires, and to add innovative features that improve the customer experience. [NHTSA and EPA] have historically sought to maintain the performance characteristics of vehicles modeled with fuel economy-improving technologies. Auto Innovators encourages the agencies to maintain a performance-neutral approach to the analysis, to the extent possible. Auto Innovators appreciates that the agencies continue to consider high-speed acceleration, gradeability, towing, range, traction, and interior room (including headroom) in the analysis when sizing powertrains and evaluating pathways for road-load reductions. All of these parameters should be considered separately, not just in combination. (For example, we do not support an approach where various acceleration times are added together to create a single 'performance' statistic. Manufacturers must provide all types of performance, not just one or two to the detriment of others.)'').

[115] SAE, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, SAE Standard J2807_202411, SAE International: Warrendale, PA (2024), available at: *https://doi.org/10.4271/J2807_202411* (accessed: May 28, 2026).

Some technologies require extra steps for performance optimization before the vehicle models are ready for simulation. Specifically, the sizing and optimization process is more complex for hybridized vehicles which include hybrid electric vehicle (HEVs) and PHEVs, compared to vehicles with only ICE engines, as discussed further in the Final TSD Chapter 3.3.4. As an example, a PHEV powertrain that can travel a certain number of miles on its battery energy alone (referred to as all-electric range (AER)), or as performing in electric-only mode) is also sized to ensure that it can meet the performance requirements of the SAE standardized drive cycles mentioned above in electric-only mode. Autonomie follows EPA's regulatory guidance and uses the SAE J1711 test procedure to model the incremental effectiveness of adding PHEV technology to a vehicle. The procedure from this guidance is divided into several phases that model ''charge sustaining,'' ''charge depleting,'' and ''cold operation'' [116] calculations for different test cycles. This is described in detail in the CAFE Analysis Autonomie Documentation.[117] Final TSD Chapter 3.3.4 and the CAFE Analysis Autonomie Documentation contain more information on PHEV effectiveness.

Every time a vehicle model in Autonomie adopts a new technology, the vehicle weight is updated to reflect the weight of the new technology. For some technologies, the direct weight change is easy to assess. For example, when a vehicle is updated to a higher geared transmission, the weight of the original transmission is replaced with the corresponding transmission weight (*e.g.,* the weight of a vehicle moving from a 6-speed automatic (AT6) to an 8-speed automatic (AT8) transmission is updated based on the 8-speed transmission weight). For other technologies, like engine technologies, calculating the updated vehicle weight is more complex. As discussed earlier, modeling a change in engine technology involves both the new technology adoption and a change in power (because the reduction in vehicle weight leads to lower engine loads and a resized engine). When a vehicle adopts new engine technology, the associated weight change to the vehicle is accounted for based on a regression analysis of engine weight versus power.[118]

In addition to using performance metrics commonly used by automotive manufacturers, NHTSA instructs Autonomie to mimic real-world manufacturer decisions by resizing engines only at specific intervals in the analysis and in specific ways. When a vehicle manufacturer is making decisions about how to change a vehicle model to add fuel economy-improving technology, the manufacturer could entirely *redesign* the vehicle, or the manufacturer could *refresh* the vehicle with relatively more minor technology changes. NHTSA discusses how the agency's modeling captures vehicle refreshes and redesigns in more detail below, but the details are easier to understand if the agency starts by discussing some straightforward yet important concepts. First, most changes to a vehicle's engine happen when the vehicle is redesigned and not refreshed, as incorporating a new engine in a vehicle is a 10- to 15-year endeavor at a cost of $750 million to $1 billion.[119] However, manufacturers will use that same basic engine, with only minor changes, across multiple vehicle models. NHTSA models engine ''inheriting'' from one vehicle to another in both the Autonomie modeling and the CAFE Model. During a vehicle refresh, one vehicle may inherit an already redesigned engine from another vehicle that shares the same platform. In the Autonomie modeling, when a new vehicle adopts fuel-saving technologies that are inherited, the engine is not resized (*i.e.,* the properties from the reference vehicle are used directly). While this may result in a small change in vehicle performance, manufacturers have consistently told NHTSA that the high costs for redesign and the increased manufacturing complexity that would result from resizing engines for small technology changes preclude them from doing so. In addition, when a manufacturer applies mass reduction technology (*i.e.,* makes the vehicle lighter), the vehicle can use a less powerful engine because there is less weight to move. However, Autonomie will use a resized engine only at certain mass reduction application levels, as a representation of how manufacturers update their engine technologies. Again, this is intended to reflect manufacturers' comments that it would be unreasonable and unaffordable to resize powertrains for every unique combination of technologies. NHTSA has determined that the agency's rules about performance neutrality and technology inheritance result in a fleet that is essentially performance neutral.

With respect to performance neutrality, the Union of Concerned Scientists (UCS) commented that ''. . . the Autonomie modeling is a one-way ratchet, requiring that each and every parameter must have equal or better performance.'' [120] This statement is not true, as shown by the data presented in Figure 15 of its comment, which show plots of 0–60 time vs. 2-cycle mpg for several vehicle technology classes based on the Autonomie data.[121] In that figure, there are data points both above and below the target 0–60 time indicating that the Autonomie data do not merely apply equal or better vehicle acceleration when adding technology or resizing the powertrain. The Autonomie model does not act as a one-way ratchet in terms of vehicle performance improvement but instead aims for a target to minimize the performance difference during powertrain resizing and can either undershoot or overshoot the target by small margins. This fact is seen in the Autonomie data for any of the vehicle technology classes, some 0–60 mph performance times are better than the target and some are worse than the target. As a vehicle's weight is reduced, its performance will increase if vehicle power and gearing remain the same, which is the assumption the Autonomie model runs until the model reaches a 10-percent reduction in vehicle mass, at which point it runs a resizing loop to adjust power output until vehicle performance is within the specified target and tolerance range.[122] There will naturally be some variation in vehicle 0–60 mph performance time as technology is added between resizing events. NHTSA monitors vehicle performance fluctuation for each rule making analysis and believes that performance neutrality is being achieved and is in line with industry behavior. NHTSA's approach to performance neutrality considers

[116] SAE J1711 cold test operation occurs in both Charge Sustaining and Charge Depleting modes.

[117] Chapter ''Vehicle Sizing Process'' of the CAFE Analysis Autonomie Documentation.

[118] Merriam-Webster, Definition: Regression analysis, last revised: 2026, available at: *https://www.merriam-webster.com/dictionary/regression%20analysis* (accessed: May 28, 2026) (''the use of mathematical and statistical techniques to estimate one variable from another especially by the application of regression coefficients, regression curves, regression equations, or regression lines to empirical data''). In this case, NHTSA is estimating engine weight by looking at the relationship between engine weight and engine power.

[119] 2015 NAS Report, at p. 256. It is likely that manufacturers have made improvements in the product lifetime and development cycles for engines since this NAS report and the report that NAS relied on, but NHTSA does not have data on how much. NHTSA believes that it is still reasonable to conclude that generating an all-new engine or transmission design with little to no carryover from the previous generation would be a notable investment.

[120] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 62–64.

[121] UCS, Docket No. NHTSA–2025–0491–6027 A1, at 63.

[122] CAFE Analysis Autonomie Documentation.

technology pathways that manufacturers could take to maintain similar vehicle attributes while assessing the cost and benefits of fuel economy focused technology.[123] Doing so simplifies the analysis when considering various scenarios to set stringencies by reducing the variability of vehicle attributes and their perceived value to consumers. NHTSA has made no changes to its performance neutrality approach for this final rule.

NHTSA's analysis ensures that vehicle models maintain consistent performance levels to allow NHTSA to estimate the costs and benefits of different levels of fuel economy standards more accurately. For its analysis, NHTSA wants to capture only the costs and benefits that result from NHTSA changing its CAFE standards. For example, a manufacturer may add a turbocharger to its engine without downsizing the engine and then direct all the additional engine work to additional vehicle HP instead of vehicle fuel economy improvements. If NHTSA modeled increases or decreases in performance because of fuel economy-improving technology, then that increase in performance has a monetized benefit attached to it that is not specifically due to the agency's fuel economy standards. By ensuring that the agency's vehicle modeling remains performance neutral, NHTSA can better ensure that the agency is reasonably capturing the costs and benefits due only to potential changes in the fuel economy standards.

Autonomie then adopts one single fuel-saving technology to the initial vehicle model, keeping everything else the same except for that one technology and the attributes associated with it. Once one technology is assigned to the vehicle model and the new vehicle model meets its performance metrics, the vehicle model is used as an input to the full-vehicle simulation. This means that Autonomie simulates driving the optimized vehicle models for each technology class on the test cycles NHTSA described above. As an example, the Autonomie modeling could start with 10 initial vehicle models (one for each technology class in the analysis). Those 10 initial vehicle models use a 5-speed automatic transmission (AT5). Argonne then builds 10 new vehicle models; the only difference between the 10 new vehicle models and the first set of vehicle models is that the new vehicle models have a 6-speed automatic transmission (AT6). Replacing the AT5 with an AT6 would lead either to an increase or decrease in the total weight of the vehicle because each technology class includes different assumptions about transmission weight. Argonne then ensures that the new vehicle models with the 6-speed automatic transmission meet their performance metrics. Argonne has 20 different vehicle models that can be simulated on the two-cycle tests. This process is repeated for each technology option and for each technology class. This results in 10 separate datasets, each with over 100,000 results, which include information about a vehicle model made of specific fuel economy-improving technology and the fuel economy value that the vehicle model achieved by driving its simulated test cycles.

NHTSA condenses the million-or-so datapoints from Autonomie into three datasets used in the CAFE Model. These three datasets include (1) the fuel economy value that each modeled vehicle achieved while driving the test cycles, for every technology combination in every technology class (converted into ''fuel consumption,'' which is the inverse of fuel economy; fuel economy is mpg and fuel consumption is gallons per mile); (2) the fuel economy value for PHEVs driving those test cycles, when those vehicles drive on gasoline only; and (3) optimized battery sizing and associated costs for each vehicle that adopts some sort of hybridized powertrain (discussed in more detail below). NHTSA then uses these datapoints to produce the technology effectiveness values in the CAFE Model.

Technology effectiveness values allow the CAFE Model to simulate how manufacturers can improve fuel economy relative to a consistent reference point by adding technology and combinations of technologies. The effectiveness values represent the simulated relative improvement of fuel economy that can be applied to a vehicle when new technology is added. These values are calculated based on comparing the achieved fuel economies simulated using the Autonomie full-vehicle models.

NHTSA adds the technology effectiveness values to the CAFE Model as inputs. When the CAFE Model runs a simulation, the effectiveness values for that vehicle's class determine how much the vehicle's fuel economy improves with the application of each technology. The CAFE Model's compliance simulation begins with actual fuel economy values derived from compliance data. As the CAFE Model adds technology, the technology effectiveness values are applied to estimate the new fuel economy value for the vehicle, and the CAFE Model runs millions of combinations of technologies on different vehicles to find the most cost-effective means of compliance for each manufacturer and fleet.

Return to the Ravine Runner F Series example, which has a starting fuel economy value of just over 26 mpg and a starting technology key ''TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3.'' The equivalent Autonomie vehicle model has a starting fuel economy value of just over 30.8 mpg and is represented by the technology descriptors Mid-size SUV, Perfo, Micro Hybrid, eng38, AUp10, MR3, AERO1, or ROLL0. In MY 2028, the CAFE Model determines that Generic Motors needs to redesign the Ravine Runner F Series to reach Generic Motors' new CAFE standard. The Ravine Runner F Series now has new fuel economy-improving technology, a parallel strong HEV with a turbocharged engine with the addition of cooled exhausted recirculation (TURBOE), an integrated 8-speed automatic transmission, 30-percent improvement in ROLL, 20-percent aerodynamic drag reduction, and 10-percent lighter glider (*i.e.,* mass reduction). Its new technology key is now P2TRBE, ROLL30, AERO20, MR3. Table II–4 shows how the incremental fuel economy improvement from the Autonomie simulations is applied to the Ravine Runner F Series' starting fuel economy value.

[123] Performance neutrality is discussed in more detail in Final TSD Chapter 2.3.5.

Table II-4: Example Translation from the Autonomie Effectiveness Database to the CAFE Model

Model	Starting Technology Key/Technology Descriptors	MPG	Ending Technology Key/Technology Descriptors	MPG
CAFE Model	TURBOD; AT10L2; SS12V; ROLL0; AERO5; MR3	26.1	P2TRBE, ROLL30, AERO20, MR3	36.3
Autonomie	Mid-size_SUV, Perfo, Micro Hybrid, eng38, AUp, 10, MR3, AERO1, ROLL0	30.8	Mid-size_SUV, Perfo, Par HEV, eng37, AUp 8, MR3, AERO4, ROLL30	42.9

Note that the fuel economy values NHTSA obtains from the Autonomie modeling are based on the city and highway test cycles (*i.e.,* the two-cycle test) described above. This is because NHTSA's analysis is based on the EPA procedures used for calculating fuel economy for CAFE compliance, which uses two-cycle testing.[124] In 2008, EPA introduced three additional test cycles to bring fuel economy ''label'' values from two-cycle testing in line with the efficiency values consumers were experiencing in the real world, particularly for hybrids. This is known as 5-cycle testing. Generally, the revised 5-cycle testing values have proven to be a good approximation of what consumers will experience while driving and are significantly more representative than the previous two-cycle test values of real-world fuel economy. Though the compliance modeling uses two-cycle fuel economy values, the agency uses the ''on-road'' fuel economy values, which are the ratio of 5-cycle to 2-cycle testing values (*i.e.,* the CAFE compliance values to the ''label'' values)[125] to calculate the value of fuel savings to the consumer in the effects analysis. This is because the 5-cycle test fuel economy values better represent fuel savings that consumers will experience from real-world driving. FRIA Chapter 4.3.1 and Section 5.3.2 of the CAFE Model Documentation contain more information about these calculations. NHTSA's discussion of the effects analysis is presented later in this section.

In sum, NHTSA uses Autonomie to generate modeling and simulation technology effectiveness estimates. These estimates ensure that the modeling captures differences in technology effectiveness due to (1) vehicle size and performance relative to other vehicles in the analysis fleet; (2) other technologies on the vehicle or being added to the vehicle at the same time; and (3) how the vehicle is driven. The modeling approach allows the isolation of technology effects in the analysis supporting an accurate assessment and comports with the NAS 2015 recommendation to use full-vehicle modeling supported by the application of lumped improvements at the sub-model level.[126]

In NHTSA's analysis, ''technology effectiveness values'' are the relative difference between the fuel economy value for one Autonomie vehicle model driving the two-cycle tests and a second Autonomie vehicle model that uses new technology driving the two-cycle tests. NHTSA adds the difference between two Autonomie-generated fuel economy values to a vehicle in the Market Data Input File's CAFE compliance fuel economy value. NHTSA then calculates the costs and benefits of different levels of fuel economy standards using the incremental improvement required to bring an analysis fleet vehicle model's fuel economy value to a level that contributes to a manufacturer's fleet meeting its CAFE standard.

In the next section, Technology Costs, NHTSA describes the process of generating costs for the Technologies Input File.

d. Technology Costs

NHTSA estimates present and future costs for fuel-saving technologies by taking into consideration the type of vehicle or type of engine when technology costs vary by application. These cost estimates are based on three main inputs. First, direct manufacturing costs (DMCs), or the component and labor costs of producing and assembling the physical parts and systems, are estimated assuming high-volume production. Second, NHTSA estimates indirect costs. DMCs generally do not include the indirect costs of tools, capital equipment, financing, engineering, sales, administrative support, or return on investment (ROI). NHTSA accounts for these indirect costs via a scalar markup of DMCs, which is termed the retail price equivalent (RPE). Finally, the costs for technologies may change over time as industry streamlines design and manufacturing processes. To model this, the agency estimates potential cost improvements with cost learning. The retail cost of equipment in any future year is estimated to be equal to the product of the DMC, RPE, and cost learning. Considering the retail cost of equipment, instead of merely DMCs, allows NHTSA to account for the real-world price effects of a technology as well as market realities. Each of these technology cost components is described briefly below and in the following individual technology sections as well as in detail in Chapters 2 and 3 of the Final TSD.

DMCs are the component and assembly costs of the physical parts and systems that make up a complete vehicle. NHTSA uses agency-sponsored tear-down studies of vehicles and parts to estimate the DMCs of individual technologies in addition to independent tear-down studies, other publications,

[124] 49 U.S.C. 32904(c) (EPA ''shall measure fuel economy for each model and calculate average fuel economy for a manufacturer under testing and calculation procedures prescribed by the Administrator. However, except under section 32908 of this title, the Administrator shall use the same procedures for passenger automobiles the Administrator used for model year 1975 (weighted 55 percent urban cycle and 45 percent highway cycle), or procedures that give comparable results.'').

[125] NHTSA applied a certain percentage difference between the 2-cycle test value and 5-cycle test value to represent the gap in compliance fuel economy and real-world fuel economy. See FRIA Chapter 4.3.1 for further discussion.

[126] 2015 NAS Report, at p. 292.

and confidential business information (CBI). In the simplest cases, NHTSA sponsors studies to produce results that confirm or refute third-party industry estimates and to determine alignment with confidential information provided by manufacturers and suppliers. In cases where the tear-down study results differ significantly from credible independent sources, the agency scrutinizes the study assumptions and sometimes revises or updates the analysis accordingly.

Due to the variety of technologies and their applications and the cost and time required to conduct detailed tear-down analyses, NHTSA did not sponsor tear-down studies for every technology. In addition, the analysis includes some fuel-saving technologies that are pre-production or sold in very small pilot volumes, but for which appropriate data are available for the range of vehicles the agency models. For those technologies, NHTSA could not conduct a tear-down study to assess costs because the product is not yet in the marketplace for evaluation. In these cases, the agency relies upon third-party estimates and confidential information from suppliers and manufacturers; however, relying on CBI to estimate costs introduces several analytical challenges. First, the agency and the CBI source may use incongruent or incompatible baselines or reference points from which to measure costs. Second, sources may provide incomplete data or project DMCs far into the future based on overly optimistic production volumes—critical caveats that the agency must weigh carefully. Furthermore, a manufacturer's proprietary cost structure may be influenced by intellectual property rights or exclusive strategic partnerships. Because not all manufacturers can access these proprietary technologies at the same price point, replicating these costs within the CAFE Model could be difficult. Given these complexities, NHTSA spends significant resources scrutinizing all new data, particularly those concerning emerging technologies.

While costs for fuel-saving technologies reflect the best estimates available at the time of this analysis, technology cost estimates likely will change in the future as technologies are deployed, production is expanded, and nascent technologies mature. For emerging technologies, NHTSA uses the best information available at the time of the analysis and continues to update cost assumptions for any future analysis. Chapter 3 of the Final TSD discusses each category of technologies (*e.g.,* engines, transmissions, or hybridization) and the cost estimates the agency uses for this analysis.

As discussed above, direct costs represent the costs associated with acquiring raw materials, fabricating parts, and assembling vehicles with the various technologies that manufacturers are expected to use to improve the fuel economy of their fleets. They include materials, labor, and variable energy costs required to produce and assemble the vehicle. However, direct costs do not include overhead costs required to develop and produce the vehicle, costs incurred by manufacturers or dealers to sell vehicles, or the profit manufacturers and dealers make from their investments. These items together contribute to the price consumers ultimately pay for the vehicle. Table II–5 illustrates how these components can affect retail prices.

Table II-5: Retail Price Components

Direct Costs	
Manufacturing Cost	Cost of materials, labor, and variable energy needed for production
Indirect Costs	
Production Overhead	
Warranty	Cost of providing product warranty
Research and Development	Cost of developing and engineering the product
Depreciation and amortization	Depreciation and amortization of manufacturing facilities and equipment
Maintenance, repair, and operations	Cost of maintaining and operating manufacturing facilities and equipment
Corporate Overhead	
General and Administrative	Salaries of nonmanufacturing labor, operations of corporate offices, and others
Retirement	Cost of pensions for nonmanufacturing labor
Health Care	Cost of health care for nonmanufacturing labor
Selling Costs	
Transportation	Cost of transporting manufactured goods
Marketing	Manufacturer costs of advertising manufactured goods
Dealer Costs	
Dealer selling expense	Dealer selling and advertising expense
Dealer profit	Net Income to dealers from sales of new vehicles
Net income	Net income to manufacturers from production and sales of new vehicles

To estimate total consumer costs (*i.e.,* both direct and indirect costs), NHTSA multiplies a technology's DMCs by an indirect cost factor (the RPE) to represent the average price for fuel-saving technologies at retail. The RPE markup factor is based on an examination of historical financial data contained in 10–K reports filed by manufacturers with the Securities and Exchange Commission. It represents the ratio between the retail price of motor vehicles and the direct costs of all activities in which manufacturers engage.

For more than three decades, the retail price of motor vehicles has been, on average, roughly 50 percent above the direct cost expenditures of manufacturers. That is, the retail price is approximately 1.5 times the direct cost expenditures.[127] This ratio has been consistent, averaging roughly 1.5 with minor variations from year to year over this period. At no point has the RPE markup based on 10–K reports exceeded 1.6 or fallen below 1.4, based on data from 1972–1997 and 2007.[128] During this timeframe, the average annual increase in real direct costs was 2.5 percent, and the average annual increase in real indirect costs was also 2.5 percent. The RPE averages 1.5 across the lifetime of technologies of all ages, with a lower average in earlier years of a technology's life, and, because of learning effects on direct costs, a higher average in later years. Many automotive industry stakeholders have either endorsed the 1.5 markup or have estimated alternative RPE values. As seen in Table II–6, all estimates range between 1.4 and 2.0, and most are in the 1.4 to 1.7 range.[129]

Table II-6: Alternate Estimates of the RPE[130]

Author and Year	Value, Comments
Jack Faucett Associates for EPA, 1985	1.26 initial value, later corrected to 1.7+ by Sierra research
Vyas *et al*., 2000	1.5 for outsourced, 2.0 for OEM, and hybrid vehicles
NRC, 2002	1.4 (corrected to > by Duleep)
McKinsey and Company, 2003	1.7 based on European study
CARB, 2004	1.4 (derived using the JFA initial 1.26 value, not the corrected 1.7+ value)
Sierra Research for American Automobile Association, 2007	2.0 or >, based on Chrysler data
Duleep, 2008	1.4, 1.56, 1.7 based on integration complexity
NRC, 2011	1.5 for Tier 1 supplier, 2.0 for OEM
NRC, 2015	1.5 for OEM

AnRPE of 1.5 does not mean that manufacturers automatically mark up each vehicle by exactly 50 percent. Rather, it means that, over time, the competitive marketplace has resulted in pricing structures that average out to this relationship across the entire industry. Prices for any individual model may be marked up at a higher or lower rate depending on market demand. On average, over time and across the vehicle fleet, consumers spend about $1.50 for each dollar of direct costs incurred by manufacturers. Based on NHTSA's own evaluation and the widespread use and acceptance of the RPE by automotive industry stakeholders, the agency has determined that the RPE provides a reasonable indirect cost markup for use in the analysis. A detailed discussion of indirect cost methods and the basis for the agency's use of the RPE to reflect these costs, rather than other indirect cost markup methods, is available in the FRIA for the 2020 final rule.[131]

IPI criticized the established application of RPE in NHTSA's analysis. IPI asserted that ''NHTSA must update its indirect cost factor to reflect recent

[127] Rogozhin, A. *et al.,* Automobile Industry Retail Price Equivalent and Indirect Cost Multipliers, EPA–420–R–09–003, EPA: Ann Arbor, MI (2009), available at: *https://nepis.epa.gov/Exe/ZyPDF.cgi/P100AGJ1.PDF?Dockey=P100AGJ1.PDF* (accessed: May 28, 2026); Spinney, B. *et al.,* Advanced Air Bag Systems Cost, Weight, and Lead Time Analysis Summary Report, National Highway Traffic Safety Administration: Washington, DC (1999).

[128] Data are not available for intervening years, but results for 2007 seem to indicate no significant change in the historical trend.

[129] See The Alliance, Docket No. EPA–HQ–OAR–2018–0283–6186, at 143 (Oct. 26, 2018) (''The Alliance supports the use of retail price equivalents in the compliance cost modeling'').

[130] Duleep, K., Analysis of Technology Cost and Retail Price, Presentation to Committee on Assessment of Technologies for Improving LDV Fuel Economy, Detroit, MI (2008); Jack Faucett Associates, Update of EPA's Motor Vehicle Emission Control Equipment Retail Price Equivalent (RPE) Calculation Formula, Report No. 68–03–3244, EPA: Ann Arbor, MI (1985), available at: *https://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=940047LI.txt* (accessed: May 28, 2026); McKinsey & Company, New Horizons: Multinational Company Investment in Developing Economies, Final version, Mckinsey Global Institute: San Francisco, CA, Preface to the Auto Sector Cases, p. 1 (2003), available at: *https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/McKinsey%20Digital/Our%20Insights/New%20horizons%20for%20multinational%20company%20investment/MGI_Multinational_company_investment_in_developing_economies_Full_Report.ashx* (accessed: Apr. 6, 2026); Transportation Research Board and National Research Council, Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards, National Academies Press: Washington, DC, pp. 5, 12 (2002), available at: *https://nap.nationalacademies.org/catalog/10172/effectiveness-and-impact-of-corporate-average-fuel-economy-cafe-standards* (accessed: May 28, 2026); National Research Council, Assessment of Fuel Economy Technologies for Light-Duty Vehicles, National Academies Press: Washington, DC (2011), available at: *https://nap.nationalacademies.org/catalog/12924/assessment-of-fuel-economy-technologies-for-light-duty-vehicles* (accessed: May 28, 2026); National Research Council, Cost, Effectiveness, and Deployment of Fuel Economy Technologies in LDVs, National Academies Press: Washington, DC (2015); Sierra Research, Inc., Study of Industry-Average Mark-Up Factors Used to Estimate Changes in Retail Price Equivalent (RPE) for Automotive Fuel Economy and Emissions Control Systems, Sierra Research, Inc.: Sacramento, CA (2007); Vyas, A. *et al.,* Comparison of Indirect Cost Multipliers for Vehicle Manufacturing, Center for Transportation Research: Argonne, IL (2000), available at: *https://publications.anl.gov/anlpubs/2000/05/36074.pdf* (accessed: May 28, 2026).

[131] NHTSA and EPA, FRIA: The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Year 2021–2026 Passenger Cars and Light Trucks (2020), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/final_safe_fria_web_version_200701.pdf* (accessed: May 28, 2026).

data and to remove any transfer effects.'' [132] NHTSA disagrees with IPI's assertion and continues to use the best available information for RPE (indirect cost factor). NHTSA justifies its choice of an indirect cost factor as a central estimate of a long run markup factor. IPI provided neither evidence that the long-stable indirect cost factor (RPE) has changed substantively since the most recent comprehensive analysis nor examples of estimates of indirect cost factors or RPEs that are more recent than those cited in the proposal.[133] IPI based its assertion on a structural model of implied firm markups, which is a categorically different measure than indirect cost factors or RPE [134] (IPI likely conflated the two concepts because the term ''markup'' is used to describe each of these distinct measures). IPI also argued in its comment that NHTSA cannot consider vehicle price changes resulting from regulatory action due to OMB guidance in Circular A–4, but it misunderstands that document, since here the purpose of NHTSA's analysis is to measure the potential impacts of a regulatory action.

IPI claimed that NHTSA is irrationally counting RPE as a cost when IPI believes that RPE represents a transfer. IPI asserted that original equipment manufacturers (OEMs) have pricing power and then incorrectly characterizes RPE as representing ''monopoly profits.'' IPI also argued that NHTSA cannot account for the impact of changing new vehicle prices on consumer welfare due to guidance in Circular A–4.

In response to IPI's comment, NHTSA notes that Chapter 2.4 in the Final TSD provides NHTSA's rationale for including indirect costs in technology costs. IPI's representation of indirect costs (and as a result technology costs associated with standard setting) conflates manufacturer profits with impacts on vehicle prices. RPE represents indirect costs such as the costs of tools, capital equipment, financing, engineering, sales, administrative support, or ROI associated with the application of new vehicle technology. The RPE assumes that, over time, the competitive marketplace results in pricing structures that average out to this relationship across the automotive industry.[135]

In addition, Circular A–4 provides instruction and guidance to agencies in developing assessments of the costs and benefits of regulatory actions and alternatives to those actions pursuant to Section 6(a)(3)(C) of Executive Order 12866. Here, NHTSA's standard-setting analysis is prescribed by law to consider the four statutory factors set forth in EPCA: technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy.[136] NHTSA's analysis of technology costs and RPE are consistent with this statutory directive and previous rulemakings. Measuring the technology costs paid by consumers through higher new vehicle prices provides a transparent representation of standards' effects on consumers.

Finally, manufacturers make improvements to production processes over time, which often result in lower costs. ''Cost learning'' reflects the effect of experience and volume on the cost of production, which results generally in better utilization of resources, leading to higher and more efficient production. As manufacturers gain experience through production, they refine production techniques, raw material and component sources, and assembly methods to maximize efficiency and reduce production costs.

NHTSA estimates cost learning by considering methods established by T.P. Wright and later expanded upon by J.R. Crawford. Wright, examining aircraft production, found that every doubling of cumulative production of airplanes resulted in decreasing labor hours at a fixed percentage. This fixed percentage is commonly referred to as the progress rate or progress ratio, where a lower rate implies faster learning as cumulative production increases. J.R. Crawford expanded upon Wright's learning curve theory to develop a single unit cost model, which estimates the cost of the nth unit produced where the following information is known: (1) cost to produce the first unit; (2) cumulative production of n units; and (3) the progress ratio.

Consistent with Wright's learning curve, NHTSA uses the basic approach by Wright for most technologies in the CAFE Model, with NHTSA estimating technology cost reductions by applying a fixed percentage to the projected cumulative production of a given fuel economy technology in a given model year.[137] The agency estimates the cost to produce the first unit of any given technology by identifying the DMC for a technology in a specific model year. As discussed in detail below, and in Chapter 3 of the Final TSD, NHTSA's technology DMCs come from studies, teardown reports, other publicly available data, and feedback from manufacturers and suppliers. Because different studies or cost estimates are based on costs in specific model years, the agency identifies the ''base'' model years for each technology where the learning factor is equal to 1.00. Then, the agency applies a progress ratio to back-calculate the cost of the first unit produced. The majority of technologies in the CAFE Model use a progress ratio (*i.e.,* the slope of the learning curve, or the rate at which cost reductions occur with respect to cumulative production) of approximately 0.89, which is derived from average progress ratios researched in studies funded or identified by NHTSA.[138] Many fuel economy technologies that have existed in vehicles for some time will have a gradual sloping learning curve implying that cost reductions from learning is moderate and eventually becomes less steep toward MY 2050. Conversely, newer technologies have a steeper learning curve initially, where cost

[132] IPI, Docket No. NHTSA–2025–0491–6015, at 3.

[133] National Research Council, Cost, Effectiveness, and Deployment of Fuel Economy Technologies for Light-Duty Vehicles, The National Academies Press: Washington, DC (2015), available at: *https://nap.nationalacademies.org/catalog/21744/cost-effectiveness-and-deployment-of-fuel-economytechnologies-for-light-duty-vehicles* (accessed: May 25, 2026).

[134] Grieco, P. *et al.,* The evolution of market power in the U.S. automobile industry, *The Quarterly Journal of Economics,* Vol. 139(2): pp. 1201–53 (2024), available at: *https://doi.org/10.1093/qje/qjad047* (accessed: May 28, 2026).

[135] Final TSD Chapter 2.4.2.

[136] 49 U.S.C. 32902(f).

[137] NHTSA uses statically projected cumulative volume production estimates because the CAFE Model does not support dynamic projections of cumulative volume at this time.

[138] Simons, J., Cost and Weight Added by the Federal Motor Vehicle Safety Standards for MY 1968–2012 Passenger Cars and LTVs, Report No. DOT HS 812 354, NHTSA: Washington D.C., pp. 30–33 (2017), available at: *https://downloads.regulations.gov/NHTSA-2021-0053-1643/attachment_44.pdf* (accessed: May 28, 2026); Argote, L. *et al.,* The Acquisition and Depreciation of Knowledge in a Manufacturing Organization—Turnover and Plant Productivity, Working Paper, Graduate School of Industrial Administration, Carnegie Mellon University (1997); Benkard, C., Learning and forgetting: the dynamics of aircraft production, *The American Economic Review,* Vol. 90(4): pp. 1034–54 (2000), available at: *https://www.aeaweb.org/articles?id=10.1257/aer.90.4.1034* (accessed: May 28, 2026); Epple, D. *et al.,* Organizational learning curves: a method for investigating intra-plant transfer of knowledge acquired through learning by doing, *Organization Science,* Vol. 2(1): pp. 58–70 (1991), available at: *https://www.jstor.org/stable/2634939* (accessed: May 28, 2026); Epple, D. *et al.,* An empirical investigation of the microstructure of knowledge acquisition and transfer through learning by doing, *Operations Research,* Vol. 44(1): pp. 77–86 (1996), available at: *https://ideas.repec.org/a/inm/oropre/v44y1996i1p77-86.html* (accessed: May 28, 2026); Levitt, S. *et al.,* Toward an understanding of learning by doing: evidence from an automobile assembly plant, *Journal of Political Economy,* Vol. 121(4): pp. 643–81 (2013), available at: *https://www.nber.org/papers/w18017* (accessed: May 28, 2026).

reduction occurs at a high rate. Mature technologies generally have a flatter curve and may not incur much cost reduction, if at all, from learning. Final TSD Chapter 2.4.4 provides an illustration showing various slopes of learning curves.

The agency assigns groups of similar technologies or technologies of similar complexity to each learning curve. Though the grouped technologies differ in operating characteristics and design, NHTSA chooses to group them based on market availability, complexity of technology integration, and production volume of the technologies that can be implemented by manufacturers and suppliers. In general, the agency considers most basic engine and transmission technologies to be mature technologies that do not experience any additional improvements in design or manufacturing. Other basic engine technologies, like variable valve lift (VVL), stoichiometric gasoline direct injection (SGDI), and DEAC, decrease in costs through around MY 2036, because those were introduced into the market more recently. All advanced engine technologies follow the same general pattern of a gradual reduction in costs until MY 2036, when they plateau and remain flat. NHTSA expects the cost to decrease as production volumes increase, manufacturing processes are improved, and economies of scale are achieved. The agency has assigned advanced engine technologies based on a singular preceding technology to the same learning curve as that preceding technology. Similarly, the more advanced transmission technologies experience a gradual reduction in costs through MY 2031, when they plateau and remain flat. Lastly, the agency estimates that the learning curves for road load technologies, with the exception of the most advanced mass reduction level (which decreases at a fairly steep rate through MY 2040, as discussed further below and in Chapter 3.4 of the Final TSD), will decrease through MY 2036 and then remain flat.

For technologies that have been in production for many years, like some engine and transmission technologies, this approach produces reasonable estimates that NHTSA can compare against other studies and publicly available data. Generating the learning curve for battery packs for hybrid vehicles in future model years is significantly more complicated, and NHTSA discusses how the agency generated those learning curves in detail in Chapter 3.3 of the Final TSD. NHTSA's battery pack learning curves recognize that there are many factors that could potentially lower battery pack costs over time outside of cost reductions from improvements in manufacturing processes due to knowledge gained through experience in production.

Table II–7 shows how some of the technologies on the example MY 2024 Ravine Runner F Series decrease in cost over several years. Note that these costs are specifically applicable to the MedSUVPerf class, and other technology classes may have different costs for the same technologies. These costs are pulled directly from the Technologies Input File, meaning that they include the DMC, RPE, and learning.

Table II-7: Absolute Costs for Example Ravine Runner F Series Technologies in 2024$

Technology (MedSUVPerf)	2024	2027	2031
TURBOD (8C2B)	$10,118.42	$10,090.64	$10,061.14
AT10L2	$3,213.19	$3,190.24	$3,172.38
SS12V	$309.44	$289.97	$273.68
AERO5	$60.52	$57.87	$55.36

e. Simulating Tax Credits

The Inflation Reduction Act (IRA) included several tax credits intended to encourage the adoption of clean vehicles.[139] OB3 amended these credits through a combination of stricter eligibility requirements and earlier phase out of certain credits.[140] Consistent with prior rulemakings, NHTSA assumes that non-plug-in hybrids do not qualify for the tax credits because their battery size is below the minimum thresholds set within the credit provisions. As noted throughout this preamble, NHTSA is statutorily prohibited from considering the fuel economy of dedicated automobiles and therefore has excluded dedicated vehicles from the analysis. The agency considers the fuel-based efficiency of dual-fueled vehicles, such as PHEVs, which are the only vehicles the agency models that are eligible for tax credits.

NHTSA models three provisions of the IRA—the Advanced manufacturing production credit (''AMPC'' or ''45X''), the Clean vehicle credit (''30D''), and the Credit for qualified commercial clean vehicles (''45W''). The AMPC, which provides a $35 per kWh tax credit for manufacturers of battery cells and an additional $10 per kWh for manufacturers of battery modules (all applicable to manufacture in the United States), is modeled through its phase out in 2032 in this final rule.[141] The 30D and 45W credits (collectively, the Clean Vehicle Credits or ''CVCs'') are modeled through their sunset, which for modeling purposes is assumed to be MY 2025.[142] [143]

The 30D credit provided up to $7,500 toward the purchase of new clean vehicles with critical minerals either extracted or processed in the United States or a country with which the United States has a free trade agreement or recycled in North America and battery components manufactured or assembled in North America.[144] In

[139] Public Law 117–169, 136 Stat. 1818 (Aug. 16, 2025).

[140] Enacted as Public Law 119–21, 139 Stat. 72 (July 4, 2025).

[141] 26 U.S.C. 45X. If a manufacturer produces a battery module without battery cells, it is eligible to claim up to $45 per kWh for the battery module. Two other provisions of the AMPC are not modeled at this time; (1) a credit equal to 10 percent of the manufacturing cost of electrode active materials and (2) a credit equal to 10 percent of the manufacturing cost of critical minerals for battery production. NHTSA is not modeling these credits directly because of how battery costs are estimated, and to avoid the potential to double-count the tax credits if they are included into other analyses that feed into NHTSA's inputs. For a full account of the credit and any limitations, please refer to the statutory text.

[142] 26 U.S.C. 45W. For a full account of the credit and any limitations, please refer to the statutory text.

[143] 26 U.S.C. 30D. For a full account of the credit and any limitations, please refer to the statutory text.

[144] Vehicle price and consumer income limitations apply to section 30D credits, as well. See Congressional Research Service, Tax Provisions in the Inflation Reduction Act of 2022 (H.R. 5376) (2022), available at: *https://www.congress.gov/crs-product/R47202* (accessed: May 28, 2026).

contrast to 30D, the 45W credit did not have the same critical minerals and production restraints, but instead the credit value is the lesser of the incremental cost to purchase a comparable ICE vehicle or 15 percent of the cost basis for PHEVs up to $7,500 for vehicles with a gross weight vehicle rating (GVWR) less than 14,000 pounds. The Department of the Treasury set safe harbors for claiming credits based on DOE's Incremental Purchase Cost Methodology and Results for Clean Vehicles report.[145] The safe harbors were set at the full amount of $7,500 for most vehicles except for smaller PHEV sedans, which were capped just shy of the maximum value.[146] Given the relatively small difference between the full credit value and the cap for smaller PHEV sedans, and the few vehicle lines categorized as smaller sedans, the agency assumed that all vehicles could qualify for the full credit as a modeling simplification. The 45W credit was also available only to commercial purchasers; however, the Department of the Treasury determined that leased vehicles could be eligible for the 45W credit where the financing company was the owner of the vehicle for Federal income tax purposes. NHTSA jointly models the CVC tax credits. Both credits are available at the time of sale and provided up to $7,500 towards the purchase of light-duty vehicles acquired on or before September 30, 2025. Because only one of the CVCs could be claimed for each vehicle purchase, NHTSA models them jointly.

The CAFE Model projects vehicles in model year cohorts rather than on a calendar year basis. Given that model years and calendar years can be misaligned (*e.g.,* a MY 2024 vehicle could be sold in CYs 2023, 2024, or even 2025), choosing which calendar year a model year falls into is important for assigning tax credits that are phased out during the analytical period. NHTSA analyzed the timing of new vehicle sales and new vehicle registrations and determined that, for this final rule, it is appropriate to assume that credits available in a given calendar year are available to all vehicles sold in the same model year.

In the NPRM, the agency elected not to model the AMPC past MY 2025 because of the more stringent requirements imposed by OB3 restricting usage of materials from prohibited foreign entities (PFE) (*i.e.,* constrained eligibility for the tax credit based on materials sources) and uncertainty about whether manufacturers could meet the non-PFE component threshold percentages. NHTSA conducted a sensitivity analysis for the NPRM where the AMPC extended through its statutory sunset in MY 2032.

Attorneys General from Multiple States (Attorneys General) argued that NHTSA failed to include the cost-reducing effects of the 45X credit to inflate artificially the price of hybrid vehicles, and that NHTSA incorrectly assumed that automakers would not meet the required domestic component thresholds and foreign entity constraints.[147] The Attorneys General countered that significant recent onshoring means the industry can take advantage of the 45X credit. BlueGreen Alliance (BGA) commented that while Congress recently eliminated other EV incentives, it intentionally preserved the 45X credit.[148] They argue that maintaining strong CAFE standards works hand-in-hand with the 45X credit and President Trump's executive actions to support onshore domestic battery manufacturing and secure America's critical mineral supply chain. The Alliance acknowledged the sunsetting of the 30D and 45W tax credits and noted that 45X eligibility was also tightened.[149] The agency took these comments into consideration and updated the 45X phase out years for the final rule.

The agency assumes that manufacturers and consumers each capture half of the dollar value of the AMPC and CVCs. The agency assumes that manufacturers' shares of both credits will offset part of the cost to supply models eligible for the credits—PHEVs, specifically. The subsidies reduce the costs of eligible vehicles and increase their attractiveness to buyers. Because the AMPC credit scales with battery capacity, NHTSA determines battery energy capacity separately for each vehicle based on Argonne simulation outputs. Final TSD Chapter 2.3.2 contains a detailed discussion of these assumptions. NHTSA accounts for all the eligibility requirements of 30D and the AMPC, such as the location of final assembly and battery production, the origin of critical minerals, and the income restrictions of 30D through the credit schedules constructed in part based off of these factors and allows all PHEVs produced and sold during the timeframe that tax credits are offered to be eligible for those credits subject to the MSRP restrictions discussed below.[150]

To account for the agency's inability to model dynamically sourcing requirements and income limits for 30D, NHTSA uses projected values of the average value of 30D and the AMPC for the final rule. The projections increase throughout the analysis due to the expectation that gradual improvements in supply chains over time would allow more vehicles to qualify for the credits.

NHTSA uses a DOE report that provides combined values of the CVCs.[151] These values consider the latest information of PHEV penetration rates, PHEV retail prices, the share of United States PHEV sales that meet the critical minerals and battery component requirements, the share of vehicles that exclude suppliers that are ''Foreign Entities of Concern,'' and lease rates for vehicles that qualify for the 45W CVC. The DOE projections are the most detailed and rigorous projections of credit availability that NHTSA is aware of at this time, and DOE has not released updated projections that reflect the enactment of OB3. Final TSD Chapter 2.5.3 includes more information on the average AMPC credit per kWh that NHTSA uses in this final rule.

The CAFE Model accounts for the statutory MSRP restrictions of 30D by assuming that the CVCs cannot be applied to cars with an MSRP above $55,000 or other vehicles with an MSRP above $80,000, which are ineligible for 30D. The 45W credit does not have the same MSRP restrictions; however, because NHTSA is unable to model the CVCs separately at this time, the agency has to choose whether to model the restriction for both CVCs or not to

[145] See Internal Revenue Service, Frequently Asked Questions Related to New, Previously-Owned and Qualified Commercial Clean Vehicle Credits, FS–2022–42, Media Relations Office: Washington, DC, Q4 and Q8 (2022), available at: *https://www.irs.gov/pub/taxpros/fs-2022-42.pdf* (accessed: May 28, 2026).

[146] *See* Internal Revenue Service, Section 45W Commercial Clean Vehicles and Incremental Cost for 2023, IRS Notice 2023–9 (2023), available at: *https://www.irs.gov/pub/irs-drop/n-23-09.pdf* (accessed: May 28, 2026); Internal Revenue Service, Section 45W Commercial Clean Vehicles and Incremental Cost for 2024, IRS Notice 2024–5 (2024), available at: *https://www.irs.gov/pub/irs-drop/n-24-05.pdf* (accessed: May 28, 2026); Internal Revenue Service, Section 45W Credit for Qualified Commercial Clean Vehicles and Incremental Cost for 2025, IRS Notice 2025–9 (2025), available at: *https://www.irs.gov/pub/irs-drop/n-25-09.pdf* (accessed: May 28, 2026).

[147] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62.

[148] BGA, Docket No. NHTSA–2025–0491–5931–A1, at 2–3.

[149] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 3.

[150] *See* 88 FR 56179 (Aug. 17, 2023) for a more detailed explanation of the process used for the previous proposal.

[151] U.S. Department of Energy, Estimating Federal Tax Incentives for Heavy Duty Electric Vehicle Infrastructure and for Acquiring Electric Vehicles Weighing Less Than 14,000 Pounds, Memorandum (2024), available at: *https://downloads.regulations.gov/EERE-2021-VT-0033-0056/content.pdf* (May 28, 2026).

model the restriction at all. NHTSA chooses to include the restriction for both CVCs to be conservative.[152] Chapter 2.5.2 of the Final TSD contains additional details on how NHTSA implements tax credits.

NHTSA uses real dollars for future costs and benefits, such as technology costs in future model years. Including the tax credits as nominal dollars instead of real dollars artificially raises the value of the credits in respect to other costs, so NHTSA converts the DOE projections to real dollars.

NHTSA does not model individual State tax credits or rebate programs. State clean vehicle tax credits and rebates vary from jurisdiction to jurisdiction and are subject to more uncertainty in funding availability and eligibility than their Federal counterparts.[153] Tracking sales by jurisdiction and modeling each program's individual compliance program would require significant revisions to the CAFE Model while likely producing minimal changes in the net outputs of the analysis given constraints imposed by statute. NHTSA has not changed this approach for the final rule but will continue to monitor State programs for appropriateness for consideration in future rulemakings.

f. Technology Applicability Equations and Rules

As NHTSA describes above, the CAFE Model simulates cost-effective ways that vehicle manufacturers could comply with CAFE standards, subject to limits that ensure that the Model reasonably replicates manufacturers' decisions in the real world. This section describes the equations the CAFE Model uses to determine how to apply technology to vehicles, including whether technologies are cost effective, and why the agency believes the CAFE Model's calculation of potential compliance pathways reasonably represents manufacturers' decision-making. This section also gives a high-level overview of real-world limitations that vehicle manufacturers face when designing and manufacturing vehicles and how the agency includes those in the technology inputs and assumptions in the analysis.

For each manufacturer's fleet, the CAFE Model first determines whether any technology should be ''inherited'' from an engine, transmission, or platform that currently uses the technology and should be applied to a vehicle that is due for a refresh or redesign. NHTSA describes above how vehicle manufacturers use the same or similar engines, transmissions, and platforms across multiple vehicle models, and the agency tracks vehicle models that share technology by assigning Engine, Transmission, and Platform Codes to vehicles in the analysis fleet. As an example, variants of the Ford 10R80 10-speed transmission are currently used in the following Ford Motor Company vehicles: 2017-present Ford F–150, 2018-present Ford Mustang, 2018-present Ford Expedition/Lincoln Navigator, 2019-present Ford Ranger, and the 2020-present Ford Explorer/Lincoln Aviator. The 2WD variant of the 10R80, as applied to the CAFE Model, is shared by the 2WD Expedition models, 2WD F–150 models, and the Mustang, thus linking these models by the same Transmission Code. If one of these three vehicle model types receives a transmission upgrade, the other two would automatically receive the same upgrade at their next redesign or refresh.

After applying inherited technologies, the Model begins the process of evaluating what additional technologies could be applied to the manufacturer's vehicles. The CAFE Model applies the most cost-effective technology out of the universe of technology options that the Model could potentially apply. To determine whether a particular technology is cost effective, the Model calculates the ''effective cost'' of multiple technology options and chooses the option that results in the lowest ''effective cost.'' A technology that has an effective cost less than zero (Equation II–4 results in a negative number) is considered cost effective, as a negative effective cost implies that the technology ''pays for itself.'' The ''effective cost'' calculation is actually multiple calculations, but this section describes only the highest levels of that logic; interested readers can consult the CAFE Model Documentation for additional information on the calculation of effective cost. Equation II–4 shows the CAFE Model's effective cost calculation for this analysis.

Equation II-4: CAFE Model Effective Cost Calculation

$$EffCost = \frac{TechCost_{Total} - TaxCredits_{Total} - FuelSavings_{Total} - \Delta Fines}{\Delta ComplianceCredits}$$

Where:

$TechCost_{Total}$: the total cost of a candidate technology evaluated on a group of selected vehicles;

$TaxCredits_{Total}$: the cumulative value, if any, of additional vehicle and battery tax credits (or Federal incentives) resulting from application of a candidate technology evaluated on a group of selected vehicles;

$FuelSavings_{Total}$: the value of the reduction in fuel consumption (or fuel savings) resulting from application of a candidate technology evaluated on a group of selected vehicles;

$\Delta Fines$: the change in manufacturer's fines in the analysis year, if applicable;

$\Delta ComplianceCredits$: the change in manufacturer's CAFE compliance value in the analysis year (denominated in thousands of gallons);

EffCost: the calculated effective cost attributed to application of a candidate technology evaluated on a group of selected vehicles.

The components of this ''cost per credit'' effective cost calculation are described further here. The CAFE Model considers the total cost of a technology (TechCost) that could be applied to a group of connected vehicles, just as a vehicle manufacturer might consider what new technologies it has ready for the market and which vehicles should and could receive the upgrade. Next, like the technology costs, the CAFE Model calculates the total value of Federal incentives (TaxCredits) available for a technology that could be applied to a group of vehicles and subtracts that total incentive from the total technology costs. The total fuel cost savings (FuelSavings) are the savings in fuel expense resulting from adding additional technology or switching from one technology to another. For this, the CAFE Model must calculate the total fuel cost for the vehicle before application of a

[152] Bureau of Transportation Statistics, New and Used Passenger Car and Light Truck Sales and Leases, last revised: 2025, available at: *https://www.bts.gov/content/new-and-used-passenger-car-sales-and-leases-thousands-vehicles* (accessed: May 28, 2026).

[153] States have additional mechanisms to amend or remove tax incentives or rebates. Sometimes, even after these programs are enacted, uncertainty persists. See Farah, N., The Untimely Death of America's ''Most Equitable'' EV Rebate, last revised: Jan. 30, 2023, available at: *https://www.eenews.net/articles/the-untimely-death-of-americas-most-equitable-ev-rebate/* (accessed: May 28, 2026).

technology and subtract the total fuel cost for the vehicle after calculation of that technology. The total fuel cost for a given vehicle depends on both the price of gas (or gasoline equivalent fuel) and the number of miles that a vehicle is driven during the initial years of ownership, among other factors.[154] As technology is applied to vehicles in groups, the fuel cost savings for the vehicle is then multiplied by the sales volume of a vehicle in a model year to equal total fuel cost savings, which is then subtracted in the numerator of the effective cost equation. Finally, in the numerator, the agency subtracts the change in a manufacturer's expected fines (ΔFines), which are set at $0 for this analysis as a result of Public Law 119–21, before and after application of a specific technology, if any.[155] This approach can be thought of as subtraction of the fines *avoided* by upgrading to a certain technology. Then, the result from the sequence above is divided by the change in compliance credits (Δ*ComplianceCredits*), which means the difference in a manufacturer's calculated fuel economy value in a compliance category before and after the application of a technology to a group of vehicles. This approach can be thought of as dividing the result by the *gain* in fuel economy performance resulting from upgrading to a certain technology.

After inherited technologies and cost-effective (effective cost is less than zero) technologies are applied, the CAFE Model determines whether the manufacturer's fleet meets its CAFE standard. If the manufacturer is still not in compliance, the Model applies non-cost-effective technologies (which have an effective cost greater than zero, or which do not ''pay for themselves'') until it runs out of technology options.

The Model runs the compliance simulation successively and accounts for technology added during each previous model year by carrying forward technologies between model years once they are applied. The CAFE Model does this by mirroring real-world decisions of manufacturers to carry forward most technologies between model years, concentrating the application of new technology to vehicle redesigns or mid-cycle ''freshenings,'' and design cycles vary widely among manufacturers and specific products. Comments from manufacturers and Model peer reviewers for past CAFE rules have strongly supported explicit year-by-year simulation. In addition, the multi-year planning capability increases the Model's ability to simulate manufacturers' real-world behavior, accounting for the fact that manufacturers will seek out compliance paths for several model years at a time, while accommodating the year-by-year requirement.

In addition to the Model's technology application decisions pursuant to the compliance simulation algorithm, several technology inputs and assumptions work together to determine which technologies the CAFE Model can apply. The technology pathways, discussed in detail above, are one significant way that the agency instructs the CAFE Model to apply technology. The pathways define mutually exclusive technologies (*i.e.,* those that cannot be applied at the same time) and define the direction in which vehicles can advance as the modeling system evaluates specific technologies for application. Then, the arrows between technologies instruct the Model on the order in which to evaluate technologies on a pathway, to ensure that a vehicle that uses a more fuel-efficient technology cannot downgrade to a less efficient option.

In addition to technology pathway logic, NHTSA uses several technology applicability rules to replicate better manufacturers' decision-making. The ''skip'' input—represented in the Market Data Input File as ''SKIP'' in the appropriate technology column corresponding to a specific vehicle model—is particularly important for accurately representing how a manufacturer applies technologies to their vehicles in the real world. This tells the Model not to apply a specific technology to a specific vehicle model. SKIP inputs are used to simulate manufacturer decisions, including: (1) parts and process sharing; (2) stranded capital; and (3) performance neutrality.

First, parts sharing includes the concepts of platform, engine, and transmission sharing, which are discussed in Section II.C.2.b. A ''platform'' refers to engineered underpinnings shared on several differentiated vehicle models and configurations. Manufacturers share and standardize components, systems, tooling, and assembly processes within their products (and occasionally with the products of another manufacturer) to manage complexity and costs for development, manufacturing, and assembly. Detailed discussion for this type of SKIP is provided in the ''adoption features'' section for different technologies, if applicable, in Chapter 3 of the Final TSD.

Similar to vehicle platforms, manufacturers create engines that share parts. For instance, manufacturers may use different piston strokes on a common engine block or bore out common engine block castings with different diameters to create engines with an array of displacements. Head assemblies for different displacement engines may share many components and manufacturing processes across the engine family. Manufacturers may finish crankshafts with the same tools to similar tolerances. Engines on the same architecture may share pistons and connecting rods, and the same engine architecture may include both 6- and 8-cylinder engines. One engine family may appear on many vehicles on a platform, and changes to that engine may or may not carry through to all the vehicles. Some engines are shared across a range of different vehicle platforms. Vehicle model/configurations in the analysis fleet that share engines belonging to the same platform are identified as such, and the agency also may apply a SKIP to a particular engine technology where it is known that a manufacturer shares an engine throughout several of their vehicle models and the engine technology is not appropriate for any of the platforms that share the same engine.

It is important to note that manufacturers can define a ''common'' engine platform in different ways. Some manufacturers consider engines as ''common'' if the engines share an architecture, components, or manufacturing processes. Other manufacturers take a narrower approach and consider engines ''common'' only if the parts in the engine assembly are the same. In some cases, manufacturers designate each engine in each application as a unique powertrain. For example, a manufacturer may have listed two engines separately for a pair that share designs for the engine block, the crankshaft, and the head because the accessory drive components, oil pans, and engine calibrations differ between the two. In practice, many engines share parts, tooling, and assembly resources, and manufacturers often coordinate design updates between two similar engines. NHTSA considers engines to be on a common platform (for purposes of coding, discussed in Section II.C.2 above, and for SKIP application) if the engines share a common cylinder count and configuration, displacement, valvetrain, and fuel type, or if the engines only differ slightly in

[154] This fuel cost savings is calculated using the miles driven over 3 years, based on the assumption that consumers are likely to buy vehicles with fuel economy-improving technology that pays for itself within 3 years.

[155] See Section VI noting the value of civil penalties are set to $0 in this analysis.

compression ratio (CR), HP, and displacement.

Parts sharing also includes the concept of sharing manufacturing lines (the systems, tooling, and assembly processes discussed above), because manufacturers are unlikely to build a new manufacturing line to build a completely new engine. A new engine designed to be mass manufactured on an existing production line has limits in number of parts used, type of parts used, weight, and packaging size due to the weight limits of the pallets, material handling interaction points, and conveyance line design to produce one unit of a product. The restrictions are reflected in the usage of a SKIP of engine technology that the manufacturing line would not accommodate.

SKIPs also relate to instances of stranded capital when manufacturers amortize research, development, and tooling expenses over many years, especially for engines and transmissions. The traditional production life cycles for transmissions and engines have been a decade or longer. If a manufacturer launches or updates a product with fuel-saving technology, and then later replaces that technology with unrelated or different fuel-saving technology before the equipment and research and development investments have been fully paid off, there will be unrecouped, or stranded, capital costs. Quantifying stranded capital costs accounts for such lost investments. One design where manufacturers take an iterative redesign approach, as described in a recent SAE paper,[156] is the MacPherson strut suspension. It is a popular low-cost suspension design, and manufacturers use it across their fleets. As the agency observed previously, manufacturers may be shifting their investment strategies in ways that may alter how stranded capital could be considered. For example, some suppliers sell similar transmissions to multiple manufacturers. Such arrangements allow manufacturers to share in capital expenditures or amortize expenses more quickly. Manufacturers share parts on vehicles around the globe, achieving greater scale and greatly affecting tooling strategies and costs.

As a proxy for stranded capital, the CAFE Model accounts for platform and engine sharing and includes redesign and refresh cycles for significant and less significant vehicle updates. This analysis continues to rely on the CAFE Model's explicit year-by-year accounting for estimated refresh and redesign cycles, and shared vehicle platforms and engines, to moderate the cadence of technology adoption and thereby limit the implied occurrence of stranded capital and the need to account for it explicitly. In addition, limiting the specific advanced technology pathways manufacturers may pursue for certain models through technology adoption prevents additional capital being dedicated towards technologies that may be quickly replaced and therefore minimizes the amount of stranded capital indirectly. Adoption features specific to each technology are discussed in each technology section.

D. Technology Pathways, Effectiveness, and Cost

The previous section has discussed, at a high level, how NHTSA generates the technology inputs and assumptions used in the CAFE Model. The process for generating these inputs and assumptions involves NHTSA using engineering judgment to evaluate and synthesize data from a variety of sources, including data submitted by vehicle manufacturers; consolidated publicly available data, such as press materials, marketing brochures, and other information; data from collaborative research, testing, and modeling with other Federal agencies and laboratories; data from research, testing, and modeling with independent organizations; data and assumptions from work done for prior rules; and feedback from stakeholders on prior rules and meetings conducted prior to the commencement of this rulemaking, to the extent it is still relevant and applicable.

This section discusses the specific technology pathways, effectiveness, and cost inputs and assumptions used in the compliance analysis. As an example, NHTSAs explained in the previous section that the starting point for estimating technology costs is an estimate of the DMC—the component and assembly costs of the physical parts and systems that make up a complete vehicle—for any particular technology.

After spending over a decade refining the technology pathways, effectiveness, and cost inputs and assumptions used in successive CAFE Model analyses, NHTSA has developed guiding principles to ensure that the CAFE Model's compliance analysis reflects impacts reasonably expected in the real world. These guiding principles are as follows:

Technologies have complementary or non-complementary interactions with the full-vehicle technology system. The fuel economy improvement from any individual technology must be considered in conjunction with the other fuel economy-improving technologies applied to the vehicle, because technologies added to a vehicle do not result in a simple additive fuel economy improvement from each individual technology. In particular, NHTSA expects this result from engine and other powertrain technologies that improve fuel economy by allowing the ICE to spend more time operating at efficient engine speed and load conditions or from combinations of engine technologies that work to reduce the effective displacement of the engine.

The effectiveness of a technology depends on the type of vehicle to which the technology is being applied. When discussing ''vehicle type'' in the analysis, NHTSA is referring to the ten vehicle technology classes (*e.g.,* small car, small car performance, medium car, medium car performance, small SUV, small SUV performance, medium SUV, medium SUV performance, pickup truck, or pickup truck high towing (HT)). A small car and a medium performance SUV that use the exact same technology have very different starting fuel economy values; when the exact same technology is added to both of those vehicles, the technology provides different effectiveness improvements for the vehicles.

The cost and effectiveness values for each technology are reasonably representative of what can be achieved across the entire industry. Each technology model employed in the analysis is designed to be representative of a wide range of specific technology applications used in industry. Some manufacturers' systems may perform better or worse than the modeled systems and some may cost more or less than the modeled systems; however, employing this approach ensures that, on balance, the analysis captures a reasonable level of costs and benefits that would result from any manufacturer applying the technology.

A consistent reference point for cost and effectiveness values must be identified before assuming that a cost or effectiveness value could be employed for any individual technology. For example, this analysis uses a set of engine map models developed by starting with a small number of engine configurations, and then, in a systematic and controlled process, adding specific well-defined technologies to create a new map for each unique technology combination. Again, providing a

[156] Pilla, S. *et al.,* Parametric Design Study of McPherson Strut to Stabilizer Bar Link Bracket Weld Fatigue Using Design for Six Sigma and Taguchi Approach, SAE Technical Paper 2021–01–0235, SAE International (2021), available at: *https://doi.org/10.4271/2021-01-0235* (accessed: May 28, 2026).

consistent reference point to measure incremental technology effectiveness values ensures that NHTSA is capturing accurate effectiveness values for each technology combination.

The following sections discuss the engine, transmission, hybridization, mass reduction, aerodynamic, tire rolling resistance, and other vehicle technologies considered in this analysis. The following sections discuss:

- How NHTSA defines technology in the CAFE Model; [157]
- How NHTSA assigns technology to vehicles in the analysis fleet used as a starting point for this analysis;
- Any adoption features applied to the technology, so the analysis better represents manufacturers' real-world decisions;
- Technology effectiveness values; and
- Technology cost.

Note that the following technology effectiveness sections provide *examples* of the *range* of effectiveness values that a technology could achieve when applied to the entire vehicle system, in conjunction with the other fuel economy-improving technologies already in use on the vehicle. To see the incremental effectiveness values for any particular vehicle moving from one technology key to a more advanced technology key, see the CAFE Model Fuel Economy Adjustment Files that are installed as part of the CAFE Model Executable File, and *not* in the input/output folders. Similarly, the technology costs provided in each section are *examples* of absolute costs seen in specific model years, for specific vehicle classes. The Technologies Input File contains all absolute technology costs used in the analysis across all model years.

1. Engine Paths

ICE vehicles convert chemical energy in fuel to useful mechanical power. The chemical energy in the fuel is released and converted to mechanical power by being oxidized, or burned, inside the engine. The air/fuel mixture entering the engine and the burned fuel/exhaust by-products leaving the engine are the working fluids in the engine. The engine power output is a direct result of the work interaction between these fluids and the mechanical components of the engine.[158] The generated mechanical power is used to perform useful work, such as vehicle propulsion.[159]

NHTSA classifies the extensive variety of light-duty vehicle ICE technologies into discrete Engine Paths. These paths are used to model the most representative characteristics, costs, and performance of the fuel economy-improving engine technologies most likely available during the rulemaking timeframe. The paths are intended to be representative of the range of potential performance levels for each engine technology. In general, the paths are tied to ease of implementation of additional technology and how closely the technologies are related. The technology paths are presented in Chapter 3.1.1 of the Final TSD.

The Engine Paths have been selected and refined over a period of more than 10 years, based on engines in the market, stakeholder comments, and engineering judgment, subject to the following factors: the included technologies are those most likely available during the rulemaking timeframe and within the range of potential performance levels for each technology, and excluded technologies are those unlikely to be feasible in the rulemaking timeframe, unlikely to be compatible with U.S. fuels, or for which there was not appropriate data available to allow the simulation of effectiveness across all vehicle technology classes in this analysis.

The Engine Paths begin with one of the three base engine configurations: DOHC engines have two camshafts per cylinder head (one operating the intake valves and one operating the exhaust valves), single overhead camshaft (SOHC) engines have a single camshaft, and overhead valve engines, which have a single camshaft located inside of the engine block (beneath the valves rather than overhead) connected to a rocker arm through a pushrod that actuates the valves. DOHC and SOHC engine configurations are common in the light-duty fleet.

The next step along an Engine Path is the Basic Engine Path technologies. These include VVL, SGDI, and a basic level of DEAC. VVL dynamically adjusts how far the valve opens and reduces fuel consumption by reducing pumping losses and optimizing airflow over a broader range of engine operating conditions. Instead of injecting fuel at lower pressures and before the intake valve, SGDI injects fuel directly into the cylinder at high pressures allowing for more precise fuel delivery while providing a cooling effect and allowing for an increase in the CR, more optimal spark timing for improved efficiency, or both. DEAC disables the intake and exhaust valves and turns off fuel injection and spark ignition (SI) on select cylinders, which effectively allows the engine to operate temporarily as if it were smaller while also reducing pumping losses to improve efficiency. For the proposal and now for this final rule, NHTSA's analysis has integrated variable valve timing (VVT) technology in all non-diesel engines, so there is not a separate box for it on the Basic Engine Path. VVL, SGDI, and DEAC can be applied to an engine individually or in combination with each other.

Moving beyond the Basic Engine Path technologies are the ''advanced'' engine technologies, which are technologies that require significant changes to the structure of the engine or an entirely new engine architecture. The advanced engine technologies represent the application of alternate combustion cycles, various applications of forced induction technologies, or advances in-cylinder deactivation.

Advanced cylinder deactivation (ADEAC) systems, also known as rolling or dynamic cylinder deactivation systems, allow the engine to vary the percentage of cylinders deactivated and the sequence in which cylinders are deactivated. Depending on the engine's speed and associated torque requirements, an engine might have most cylinders deactivated (*e.g.,* low torque conditions, as with slower speed driving) or it might have all cylinders activated (*e.g.,* high-torque conditions, as with merging onto a highway).[160] An engine operating at low-speed/low-torque conditions can save fuel by operating at a fraction of its total displacement. NHTSA models two ADEAC technologies: advanced cylinder deactivation on a single overhead camshaft engine (ADEACS) and advanced cylinder deactivation on an ADEACD.

Forced induction gasoline engines include both supercharged and turbocharged downsized engines, which can pressurize or force more air into an engine's intake manifold when higher power output is needed. The raised pressure results in an increased amount

[157] Note: Due to the diversity of definitions industry employs for technology terms, or in describing the specific application of technology, the terms defined here may differ from how the technology is defined in some parts of the industry.

[158] Heywood, J., Internal Combustion Engine Fundamentals, Chapter 1, McGraw-Hill Education: Columbus, OH (2018) (hereinafter, ''Heywood (2018)'').

[159] *Ibid,* containing a complete discussion on fundamentals of engine characteristics, such as torque, torque maps, engine load, power density, brake mean effective pressure (BMEP), combustion cycles, and components.

[160] See Tula Technology, Inc., Dynamic Skip Fire, last revised: 2026, available at: *https://www.tulatech.com/combustion-engine/* (accessed: May 28, 2026), discussing how the company's proprietary cylinder deactivation technology operates in real-world situations. NHTSA's modeled ADEAC system is not based on this specific system, and therefore the effectiveness improvement is different in NHTSA's analysis than with this system; however, the theory still applies.

of airflow into the cylinder to support combustion, increasing the specific power of the engine. The first-level turbocharged downsized technology (TURBO0) engine represents a basic level of forced air induction technology being applied to a DOHC engine. A cooled exhaust gas recirculation (CEGR) system takes engine exhaust gases, passes them through a heat exchanger to reduce their temperature, then mixes them with incoming air in the intake manifold to reduce peak combustion temperature, thereby improving fuel efficiency and emissions. NHTSA models the base TURBO0 turbocharged engine with the addition of cooled exhausted recirculation (TURBOE), basic cylinder deactivation (TURBOD), variable valve lift (TURBO1), and advanced cylinder deactivation (TURBOAD). Advancing further down the Turbo Engine Path leads to an engine with a higher brake mean effective pressure (BMEP), which is a function of displacement and power. In other words, the higher the BMEP, the higher the power density of the engine. NHTSA models an advanced turbocharging technology (TURBO2) that runs increasingly higher turbocharger boost levels, burning more fuel and making more power for a given displacement. This analysis pairs turbocharging with engine downsizing, meaning that the turbocharged downsized engines improve vehicle fuel economy by using less fuel to power the smaller engine while maintaining vehicle performance.

The technology pathways represent an increase in the level or combinations of technologies being applied, with lower levels at the top and higher levels at the bottom of the path. Chapter 3.1.1 of the Final TSD shows the technology pathways for visualization purposes; however, the CAFE Model could apply any cost-effective combinations of technologies from those given pathways. Levels of improvement are dependent upon the vehicle class and the technology combinations. Again, in general, the paths are tied to ease of implementation of additional technology and how closely the technologies are related. An example of how this applies to the TURBO family of technologies is described below. The pathways are not aligned from ''least effective'' to ''most effective'' because assuming so would ignore several important considerations, including how technologies interact on a vehicle, how technologies interact on vehicles of different sizes that have different power requirements, and how hardware changes may be required for a particular technology. For example, the scenario below describes how, once a manufacturer downsizes an engine accompanying the application of a turbocharger, it would most likely not re-upsize the engine to add a less advanced turbocharger. The interaction of these technology combinations is discussed in more detail in Final TSD Chapter 2.

While TURBO0 is modeled with cooled EGR (TURBOE) and with DEAC (TURBOD), these technologies do not apply to TURBO1 or TURBO2; this decision is intentional. NHTSA defines TURBO1 in the analysis by adding VVL to the TURBO0 engine, and TURBO2 is the highest turbo downsized engine with a high BMEP. The benefits of cooled EGR and DEAC on TURBO1 and TURBO2 technologies would occur at high engine speeds and loads, which do not occur on the two-cycle tests. Because NHTSA measured technology effectiveness in this analysis based on the delta in improvements in vehicles' two-cycle test fuel consumption values, adding cooled EGR and DEAC to TURBO1 and TURBO2 would provide little effectiveness improvement for the corresponding increase in cost, a technology decision that the agency does not believe manufacturers would adopt in the real world. NHTSA's modeling effectively captures these complex interactions among technologies—an example of why effectiveness values from different technologies cannot simply be added together.[161] This potential for added costs with limited efficiency benefit is also an example of why the CAFE Model technology tree is not ordered from least to most effective technology and why particular technologies are included on the technology tree while others are not. Final TSD Chapter 2 provides more discussion on interactions among individual technologies in the full-vehicle simulations.

Consistent with the approach of preventing moving backward in the technology tree, the Model does not allow a vehicle assigned a TURBO2 technology to adopt a TURBOE technology. A vehicle in the analysis fleet that is assigned the TURBO2 technology indicates a manufacturer has made the decision to either skip over or move on from lower levels of force induction technology. Moving backwards on the technology tree from TURBO2 to any of the lower turbo technologies would require the engine to be upsized to meet the same performance metrics as the analysis fleet vehicle. As discussed further in Section II.C.2.c, NHTSA ensures the vehicles in this analysis meet similar performance levels after the application of fuel economy-improving technology as they did before the application of the technology, because the agency's objective is to measure the costs and benefits of manufacturers responding to CAFE standards in this analysis and not the costs or benefits related to changing performance metrics in the fleet. Moving from a higher to a lower turbo technology works counter to saving fuel as the engine would grow in displacement, requiring more fuel, adding frictional losses, and increasing weight and cost. Accordingly, the agency believes that the Turbo engine pathway appropriately captures the ways manufacturers might apply increasing levels of turbocharging technology to their vehicles.

In this analysis, HCR engines represent a class of engines that achieve a higher level of fuel efficiency by implementing a high geometric CR with varying degrees of late intake valve closing (LIVC) (*i.e.,* closing the intake valve later than usual) using VVT, and without the use of an electric drive motor.[162] These engines operate on a modified Atkinson cycle, allowing for improved fuel efficiency under certain engine load conditions while still offering enough power not to require an electric motor; however, there are limitations on how HCR engines can apply LIVC and the types of vehicles that can use this technology. The way that each individual manufacturer implements a modified Atkinson cycle is unique, as each manufacturer must balance not only fuel efficiency considerations, but also emissions, on-board diagnostics, and safety considerations, which include the vehicle being able to operate responsively to the driver's demand.

NHTSA defines HCR engines as being naturally aspirated, gasoline, SI, using a geometric CR of 12.5:1 or greater [163] and able to apply various levels of LIVC dynamically based on load demand. An HCR engine uses less fuel for each

[161] NHTSA–2021–0053–0007–A3, at 15; NHTSA–2021–0053–0002–A9, at 21–23.

[162] LIVC is a method manufacturers use to reduce the effective compression ratio and allow the expansion ratio to be greater than the compression ratio resulting in improved fuel economy but reduced power density. Further technical discussion on HCR and Atkinson engines are discussed in Final TSD Chapter 3.1.1.2.3. The 2015 NAS Report, Appendix D, includes a short discussion on thermodynamic engine cycles.

[163] Note that even if an engine has a compression ratio of 12.5:1 or greater, it does not necessarily mean it is an HCR engine in NHTSA's analysis, as discussed below. NHTSA looks at a number of factors to perform baseline engine assignments.

engine cycle, which increases fuel economy but decreases power density (or torque). Generally, during high loads—when more power is needed—the engine will use variable valve actuation to reduce the level of LIVC by closing the intake valve earlier in the compression stroke (leaving more air/fuel mixture in the combustion chamber), increasing the effective CR, reducing over-expansion, and sacrificing efficiency for increased power density.[164] However, there is a limit to how much the air-fuel mixture can be compressed before ignition in the HCR engine due to the potential for engine knock.[165] Engine knock can be mitigated in HCR engines with higher octane fuel; however, the fuel specified for use in most vehicles is not higher octane fuel. Conversely, at low loads, the engine will typically increase the level of LIVC by closing the intake valve later in the compression stroke, reducing the effective CR, increasing the over-expansion, and sacrificing power density for improved efficiency. By closing the intake valve later in the compression stroke (*i.e.,* applying more LIVC), the engine's displacement is effectively reduced, which results in less air and fuel for combustion and a lower power output.[166] Varying LIVC can be used to mitigate, but not eliminate, the low power density issues that can constrain the application of an Atkinson-only engine.

The phrase ''low power density issues'' translates to a low torque density,[167] meaning that the engine cannot create the torque required at necessary engine speeds to meet load demands. To the extent that a vehicle requires more power in a given condition than an engine with low power density can provide, that engine would experience issues like engine knock for the reasons discussed above; more importantly, an engine designer would not allow a particular engine design to be used in conditions where the engine has the potential to operate in unsafe conditions. Instead, a manufacturer could significantly increase an engine's displacement (*i.e.,* size) to overcome those low power density issues,[168] or could add an electric motor and battery pack to provide the engine with more power; however, a far more effective pathway would be to apply a different type of engine technology, like a downsized, turbocharged engine.[169] Because of these limitations with HCR engines, NHTSA restricts the Model from applying this technology to vehicles that would be negatively impacted by the technology, like pickup trucks.[170]

Vehicle manufacturers' intended performance attributes for a vehicle—like payload and towing capability, features for off-road use, and other attributes that affect aerodynamic drag and rolling resistance—dictate whether an HCR engine can be a suitable technology choice for that vehicle.[171] As vehicles require higher payloads and towing capacities,[172] experience higher road load forces from larger all-terrain tires or less aerodynamic designs, or experience driveline losses for AWD and 4WD configurations, more engine torque is required at all engine speeds. When more engine torque is required, the application of HCR technology becomes less effective and more limited.[173] For these reasons, and to maintain a performance-neutral analysis, NHTSA limits non-hybrid and non-plug-in-hybrid HCR engine application to certain categories of vehicles.[174]

NHTSA includes three HCR Engine Path technology options in this analysis: (1) a first-level Atkinson-enabled engine (HCR) with VVT and SGDI; (2) an Atkinson-enabled engine with CEGR (HCRE); and (3) an Atkinson-enabled engine with DEAC (HCRD). This updated family of HCR engine map models also reflects the statement in NHTSA's May 2, 2022 final rule that a single engine that employs an HCR, CEGR, *and* DEAC ''is unlikely to be utilized in the rulemaking timeframe based on comments received from the industry leaders in HCR technology application.'' [175]

These three HCR Engine Path technology options (HCR, HCRE, HCRD) should not be confused with the hybrid and plug-in hybrid electric pathway options that also utilize HCR engines in combination with a P2 hybrid powertrain (*e.g.,* P2HCR, P2HCRE, PHEV20H, and PHEV50H); those hybridization path options are discussed in Section II.D.3 below. In contrast, Atkinson engines in NHTSA's power-split hybrid powertrains (SHEVPS, PHEV20PS, and PHEV50PS) run the Atkinson Cycle full time but are connected to an electric motor. The full-time Atkinson engines are also discussed in Section II.D.3.

The Miller cycle is another alternative combustion cycle that effectively uses an extended expansion stroke, similar to the Atkinson cycle but with the application of forced induction to

[164] Variable valve actuation is a general term used to describe any single or combination of VVT, VVL, and variable valve duration used to dynamically alter an engine's valvetrain during operation.

[165] Engine knock in spark ignition engines occurs when combustion of some of the air/fuel mixture in the cylinder does not result from propagation of the flame front ignited by the spark plug rather, one or more pockets of air/fuel mixture explode outside of the envelope of the normal combustion front.

[166] Power = (force × displacement)/time.

[167] Torque = radius × force.

[168] 2024 EPA Automotive Trends Report at 54 (''As vehicles have moved towards engines with a lower number of cylinders, the total engine size, or displacement, is also at an all-time low.''). The discussion below describes why NHTSA does not believe manufacturers will increase the displacement of HCR engines to make the necessary power because of the negative impacts it has on fuel efficiency.

[169] See Toyota, 2024 Toyota Tacoma Makes Debut on the Big Island, Hawaii, last revised: May 19, 2023, available at: *https://pressroom.toyota.com/2024-toyota-tacoma-makes-debut-on-the-big-island-hawaii/* (accessed: May 28, 2026). The 2024 Toyota Tacoma comes in eight ''grades,'' all of which use a turbocharged engine.

[170] Final TSD Chapter 3.1.1.2.3 includes more discussion on HCR and HCR restrictions.

[171] Supplemental Comments of Toyota, Notice of Proposed Rulemaking: Safer Affordable Fuel-Efficient Vehicles Rule, Docket ID No: NHTSA–2018–0067 and Docket No. EPA–HQ–OAR–2018–0283, at 6; Feng, R. *et al.* Investigations of Atkinson Cycle Converted from Conventional Otto Cycle Gasoline Engine, SAE Technical Paper 2016–01–0680, SAE International: Warrendale, VA (2016), available at: *https://www.sae.org/publications/technical-papers/content/2016-01-0680/* (accessed: May 28, 2026).

[172] See Tucker, S., What Is Payload: A Complete Guide. Kelly Blue Book, last revised: Feb. 2, 2023, available at: *https://www.kbb.com/car-advice/payload-guide/#link3* (accessed: May 28, 2026). (''Roughly speaking, payload capacity is the amount of weight a vehicle can carry, and towing capacity is the amount of weight it can pull. Automakers often refer to carrying weight in the bed of a truck as hauling to distinguish it from carrying weight in a trailer or towing.'').

[173] See Supplemental Comments of Toyota, Docket No. NHTSA–2018–0067 and Docket No. EPA–HQ–OAR–2018–0283, at 6, 8 (Mar. 25, 2019), available at: *https://www.regulations.gov/comment/NHTSA-2018-0067-12376* (accessed: May 28, 2026) (Supplemental Toyota Comments) (''Tacoma has a greater coefficient of drag from a larger frontal area, greater tire rolling resistance from larger tires with a more aggressive tread, and higher driveline losses from 4WD. Similarly, the towing, payload, and off-road capability of pick-up trucks necessitate greater emphasis on engine torque and horsepower over fuel economy. This translates into engine specifications such as a larger displacement and a higher stroke-to-bore ratio . . . . Tacoma's higher road load and more severe utility requirements push engine operation more frequently to the less efficient regions of the engine map and limit the level of Atkinson operation . . . . This endeavor is not a simple substitution where the performance of a shared technology is universal. Consideration of specific vehicle requirements during the vehicle design and engineering process determine the best applicable powertrain.'').

[174] To maintain performance neutrality when sizing powertrains and selecting technologies, NHTSA performs a series of simulations in Autonomie, which are further discussed in the Final TSD Chapter 2.3.4 and in the CAFE Analysis Autonomie Documentation. The concept of performance neutrality is discussed in detail above in Section II.C.2.c, Technology Effectiveness Values, and additional reasons why NHTSA maintains a performance neutral analysis are discussed in Section II.C.2.f, Technology Applicability Equations and Rules.

[175] 87 FR 25796 (May 2, 2022).

improve fuel efficiency. Miller cycle-enabled engines have a similar trade-off in power density as Atkinson engines; the lower power density requires a larger volume engine in comparison to an Otto cycle-based turbocharged system for similar applications.[176] To address the impacts of the extended expansion stroke on power density during high-load operating conditions, the Miller cycle operates in combination with a forced induction system. In NHTSA's analysis, the first-level Miller cycle-enabled engine includes the application of variable turbo geometry technology (VTG), or what is also known as a variable-geometry turbocharger. VTG technology allows for the adjustment of key geometric characteristics of the turbocharging system, thus allowing adjustment of boost profiles and response based on the engine's operating needs. The adjustment of boost profile during operation increases the engine's power density over a broader range of operating conditions and increases the functionality of a Miller cycle-based engine. The use of a variable geometry turbocharger also supports the use of CEGR. NHTSA's second level of VTG engine technology (VTGE) is an advanced Miller cycle-enabled system that includes the application of at least a 40V-based electronic boost system. An electronic boost system has an electric motor added to assist the turbocharger; the motor assist mitigates turbocharger lag and low boost pressure by providing the extra boost needed to overcome the torque deficit at low engine speeds.

Variable compression ratio (VCR) engines work by changing the length of the piston stroke of the engine to optimize the CR and improve thermal efficiency over the full range of engine operating conditions. Engines that use VCR technology are currently in production as small-displacement, turbocharged, in-line four-cylinder, high BMEP applications.

Diesel engines have several characteristics that result in better fuel efficiency over traditional gasoline engines, including reduced pumping losses due to lack of (or greatly reduced) throttling, high-pressure direct injection of fuel, a combustion cycle that operates at a higher CR, and a very lean air/fuel mixture relative to an equivalent-performance gasoline engine. However, diesel technologies require additional systems to control nitrogen oxide (NO_X) emissions, such as a NO_X adsorption catalyst system or a urea/ammonia selective catalytic reduction system. NHTSA included two levels of diesel engine technology in the analysis: the first-level diesel engine technology (Advanced Diesel Engine (ADSL)) is a turbocharged diesel engine, and the more advanced diesel engine (DSLI) adds DEAC to the ADSL engine technology. The diesel engine maps are new for this analysis and are based on a modern 3.0L turbo-diesel engine.

Finally, compressed natural gas (CNG) systems are ICE vehicles that run on natural gas as a fuel source. The fuel storage and supply systems for these engines differ tremendously from gasoline, diesel, and flexible-fuel vehicles.[177] The CNG engine option has been included in past analyses; however, the light-duty analysis fleet does not include any dedicated CNG vehicles. As with the last analyses, CNG engines are included as an analysis fleet-only technology and are not applied to any vehicle that did not already include a CNG engine.

There are other vehicle technologies that work in various ways to improve fuel efficiency, such as turbo compounding, negative valve overlaps in-cylinder fuel reforming (NVO), passive prechamber combustion (PPC), and high energy ignition, which are not included in NHTSA's analysis. The International Council on Clear Transportation (ICCT) also provided examples of technology we do not use in the analysis such as NVO, PPC, and high energy ignition.[178] Though suitable explanations for their exclusion could be that these technologies are in various stages of development and some, like PPC, are in very limited production, the primary reason NHTSA opted not to include them in the analysis is that the agency does not have information suggesting that these technologies will gain significant adoption during the rulemaking timeframe. This topic was discussed in detail in the 2022 final rule,[179] and the agency has not found evidence of significant development for mass market production across multiple vehicle lines since then that would indicate manufacturers are now pursuing these costly technologies within the same standard-setting years. NHTSA will monitor these technologies as time progresses as part of NHTSA's continuous efforts to improve its modeling for any future analysis.[180]

The first step in assigning engine technologies to vehicles in the analysis fleet is to use data for each manufacturer to determine which vehicle platforms share engines. Within each manufacturer's fleet, NHTSA develops and assigns unique engine codes based on configuration, technologies applied, displacement, compression ratio, and power output. NHTSA also assigns engine technology classes, which are codes that identify engine architecture (*i.e.,* how many cylinders the engine has, whether it is a DOHC or SOHC, and so on) to account accurately for engine costs in the analysis.

When assigning engine technologies to vehicles in the analysis fleets, it is important to consider the actual technologies on a manufacturer's engine and compare them to the engine technologies in the analysis. NHTSA has over 250 unique engine codes in the light-duty analysis fleet, meaning that the technologies present on those engines in the real world must be identified and matched to the 29 engine map models (and therefore engine technology on the technology tree) [181] that best represents those real-world engines. When considering how best to fit each of those 250 engines to the 29 engine technologies and engine map models, NHTSA uses specific technical elements contained in manufacturer publications, press releases, vehicle benchmarking studies, technical publications, manufacturer's specification sheets, occasionally CBI, and engineering judgment. The information NHTSA reviews includes specific technologies such as cylinder deactivation and direct injection, along with engine architecture (DOHC or SOHC), engine displacement, compression ratio, and horsepower, which help NHTSA to appropriately assign a modeled engine to an engine in the analysis fleet. For example, an engine having a 13.0:1 CR is a good indication that the engine would be considered an HCR engine. Some engines that achieve a slightly lower CR (*e.g.,* 12.5) may also be considered an HCR engine depending on other technology on the engine, such as the inclusion of SGDI, increased engine displacement compared to other

[176] National Research Council, Assessment of Technologies for Improving Fuel Economy of Light-Duty Vehicles—2025–2035, The National Academies Press: Washington, DC (2021), available at: *https://doi.org/10.17226/26092* (accessed: May 28, 2026) (hereinafter, ''2021 NAS report'').

[177] Flexible-fuel vehicles (FFV) are designed to run on gasoline or gasoline-ethanol blends of up to 85 percent ethanol.

[178] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 2–9.

[179] 87 FR 25784 (May 2, 2022).

[180] NHTSA is aware of the PPC technology from two different manufacturers that is planned to be included on a relatively low volume of vehicles for MY 2027.

[181] NHTSA assigns each engine code technology that most closely corresponds to an engine map; for most technologies, one box on the technology tree corresponds to one engine map that corresponds to one engine code.

competitors, reduction of engine parasitic losses through variable or electric oil and water pumps, or the combination of these technologies. Importantly, engine technologies are never assigned based on one factor alone but rather data and engineering judgment are used to assign complex real-world engines to their corresponding engine technologies in the analysis. NHTSA believes that the initial characterization of the fleet's engine technologies reasonably captures the current state of the market while maintaining a reasonable amount of analytical complexity. Also, in addition to the 29 engine map models used in the Engine Pathways, there are 16 additional potential powertrain technology assignments available in the Hybridization Pathways.

Engine technology adoption in the Model is defined through a combination of technology path logic, refresh and redesign cycles, phase-in capacity limits, and SKIP logic. Path logic defines technology adoption by preventing an engine design from moving from one advanced engine tree to another. Once in an advanced engine tree, it must stay there. For example, any light-duty basic engine can adopt one of the TURBO engine technologies, but vehicles that have turbocharged engines in the analysis fleet stay on the Turbo Engine Path to prevent unrealistic engine technology change in the short timeframe considered in the rulemaking analysis. This is included to represent real-world considerations of stranded capital, which is when manufacturers amortize research, development, and tooling expenses over many years. Besides technology path logic, which applies to all manufacturers and technologies, NHTSA places additional constraints on the adoption of VCR and HCR technologies.

VCR technology requires a complete redesign of the engine and, in the analysis fleet, Nissan is the only manufacturer (including the Infiniti brand) to incorporate this technology. VCR engines are complex, costly by design, and address many of the same efficiency losses as mainstream technologies like turbocharged downsized engines. This makes it unlikely that a manufacturer that has already started down an incongruent technology path would adopt VCR technology. Because of these issues, VCR engine technology adoption is limited to OEMs that have already employed the technology and their partners. NHTSA does not believe any other manufacturers will invest in developing and marketing this technology in their fleet in the rulemaking timeframe.

As recognized in past analyses,[182] HCR engines excel in lower power applications for lower load conditions, such as driving around a city or steady State highway driving without large payloads. Thus, their adoption is more limited than some other technologies. Accordingly, HCR engines are subject to three limitations.

First, vehicles with 405 or more HP, and (to simulate parts sharing) vehicles that share engines with vehicles with 405 or more HP, are not allowed to adopt HCR engines due to their prescribed power needs being more demanding and likely not supported by the lower power density found in HCR-based engines.[183] Because LIVC essentially reduces the engine's displacement, to make more power and keep the same levels of LIVC, manufacturers would need to increase the displacement of the engine to make the necessary power. NHTSA does not believe manufacturers will increase the displacement of their engines to accommodate HCR technology adoption, because as displacement increases, so do friction, pumping losses, and fuel consumption. This bears out in industry trends: total engine size (or displacement) is at an all-time low, and trends show that industry focus on turbocharged downsized engine packages are leading to their much higher market penetration.[184] Separately, as seen in the analysis fleet, manufacturers generally use HCR engines in applications where the vehicle's power requirements fall significantly below the agency's HCR HP threshold. In fact, the average HP for the sales-weighted average of vehicles in the analysis fleet that use HCR Engine Path technologies is 194 HP, demonstrating that HCR engine use has indeed been limited to lower HP applications, and well below the 405 HP threshold. In fringe cases where a vehicle classified as having higher load requirements does have an HCR engine, it is coupled to a hybrid system.[185]

Second, to maintain a performance-neutral analysis,[186] pickup trucks and (to simulate parts sharing) [187] vehicles that share engines with pickup trucks are excluded from receiving HCR engines that are not accompanied by a hybrid powertrain. In other words, pickup trucks and vehicles that share engines with pickup trucks can receive HCR-based engine technologies only in the Hybridization Pathways of technologies. Pickup trucks and vehicles that share engines with pickup trucks are excluded from receiving HCR engines not accompanied by a hybrid powertrain because these often-heavier vehicles have higher low-speed torque needs, higher base road loads, increased payload and towing requirements,[188] and have powertrains sized and tuned to perform this additional work beyond what passenger cars are required to conduct. Vehicle manufacturers' intended performance attributes for a vehicle—like payload and towing capability, intention for off-road use, and other attributes that affect aerodynamic drag and rolling resistance—dictate whether an HCR engine can provide a reasonable fuel economy improvement for that vehicle.[189] For example, road loads are

[182] The discussions at 83 FR 43038 (Aug. 24, 2018), 85 FR 24383 (Apr. 30, 2020), 86 FR 49658 and 49661 (Sept. 3, 2021), and 87 FR 25786 and 25790 (May 2, 2022) are incorporated here by reference.

[183] Heywood (2018) at Chapter 5.

[184] See 2024 EPA Automotive Trends Report at 54, 85.

[185] See the Market Data Input File. As an example, the reported total system horsepower for the Ford Maverick HEV is also 191 HP, well below the 405 HP threshold. See also the Lexus LC/LS 500h: the Lexus LC/LS 500h also uses premium fuel to reach this performance level.

[186] As discussed in detail in Sections II.C.2.c and II.C.2.f above, NHTSA maintains a performance-neutral analysis to capture only the costs and benefits of manufacturers adding fuel economy-improving technology to their vehicles in response to CAFE standards.

[187] See Section II.C.2.f.

[188] See SAE, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, SAE Standard J2807_202411, SAE International: Warrendale, PA (2024), available at: *https://doi.org/10.4271/J2807_202411* (accessed: May 28, 2026); Reed, T., SAE J207 Tow Tests—The Standard, *MotorTrend* (2015), available at: *https://www.motortrend.com/how-to/1502-sae-j2807-tow-tests-the-standard/* (accessed: May 28, 2026). When stating ''increased payload and towing requirements,'' NHTSA is referring to a defined set of requirements that manufacturers follow to ensure the manufacturer's vehicle can meet a set of performance measurements when building a tow vehicle to give consumers the ability to ''cross-shop'' between different manufacturers' vehicles. As discussed in detail above in Sections II.C.2.c and II.C.2.f, NHTSA maintains a performance-neutral analysis to ensure that the analysis is only accounting for the costs and benefits of manufacturers adding technology in response to CAFE standards. This means that adoption features, like the HCR application restriction, are applied to a vehicle that begins the analysis with specific performance measurements, like a pickup truck, where application of the specific technology would likely not allow the vehicle to meet the manufacturer's baseline performance measurements.

[189] ICCT asked NHTSA to stop quoting a 2019 Toyota comment explaining why NHTSA does not allow HCR engines in pickup trucks, stating that Toyota's purpose in explaining that the Tacoma and Camry achieve different effectiveness improvements using their HCR engines is being

Continued

composed of aerodynamic loads, which include vehicle frontal area and its drag coefficient, along with tire rolling resistance, all of which contribute to higher engine loads as vehicle speed increases.[190] NHTSA assumes that a manufacturer intending to apply HCR technology to their pickup truck or vehicle that shares an engine with a pickup truck would do so in combination with an electric system to assist with the vehicle's load needs.

Finally, HCR engine application is restricted for some heavily performance-focused manufacturers that have demonstrated a significant commitment to power-dense technologies such as turbocharged downsizing,[191] such that their fleets use nearly 100 percent turbocharged downsized engines. This means that no vehicle manufactured by these manufacturers can receive an HCR engine. Again, this adoption feature is implemented to avoid an unquantified amount of stranded capital that would be realized if these manufacturers switched from one technology to another.

Note that these adoption features apply only to vehicles that receive HCR engines that are not accompanied by a hybrid powertrain. A P2 hybrid system that uses an HCR engine overcomes the low-speed torque needs using the electric motor and thus has no restrictions or SKIPs applied.

ICCT commented on the application of HCR technologies, stating that, ''NHTSA inappropriately prevents the application of HCR engine on engines with 405 horsepower, pickup trucks and vehicles that share engines with pickup trucks, or performance-focused manufacturers.'' [192] ICCT has provided similar comments on previous CAFE rulemakings, but it has not provided data to support its claims beyond pointing to its prior comments, to which NHTSA has previously responded. To avoid repetition, previous discussions located in prior related documents are incorporated here by reference.[193] The agency notes that HCR engines have yet to be applied to the use cases identified by ICCT, and we will continue to assess technology improvements and refine our modeling efforts based on the best available data.

NHTSA realizes that engine technology, vehicle type, and their applications are always evolving.[194] The Hyundai Santa Cruz, a unibody pickup truck with a 4-cylinder HCR engine, is one example of a pickup truck with a non-hybrid HCR engine. However, the Santa Cruz is not comparable in capability to other pickup models like the Tacoma, Colorado, and Canyon, and it therefore cannot be assumed that those pickup models should be able to adopt non-hybrid HCR technology as well. Small unibody pickup trucks like the Santa Cruz and the Ford Maverick do not have the same capabilities and functionality as a mid-size body-on-frame pickup like the Toyota Tacoma.[195] NHTSA believes that its current restrictions for HCR are reasonable and appropriate, and the agency has not been presented with any new information that would suggest otherwise. NHTSA's stance on this issue is also borne out in real-world trends. Manufacturers who currently offer HCR engines in their fleets and therefore had the potential to introduce HCR technologies on recently redesigned vehicles that previously used high-displacement NA engines (such as Toyota Tacoma or Chevrolet Colorado) or TURBO technologies (such as the Mazda CX–90 replacing CX–9) have instead opted to introduce or continue to pursue turbocharged or hybrid engines. NHTSA does not believe HCR in its current state can provide enough fuel efficiency benefit to support removing the current HCR restrictions; however, this by no means precludes manufacturers from developing and deploying HCR technology for future iterations of their pickup trucks.

NHTSA also emphasizes that, in the real world, manufacturers are not required to follow the technology pathways to compliance that the agency models in the standard-setting analysis but can instead take their own pathway based on their respective business models, technology availability, market share, and other considerations. The CAFE Model simulates an example of a low-cost compliance pathway, and no manufacturer is required to comply with the pathway as it has been modeled. Instead, manufacturers are free to choose their own path to compliance. NHTSA has added features and restrictions into the CAFE Model to make the compliance simulation more representative of how manufacturers make decisions about technology adoption in the real world. This is to ensure that the CAFE Model does not simulate unrealistic compliance pathways. For example, if the CAFE Model simulated manufacturers abandoning one technology in favor for another, particularly with respect to HCR technology for pickup trucks and high HP vehicles, the results and corresponding costs and benefits would be unrealistic and could lead to NHTSA setting standards that are more stringent than maximum feasible. For this and other reasons, the agency endeavors to model the most realistic and low-cost pathway to compliance. NHTSA's standard-setting analysis is also restricted in ways that manufacturers are not, which increases the likelihood that manufacturers will not follow the technology pathways projected in the standard-setting analysis.[196]

Lucid Group, Inc. (Lucid) commented on how NHTSA maintains performance neutrality in its modeling, stating that, ''[t]he technical analysis links fuel economy improvements to reductions in peak horsepower without incorporating vehicle mass and power to weight. Real-world efficiency strategies optimize engine output relative to mass rather than relying on absolute horsepower reductions alone.'' [197] The commenter misunderstands the agency's approach. NHTSA uses peak HP for the sizing of powertrains to maintain performance neutrality but also takes into account vehicle mass to ensure that the modeling is capturing all of the complex interactions among numerous vehicle

misinterpreted. See NHTSA–2018–0067–12387 NHTSA disagrees. Toyota's comment is still relevant for this final rule as the limitations of the technology have not changed, which Toyota describes in the context of comparing why the technology provides a benefit in the Camry that one should not expect to see in the Tacoma. See Supplemental Toyota Comments at 6, 8. Note that Toyota also submitted a second set of supplemental comments (NHTSA–2018–0067–12431) that confirms NHTSA's understanding of the most important concept to support NHTSA's decision to limit HCR adoption on pickup trucks, which is that Atkinson operation is limited on pickup trucks. See Supplemental Comments of Toyota Motor North America, Inc., in the NHTSA Docket No. NHTSA–2018–0067–12376–A1, at 8–9 in *Regulations.gov*. See Supplemental Comments of Toyota, Docket No. NHTSA–2018–0067 and Docket No. EPA–HQ–OAR–2018–0283, at 2–3 (July 15, 2019), available at: *https://www.regulations.gov/comment/NHTSA-2018-0067-12431* (accessed: May 28, 2026).

[190] 2015 NAS Report, at pp. 207–42.

[191] Three manufacturers that meet the criteria (near 100 percent turbo downsized fleet, and future hybrid systems are based on turbo downsized engines) described and are excluded: BMW, Mercedes-Benz, and Jaguar Land Rover.

[192] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 9–10.

[193] 86 FR 74236 (Dec. 29, 2021), 87 FR 25710 (May 2, 2022), Final Br. for Resp'ts, *Nat. Res. Def. Council* v. *NHTSA,* Case No. 22–1080, ECF No. 2000002 (D.C. Cir. May 19, 2023).

[194] ICCT has disagreed with NHTSA's HCR restrictions in the past, and while NHTSA has made attempts to better explain its position on HCR technology and where NHTSA believes it is appropriate, NHTSA's justification has remained the same. NHTSA does not believe the HCR technology is applicable to these types of vehicles because of the nature of how the technology works, and removing the restrictions would present an unrealistic pathway to compliance for manufacturers that is not maximum feasible.

[195] The specification of 2024 Ford Maverick, Toyota Tacoma, and Hyundai Santa Cruz are in the docket accompanying this final rule.

[196] 49 U.S.C. 32902(h).

[197] Lucid, Docket No. NHTSA–2025–0491–6043–A1, at 10.

attributes, including mass, acceleration, and technology combinations, among many others. This is discussed in detail in Final TSD Chapter 3 and the Autonomie documentation.

How effective an engine technology is at improving a vehicle's fuel economy depends on several factors, such as the vehicle's technology class and any additional technology added or removed from the vehicle in conjunction with the new engine technology, as discussed in Section II.C above. The Autonomie model's full-vehicle simulation results provide most of the effectiveness values that are used as inputs to the CAFE Model. Chapter 2.4 of the Final TSD and the CAFE Analysis Autonomie Documentation provide a full discussion of the Autonomie modeling. The Autonomie modeling uses engine map models as the primary inputs for simulating the effects of different engine technologies.

Engine maps provide a three-dimensional representation of engine performance characteristics at each engine speed and load point across the operating range of the engine. Engine maps have the appearance of topographical maps, typically with engine speed on the horizontal axis and engine torque, power, or BMEP on the vertical axis. A third engine characteristic, such as brake-specific fuel consumption (BSFC), is displayed using contours overlaid across the speed and load map. The contours provide the values for the third characteristic in the regions of operation covered on the map. Other characteristics typically overlaid on an engine map include engine emissions, engine efficiency, and engine power. The engine maps developed to model the behavior of the engines in this analysis are referred to as engine map models.

The engine map models used in this analysis are representative of technologies currently in production or expected to be available in the rulemaking timeframe. The engine map models are developed to be representative of the performance achievable across the industry for a given technology, and they are not intended to represent the performance of a single manufacturer's specific engine. NHTSA targets a broadly representative performance level because the same combination of technologies produced by different manufacturers will differ in performance, due to manufacturer-specific designs for engine hardware, control software, and emissions calibration. Accordingly, the agency expects that the engine maps developed for this analysis will differ from engine maps for manufacturers' specific engines. However, it is intended and expected that the incremental changes in performance modeled for this analysis, due to changes in technologies or technology combinations, will be similar to the incremental changes in performance observed in manufacturers' engines for the same changes in technologies or technology combinations.

IAV developed most of the engine map models used in this analysis. IAV is one of the world's leading automotive industry engineering service partners with an over 35-year history of performing research and development for powertrain components, electronics, and vehicle design.[198] SwRI developed the light-duty diesel engine maps for this analysis. SwRI has been providing automotive science, technology, and engineering services for over 70 years.[199] Both IAV and SwRI developed these engine maps using GT–POWER. GT–POWER is a commercially available industry-standard engine performance simulation tool. GT–POWER can be used to predict detailed engine performance characteristics, such as power, torque, airflow, volumetric efficiency, fuel consumption, turbocharger performance and matching, and pumping losses.[200]

Just like Argonne optimizes a single vehicle model in Autonomie following the addition of a singular technology to the vehicle model, these engine map models were built in GT–POWER by incrementally adding engine technology to an initial engine—built using engine test data, component test data, and manufacturers' and suppliers' technical publications—and then optimizing the engine to consider real-world constraints like heat, friction, and knock. One of the basic assumptions the agency makes when developing these engine maps is using 87 octane Tier 3 gasoline because it is the most common octane rating on which engines are designed to operate, and it is the test fuel manufacturers will have to use for EPA fuel economy testing.[201] [202] [203] A small number of initial engine configurations with well-defined BSFC maps are used, and then, in a systematic and controlled process, specific well-defined technologies are added to optimize a BSFC map for each unique technology combination. This could theoretically be done through engine or vehicle testing, but such an approach would require conducting tests on a single engine, and each configuration would require physical parts and associated engine calibrations to assess the impact of each technology configuration. This is impractical for the rulemaking analysis because of the extensive design, prototype part fabrication, development, and laboratory resources that are required to evaluate each unique configuration. Both NHTSA and the automotive industry use modeling as an approach to assess an array of technologies with more limited physical testing. Modeling offers the opportunity to isolate the effects of individual technologies by using a single or small number of initial engine configurations and incrementally adding technologies to those initial configurations. This provides a consistent reference point for the BSFC maps for each technology and for combinations of technologies that enable us to identify and quantify carefully the differences in effectiveness among technologies.

Before its use in the Autonomie analysis, both IAV and SwRI validated the generated engine maps against a global database of benchmarked data, engine test data, single-cylinder test data, prior modeling studies, technical studies, and information presented at conferences.[204] IAV and SwRI also validated the effectiveness values from the simulation results against detailed engine maps produced from the

[198] IAV GmbH, IAV, available at: *https://www.iav.com/* (accessed: May 28, 2026).

[199] Southwest Research Institute, Southwest Research Institute, available at: *https://www.swri.org* (accessed: May 28, 2026).

[200] This weblink has additional information on the GT–POWER tool: Gamma Technologies, GT–POWER: Industry Leading Engine Simulation Software, available at: *https://www.gtisoft.com/gt-power/* (accessed: May 28, 2026).

[201] 79 FR 23414 (Apr. 28, 2014).

[202] DOE, Selecting the Right Octane Fuel, available at: *https://www.fueleconomy.gov/feg/octane.shtml#:~:text=You%20should%20use%20the%20octane%20rating%20required%20for,others%20are%20designed%20to%20use%20higher%20octane%20fuel* (accessed: May 28, 2026).

[203] It is also important to note that regulation of fuels used for determining CAFE compliance is outside the scope of NHTSA's authority. 49 U.S.C. 32904(c).

[204] Friedrich, I. *et al.,* Automatic Model Calibration for Engine-Process Simulation with Heat-Release Prediction, SAE Technical Paper 2006–01–0655, SAE International: Warrendale, VA (2006), available at: *https://doi.org/10.4271/2006-01-0655* (accessed: May 28, 2026); Rezaei, R. *et al.,* Zero-Dimensional Modeling of Combustion and Heat Release Rate in DI Diesel Engines, *SAE International Journal Of Engines.* Vol. 5(3) at 874–85 (2012), available at: *https://doi.org/10.4271/2012-01-1065* (accessed: May 28, 2026); Berndt, R. *et al.,* Multistage Supercharging for Downsizing with Reduced Compression Ratio, *MTZ Worldwide.* Vol. 76: pp. 10–11 (2015), available at: *https://doi.org/10.1007/s38313-015-0036-4* (accessed: May 28, 2026); Neukirchner, H. *et al.,* Symbiosis of Energy Recovery and Downsizing, *MTZ Worldwide,* Vol. 75: pp. 4–9 (2014), available at: *https://doi.org/10.1007/s38313-014-0219-4* (accessed: May 28, 2026).

Argonne engine benchmarking programs, as well as published information from industry and academia.[205] This ensures reasonable representation of simulated engine technologies. Additional details and assumptions that are used in the engine map modeling are described in detail in Chapter 3.1 of the Final TSD and the CAFE Analysis Autonomie Model Documentation chapter titled ''Autonomie—Engine Model.''

Note that absolute BSFC levels are never applied from the engine maps to any vehicle model or configuration for the rulemaking analysis; only the absolute fuel economy values from the full-vehicle Autonomie simulations are used to determine incremental effectiveness for switching from one technology to another technology. The incremental effectiveness is then applied to the absolute fuel economy or fuel consumption value of vehicles in the analysis fleet, which are based on CAFE compliance data. For subsequent technology changes, NHTSA applies incremental effectiveness changes to the absolute fuel economy level of the previous technology configuration. Therefore, for a technically sound analysis, it is most important that the differences in BSFC among the engine maps be accurate and not the absolute values of the individual engine maps.

While the fuel economy improvements for most engine technologies in the analysis are derived from the database of Autonomie full-vehicle simulation results, the analysis incorporates a handful of what the agency refers to as ''analogous effectiveness values.'' These are used when an engine map model is not available for a particular technology combination. To generate an analogous effectiveness value, data from analogous technology combinations for available engine map models are used by conducting a pairwise comparison to generate a data set of emulated performance values for adding technology to an initial application. Analogous effectiveness values are used only for four SOHC technologies. NHTSA has determined that the effectiveness results using these analogous effectiveness values provided reasonable results. This process is discussed further in Chapter 3.1.4.2 of the Final TSD.

The engine technology effectiveness values for all vehicle technology classes can be found in Chapter 3.1.4 of the Final TSD. These values show the calculated improvement for upgrading the listed engine technology for a given combination of other technologies. The range of effectiveness values listed for each specific technology (*e.g.,* TURBO1) represents the addition of the TURBO1 technology to every technology combination that could select the addition of TURBO1. These values are derived from the Argonne Autonomie Results Dataset and the righthand side Y-axis shows the number of Autonomie simulations that achieve each percentage effectiveness improvement point. The dashed line and gray shading indicate the median and 1.5X interquartile range (IQR), which is a helpful metric to identify outliers. After comparing these histograms to the box and whisker plots presented in prior CAFE program rule documents, the number of effectiveness outliers is extremely small.

ICCT commented on the application of the engine sizing algorithm and when it is applied in relation to vehicle road load improvement technologies stating that, ''NHTSA continues to only downsize engines for large changes in tractive load,'' which they assume artificially increases the overall performance of the fleet.[206] The commenter misunderstands the agency's analytical approach. Final TSD Chapter 2.3.4 discusses NHTSA's approach of sizing powertrains, which iteratively goes through both low and high-speed acceleration performance loops and adjusts powertrain size as needed based on the performance neutrality requirements.[207]

ICCT also implies that the analysis should require engine resizing for every technology change on a vehicle platform. NHTSA does not resize the engine for every technology change on a vehicle platform because doing so would artificially inflate effectiveness relative to cost. Manufacturers have repeatedly and consistently conveyed that the costs for redesign and the increased manufacturing complexity resulting from continually resizing engine displacement for small technology changes preclude them from doing so. It would not be reasonable or cost effective to expect resizing powertrains for every unique combination of technologies, and even less reasonable and less cost effective for every unique combination of technologies across every vehicle model due to the extreme manufacturing complexity that would be required.[208] NAS stated in its 2011 report, ''[f]or small (under 5 percent [of curb weight]) changes in mass, resizing the engine may not be justified, but as the reduction in mass increases (greater than 10 percent [of curb weight]), it becomes more important for certain vehicles to resize the engine and seek secondary mass reduction opportunities.'' [209] NHTSA's analysis evaluates engine resizing with mass changes of 10 percent or greater.[210]

ICCT also commented regarding the validity of the continued use of NHTSA's engine map models. ICCT stated that, ''[a]lthough NHTSA scales its MY 2010 hybrid Atkinson engine map to match the thermal efficiency of the MY 2017 Toyota Prius, this appears to have been the only update made to the several engine maps that underpin all base and advanced engine technologies. The remaining engine maps are still primarily based on outdated engines (*e.g.,* from MY 2011, 2013 and 2014 vehicles). Even with the updated hybrid engine, the newest Toyota Prius demonstrates an additional 10 percent improvement over the outgoing variant, due in part to improvements in engine efficiency.'' [211] ICCT also took issue with NHTSA not using two of EPA's engine map models and commented on the lack of effectiveness benefit they perceived for adding cylinder deactivation technology to turbocharged and HCR engines.

In response to this comment, NHTSA emphasizes that many of the engine maps were developed specifically to support analysis for the current rulemaking timeframe. The engine map models encompass engine technologies present in the analysis fleet and technologies that could be applied in the rulemaking timeframe. In many cases, those engine technologies are

[205] Bottcher, L., & Grigoriadis, P., ANL–BSFC map prediction Engines 22–26, National Highway Traffic Safety Association: Washington, DC (2019), available at: *https://lindseyresearch.com/wp-content/uploads/2021/09/NHTSA-2021-0053-0002-20190430_ANL_Eng-22-26-Updated_Docket.pdf* (accessed: May 28, 2026); Reinhart, T., Engine Efficiency Technology Study, Final Report, SwRI Project No. 03.26457, Southwest Research Institute: San Antonio, TX (2022), available at: *https://downloads.regulations.gov/EPA-HQ-OAR-2022-0829-0230/attachment_17.pdf* (accessed: May 28, 2026).

[206] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 3.

[207] CAFE Analysis Autonomie Documentation chapters titled ''Vehicle and Component Assumptions'' and ''Vehicle Sizing Process.''

[208] For more details, see comments and discussion in the 2020 Rulemaking preamble Section VI.B.3.(a)(6) Performance Neutrality.

[209] National Research Council, Assessment of Fuel Economy Technologies for Light-Duty Vehicles, The National Academies Press: Washington, DC, p. 107 (2011), available at: *https://doi.org/10.17226/12924* (accessed: May 28, 2026) (hereinafter, ''2011 NAS report'').

[210] See Final TSD Chapter 3.4 on mass reduction for further discussion on engine resizing with respect to mass reduction.

[211] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 3–4 and –A2, at 2.

mainstream in the baseline fleet and will continue to be mainstream during the rulemaking timeframe. For example, the engines on some MY 2024 vehicles in the analysis fleet have technologies that were introduced ten or more years ago. Ensuring we use engine maps that are representative of those technologies is important for the analysis. The most basic engine technology levels also provide a useful consistent starting point for the incremental improvements for other engine technologies. The timeframe for the testing or modeling used to generate a given engine map is unimportant because the mere passage of time does not affect the validity of engine map data. A given engine or model will produce the same BSFC map regardless of when testing or modeling is conducted. Eliminating engine maps based on temporal considerations alone would arbitrarily result in discarding useful and valid technical information.

ICCT also commented that the hybrid engine map models are outdated and that the hybrid effectiveness values exceed reasonable thermal efficiency.[212] [213] This issue is further discussed in Section III.D.3 of this preamble. NHTSA previously responded to ICCT's criticisms for not employing EPA's engine map models for the 2020 final rule setting MY 2021–2026 standards, demonstrating that the modeled engines provided similar incremental effectiveness values as the EPA engine map models.[214] In any event, the relevant question is not whether NHTSA's engine map models are similar to those of the EPA (or any other analysis), but whether the models reasonably approximate engine performance to enable an assessment of technological effectiveness, and NHTSA's engine maps do just that. ICCT have not submitted information demonstrating otherwise. Notwithstanding their apparent preference for EPA's engine map models, ICCT did not provide information demonstrating that models used in the analysis are not reasonably similar to those of the EPA.[215]

Regarding engine effectiveness modeling, ICCT commented that ''[t]he modeled benefit of adding cylinder deactivation (DEAC) to turbocharged and HCR engines appears to be only about 25 percent of the benefit of adding DEAC to the base engine. While DEAC added to turbo or HCR engines will have lower pumping loss reductions than when added to base naturally aspirated engines, DEAC can still be expected to provide significant pumping loss reductions while enabling the engine to operate in a more thermally efficient region of the engine map.'' [216]

As described in numerous previous rulemakings and repeated in the NPRM, fuel-efficiency technologies (such as adding DEAC to a turbocharged engine) have complex interactions, and the effectiveness values of various technologies cannot be simply added together.[217] Turbocharging and DEAC both work to reduce engine pumping losses, and when working together, they often provide a fuel-efficiency improvement greater then when they are working independently. But much of the improvement attributable to each technology occurs in the same regions of engine operation where one or the other technology has a dominant effect that overshadows the benefits of the other. In other words, the benefits of the technologies are overlapping in the similar regions where the engine operates. These complex interactions among technologies are captured in the engine modeling used in the analysis for this rule, as described in greater detail in TSD Chapter 3.

ICCT commented that NHTSA's technology costs and effectiveness values should be updated to reflect the most recent data available, but it did not provide or reference a comprehensive alternative dataset.[218] NHTSA's technology costs are based on the most recent, comprehensive cost data available that represent the discrete costs for each technology used in the analysis. NHTSA continually seeks out updated costs that are representative of the specific technology being modeled and makes use of learning curves to help capture how technology costs change over time. NHTSA has not received any updated comprehensive cost data for technology since publishing the NPRM and, therefore, continues to use the cost sources cited in this analysis that were used for the NPRM. The engine costs in NHTSA's analysis are the product of engine DMCs, RPE, and the learning effect, updated to a consistent dollar year. Engine DMCs are obtained from multiple sources but primarily from the 2015 NAS report.[219] For VTG and VTGE technologies (*e.g.,* Miller Cycle), NHTSA uses cost data from a FEV technology cost assessment performed for ICCT,[220] which is aggregated using individual component and system costs from the 2015 NAS report. Costs from the 2015 NAS report that have referenced a Northeast States Center for a Clean Air Future 2004 report [221] are considered, but NHTSA believes the reference material from the FEV report provides more updated cost estimates for the VTG technology.

All engine technology costs start with a base engine cost, and then additional technology costs are based on cylinder and bank count and configuration; the DMC for each engine technology is a function of unit cost multiplied by either the number of cylinders or number of banks, based on how the technology is applied to the system. The total costs for all engine technologies in all model years across all vehicle classes can be found in the Technologies Input File.

2. Transmission Paths

Transmissions transmit torque generated by the engine from the engine to the wheels. Transmissions primarily use two mechanisms to improve fuel efficiency: (1) a wider gear range, which allows the engine to operate longer at higher efficiency speed-load points and (2) improvements in friction or shifting efficiency (*e.g.,* improved gears, bearings, seals, pumps, and other components), which reduce parasitic losses.

NHTSA models only automatic transmissions (AT) in the light-duty analysis. The three subcategories of ATs that are modeled in this analysis include traditional ATs, dual-clutch transmissions (DCT), and continuously variable transmissions (CVT and

[212] Supplemental Comments of Toyota, Notice of Proposed Rulemaking: Safer Affordable Fuel-Efficient Vehicles Rule, Docket No. NHTSA–2018–0067 and Docket No. EPA–HQ–OAR–2018–0283.

[213] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 3–4.

[214] 85 FR 24397–8 (Apr. 30, 2020).

[215] In some instances, such as with the benchmarked Honda hybrid engine, the models used in this final rule analysis show better effectiveness improvements than EPA's engine map models. As both models—like any two different models—seek to simulate real world performance through slightly different approaches to quantitative analysis, the results will inherently vary.

[216] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 2–3.

[217] 88 FR 56167 (Aug. 17, 2023). This example is also given in Section II.C.2.c of this preamble.

[218] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 3–5.

[219] Table S.2, at pp. 7–8 of National Research Council, Cost, Effectiveness, and Deployment of Fuel Economy Technologies for Light-Duty Vehicles, The National Academies Press: Washington, DC (2015), available at: *https://doi.org/10.17226/21744* (accessed: May 28, 2026) (hereinafter, ''2015 NAS report'').

[220] Isenstadt A. *et al.,* Downsized, Boosted Gasoline Engines, Draft, International Council on Clean Transportation (2016), available at: *https://theicct.org/publication/downsized-boosted-gasoline-engines-2/* (accessed: May 28, 2026).

[221] NESCCAF, Reducing Greenhouse Gas Emissions from Light-Duty Motor Vehicles, Final Report, NESCCAF: Boston, MA (2004), available at: *https://www.nesccaf.org/documents/rpt040923ghglightduty.pdf* (accessed: May 28, 2026).

eCVT).[222] The agency also includes high efficiency gearbox (HEG) technology improvements as options to the transmission technologies (designated as L2 or L3 in the analysis to indicate level of technology improvement).[223] There has been a significant reduction in manual transmissions (MT) over the years, and they make up less than one percent of the vehicles produced in MY 2024.[224] Due to the declining trend of MTs and their current low production volumes, NHTSA has removed MTs from this analysis and assigned vehicles using MTs as DCTs in the analysis fleet.

To assign transmission technologies to vehicles in the analysis fleets, NHTSA identifies which Autonomie transmission model is most like a vehicle's real-world transmission, considering the transmission's configuration, costs, and effectiveness. As with engines, data from manufacturers' CAFE reports and publicly available information are used to assign transmissions to vehicles and determine which platforms share transmissions. Transmission codes that include information about the manufacturer, drive configuration, transmission type, and number of gears are used to link shared transmissions in a manufacturer's fleet. Just as manufacturers share transmissions in multiple vehicles, the CAFE Model treats transmissions as ''shared'' if they share a transmission code and transmission technologies will be adopted together.

While identifying an AT's gear count is fairly easy, identifying HEG levels for ATs and CVTs is more difficult. NHTSA reviews the age of the transmission design, relative performance versus previous designs, and technologies incorporated to assign a HEG level. There are no HEG Level 3 ATs in the analysis fleet. NHTSA finds all 7-speed, all 9-speed, all 10-speed, and some 8-speed ATs to be advanced transmissions operating at HEG Level 2 equivalence. The agency assigns eight-speed ATs and CVTs newly introduced for the light-duty market in MY 2016 and later as HEG Level 2. All other ATs are assigned to their respective transmission's initial technology level (*e.g.,* AT6, AT8, and CVT). For DCTs, the number of gears in the assignments usually match the number of gears listed by the data sources, with some exceptions (dual-clutch transmissions with seven and nine gears are assigned to DCT6 and DCT8, respectively). NHTSA assigns any vehicle in the light-duty analysis fleet with a power-split hybrid (SHEVPS) powertrain an electronic continuously variable transmission (eCVT). Finally, the limited number of MTs in the light-duty fleet are assigned as DCTs, as MTs are not modeled in Autonomie for this analysis.

Most transmission adoption features are instituted through technology path logic (*i.e.,* decisions about how less advanced transmissions of the same type can advance to more advanced transmissions of the same type). Technology pathways are designed to prevent ''branch hopping''—changes in transmission type that would correspond to significant changes in transmission architecture—for vehicles that are relatively advanced on a given pathway. For example, any automatic transmission with more than five gears cannot move to a DCT. NHTSA also prevents ''branch hopping'' as a proxy for stranded capital, which is discussed in more detail in Section II.C and Chapter 2.6 of the Final TSD.

The automatic transmission path precludes adoption of other transmission types once a platform progresses past an AT8. This restriction is used to avoid the significant level of stranded capital loss that could result from adopting a completely different transmission type shortly after adopting an advanced transmission, which would occur if a different transmission type has been adopted after AT8 in the rulemaking timeframe. Vehicles that did not start out with AT7L2 transmissions cannot adopt that technology in the Model. It is likely that other vehicles will not adopt the AT7L2 technology, as vehicles that have moved to more advanced ATs have overwhelmingly moved to 8-speed and 10-speed transmissions.[225]

Vehicles that do not originate with a CVT or vehicles with multispeed transmissions beyond AT8 in the analysis fleet cannot adopt CVTs. Vehicles with multispeed transmissions greater than AT8 demonstrate increased ability to operate the engine at a highly efficient speed and load. Once on the CVT path, the platform is allowed to apply only improved CVT technologies. Due to the limitations of current CVTs, discussed in Final TSD Chapter 3.2, this analysis restricts the application of CVT technology on light-duty vehicles with greater than 300 lb.-ft of engine torque. This is because of the higher torque (load) demands of those vehicles and CVT torque limitations based on durability constraints. NHTSA believes the 300 lb.-ft restriction represents an increase over current levels of torque capacity that is likely to be achieved during the rulemaking timeframe. This restriction aligns with CVT application in the analysis fleet, in that CVTs are seen only on vehicles with under 280 lb.-ft of torque.[226] In addition, this restriction is used to avoid stranded capital. Finally, the analysis allows vehicles in the analysis fleet that have DCTs to apply an improved DCT and allows vehicles with an AT5 to consider DCTs. Drivability and durability issues with some DCTs have resulted in a low relative adoption rate over the last decade. This is also broadly consistent with manufacturers' technology choices.[227]

Autonomie models transmissions as a sequence of mechanical torque gains. The torque and speed are multiplied and divided, respectively, by the current ratio for the selected operating condition. Furthermore, torque losses corresponding to the torque/speed operating point are subtracted from the torque input. Torque losses are defined based on a three-dimensional efficiency lookup table that has the following inputs: input shaft rotational speed, input shaft torque, and operating condition. NHTSA populates transmission template models in Autonomie with characteristics data to model specific transmissions.[228] Characteristics data are typically tabulated data for transmission gear ratios, maps for transmission efficiency, and maps for torque converter performance, as applicable. Different transmission types require different quantities of data. The characteristics data for these models come from peer-reviewed sources, transmission and vehicle testing programs, results from simulating current and future transmission configurations, and confidential data obtained from OEMs and suppliers.[229] HEG improvements

[222] Note that eCVT transmissions are only coupled with hybrid electric drivetrains and are therefore not included as a standalone transmission option on the CAFE Model's technology pathways.

[223] See 2015 NAS Report at p. 191. HEG improvements for transmissions represent incremental advancements in technology that improve efficiency, such as reduced friction seals, bearings and clutches, super finishing of gearbox parts, and improved lubrication. These advancements are all aimed at reducing frictional and other parasitic loads in transmissions to improve efficiency. NHTSA considers three levels of HEG improvements in this analysis based on the NAS 2015 recommendations and CBI data.

[224] 2024 EPA Automotive Trends Report.

[225] 2024 EPA Automotive Trends Report, at p. 79, Figure 4.24.

[226] Market Data Input File.

[227] 2024 EPA Automotive Trends Report, at p. 79, Figure 4.24.

[228] Autonomie Input and Assumptions Description Files.

[229] Argonne National Laboratory, Downloadable Dynamometer Database, last revised: 2025, available at: *https://www.anl.gov/taps/downloadable-dynamometer-database* (accessed: May 28, 2026); Kim, N. *et al.,* Advanced Automatic Transmission

are modeled via improvements to the efficiency map of the transmission. As an example, the AT8 model data comes from a transmission characterization study.[230] The AT8L2 has the same gear ratios as the AT8; however, gear efficiency map values are increased to represent application of the HEG level 2 technologies. The AT8L3 models the application of HEG level 3 technologies using the same principle, further improving the gear efficiency map over the AT8L2 improvements. There are 13 transmissions in the analysis, and each transmission is modeled in Autonomie with defined gear ratios, gear efficiencies, gear spans, and unique shift logic for the technology configuration to which the transmission is applied. These transmission maps are developed to represent the gear counts and span, shift and torque converter lockup logic, and efficiencies that can be seen in the fleet, along with upcoming technology improvements, all while balancing key attributes, such as drivability, fuel economy, and performance neutrality. This modeling is discussed in detail in Chapter 3.2 of the Final TSD and the CAFE Analysis Autonomie Documentation chapter titled ''Autonomie—Transmission Model.''

The effectiveness values for the transmission technologies, for all technology classes, are shown in Chapter 3.2.4 of the Final TSD. Note that the effectiveness for the AT5 and eCVT technologies is not shown. The eCVT transmissions do not have standalone effectiveness values because those technologies are implemented only as part of hybrid-electric powertrains. The AT5 has no effectiveness values because it is a reference-point technology against which all other transmission technologies are compared.

NHTSA's transmission DMCs come from the 2015 NAS report and studies cited therein. The costs are taken almost directly from the 2015 NAS report adjusted to the current dollar year or for the appropriate number of gears. Chapter 3.2 of the Final TSD discusses the specific 2015 NAS report costs used to generate these transmission cost estimates, and all transmission costs across all model years can be found in the CAFE Model's Technologies Input File. NHTSA has used the 2015 NAS report transmission costs for the last several light-duty CAFE Model analyses (since re-evaluating all transmission costs for the 2020 final rule) and has not received comments or feedback on these costs.

3. Hybridization Paths

The hybridization paths each include a set of technologies that share common hybrid powertrain components, like batteries and electric motors, for certain vehicle functions that were powered solely by ICEs traditionally. While all vehicles (including conventional ICE vehicles) use batteries and electric motors in some form, some component designs and powertrain architectures contribute to greater levels of hybridization than others, allowing the vehicle to use less gasoline or other fuel.

As explained elsewhere, NHTSA endeavors to model how manufacturers could apply technology to respond to CAFE standards. Hybrid technologies can improve fuel economy, and NHTSA believes that the inputs and assumptions selected to represent hybrid technologies are reasonable to use in NHTSA's CAFE Model. NHTSA provides details of the inputs and assumptions in the Final TSD accompanying this final rule and provides more information regarding the agency's rationale and approach throughout Section II and III of this preamble.

Unlike with other technologies in the analysis, Congress placed specific limitations on how NHTSA considers the fuel economy of alternative fueled vehicles, which includes not only BEVs and FCEVs but also dual-fueled vehicles like PHEVs.[231] For PHEVs and other hybrid technologies, which are discussed in this section, NHTSA restricts its analysis by using fuel economy values that assume ''charge sustaining'' (gasoline-only) operation only.[232] The fuel economies of BEVs and FCEV technologies are excluded entirely from NHTSA's standard-setting analysis.[233] Final TSD Chapter 2.2 contains discussion of NHTSA's consideration of PHEVs, BEVs, and FCEVs in the Final SEIS analysis.

Among the simpler configurations with the fewest hybrid components is micro HEV technology (SS12V), which uses a 12-volt system that simply restarts the engine from a stop. Mild HEVs use a 48-volt belt integrated starter generator (BISG) system that restarts the engine from a stop and provides some regenerative braking functionality.[234] Mild HEVs are often also capable of minimal electric assist to the engine during take-off.

Strong hybrid-electric vehicles (SHEVs) have higher system voltages compared to mild hybrids with BISG systems and are capable of engine stop/start, regenerative braking, electric motor assist of the engine at higher speeds and power demands with the ability to provide limited all-electric propulsion. Common SHEV powertrain architectures, classified by the interconnectivity of common hybrid vehicle components, include both a series-parallel architecture by power-split device (SHEVPS) as well as a parallel architecture (SHEVP2). SHEVP2s—though enhanced by the electric components, including just one electric motor—remains fundamentally similar to a conventional powertrain.[235] In contrast, SHEVPS powertrains are considerably different than a conventional powertrain, as they use two electric motor/generators, which allows the use of a lower power-density engine. This results in a higher potential for fuel economy improvement compared to a SHEVP2, though the SHEVPS engine power density is lower.[236] Put another way, ''[a] disadvantage of the power-split architecture is that when towing or driving under other real-world

Model Validation Using Dynamometer Test Data, SAE 2014–01–1778, Presented at SAE 2014 World Congress & Exhibition, Apr. 8, 2014, Detroit, MI (2014), available at: *https://www.sae.org/publications/technical-papers/content/2014-01-1778/* (accessed: May 28, 2026); Kim, N. *et al.,* Development of a model of the dual clutch transmission in autonomie and validation with dynamometer test data, *International Journal of Automotive Technologies,* Vol. 15: pp. 263–71 (2014), available at: *https://doi.org/10.1007/s12239-014-0027-5* (accessed: May 28, 2026).

[230] CAFE Analysis Autonomie Documentation chapter titled ''Autonomie—Transmission Model.''

[231] 49 U.S.C. 32902(h)(1) and (2). In determining maximum feasible fuel economy levels, ''the Secretary of Transportation—(1) may not consider the fuel economy of dedicated automobiles; [and] (2) shall consider dual fueled automobiles to be operated only on gasoline or diesel fuel.''

[232] NHTSA has estimated two sets of technology effectiveness values using the Argonne full-vehicle simulations: one set does not include the electrification portion of PHEVs, and one set includes the combined fuel economy for both ICE operation and electric operation. Final TSD Chapter 3.3 has more information.

[233] CAFE Model Documentation at S4.6 Technology Fuel Economy Improvements.

[234] See 2015 NAS Report, at p. 130 (''During braking, the kinetic energy of a conventional vehicle is converted into heat in the brakes and is thus lost. An electric motor/generator connected to the drivetrain can act as a generator and return a portion of the braking energy to the battery for reuse. This is called regenerative braking. Regenerative braking is most effective in urban driving and in the urban dynamometer driving schedule (UDDS) cycle, in which about 50 percent of the propulsion energy ends up in the brakes (NRC 2011, 18).'').

[235] Kapadia, J. *et al.,* Powersplit or Parallel—Selecting the Right Hybrid Architecture, *SAE International Journal of Alternative Power,* Vol. 6(1): pp. 68–76 (2017), available at: *https://doi.org/10.4271/2017-01-1154* (accessed: May 28, 2026) (hereinafter, ''Kapadia *et al.* (2017)''). Parallel hybrids architecture typically adds the electrical system components to an existing conventional powertrain.

[236] *Id.*

conditions, performance is not optimum.'' [237] In contrast, ''[o]ne of the main reasons for using parallel hybrid architecture is to enable towing and meet maximum vehicle speed targets.'' [238] This is an important distinction to understand why NHTSA allows certain types of vehicles to adopt SHEVP2 powertrains and not SHEVPS powertrains.

PHEVs utilize a combination gasoline-electric powertrain, like that of a SHEV, but have the ability to plug into the electric grid to recharge the battery, like that of a BEV; this contributes to all-electric mode capability in both blended and non-blended PHEVs.[239] The analysis includes PHEVs with an AER of 20 and 50 miles to encompass the range of PHEV AER in the baseline fleet. Final TSD Chapter 3.3 contains more information on every hybrid technology considered in the analysis, including common acronyms and a brief description of each hybrid technology. For brevity, NHTSA refers to technologies by their acronyms in this section.

As with previous CAFE analyses, there are a number of engine options available for SHEVs and PHEVs. These engines better represent the variety of different hybrid architectures and engine options available in the real world for SHEVs and PHEVs while still maintaining a reasonable level of analytical complexity.

ICCT commented that NHTSA did not include additional mild hybrid technology such as more capable, higher output 48-volt mild hybrid systems beyond P0 mild hybrids, such as P2, P3, or P4 configurations [240] which offer additional benefits of electric power take-offs (*i.e.,* launch assist or ''a short power boost to the drivetrain'') [241] or ''slow-speed electric driving'' [242] on the vehicle's drive axle(s).

In response, NHTSA acknowledges that these mild hybrid configurations, such as P2 (mild) and P4, could offer improvements compared to P0 mild hybrids. Non-P0 powertrains, however, require significant changes and would require a higher capacity battery—both leading to increased powertrain cost; this is similar to what the agency observed in past rulemakings with the (P1) crank integrated starter generator system, with the non-P0 mild hybrid not being a cost-effective way for manufacturers to meet standards in the rulemaking timeframe. For this reason, NHTSA did not include additional mild hybrid technology for this final rule but may consider mild hybrid advancements in future analysis if they become more prevalent in the U.S. market.

MECA also commented on strong hybrid market penetration, noting that, ''the NPRM anticipates only single digit increases in full hybrid technology penetration'' [243] and that hybrid powertrains exist in the light-duty and medium-duty vehicle space without relying on full electrification (*i.e.,* EVs).[244] Zero Emission Transportation Association (ZETA) similarly commented, ''NHTSA's perception of consumers' acceptance of strong hybrids is likewise out of date and inconsistent with recent sales trends and evaluations in the trade press.'' [245] ICCT added, ''Removing HEV application restrictions and improving fuel consumption improvement values would more accurately lead to more vehicles adopting this highly cost-effective technology.'' [246]

Regarding MECA's comment about the projection of hybrid penetration, NHTSA notes that in preamble Section IV, in both the NPRM and this final rule, NHTSA projects increases in the penetration of hybrids, which is in line with MECA's assessment that hybrids will be a contributing technology for adoption across the fleet. Regarding purported phase-in caps for SHEV technologies, no such restriction on adoption applies—the Model would allow 100 percent if the technology were cost-effective. Though strong hybridization is allowed on all vehicle types, NHTSA allows different types of strong hybrid powertrains to be applied to different types of vehicles for the reasons discussed below and believes that allowing SHEVPS and SHEVP2 powertrains to be applied subject to the base vehicle's performance and utility requirements is a reasonable approach to maintaining a performance-neutral analysis. NHTSA has explored a sensitivity case that restricts SHEV adoption and its impacts on this analysis; for more information on this and other sensitivity cases, see FRIA Chapter 9.

NHTSA also received comments requesting that NHTSA include extended-range electric technologies (EREVs) in its analysis, with both MECA and ICCT indicating that industry is retooling and has plans to launch EREV pickup trucks.[247] Though NHTSA is aware of recent manufacturer announcements of plans to introduce EREVs,[248] NHTSA does not currently have a method through which to estimate the fuel economy improvements for adopting the technology because true EREVs do not exist in the baseline fleet.[249] In this analysis, as well as in previous CAFE rulemaking analyses, NHTSA has modeled a variant of EREV to represent PHEV50PS using a downsized ICE with larger battery pack and electric motors.[250] PHEV powertrain architectures, like SHEVs, include both series-parallel power-split and parallel hybrid architectures, but do not currently include series hybrid architectures (commonly known as extended-range electric vehicles or EREVs). NHTSA will continue to monitor these technology variants for future analyses as viable pathways for mass market adoption.

NACAA requested that NHTSA conduct a comprehensive technology assessment that includes ''advanced engine stop-start systems.'' [251] NHTSA notes that the analysis already includes micro hybrid (SS12V) and mild hybrid (BISG) technologies, and NACAA did not identify or expand on any other specific advanced stop-start system technology that it believes should be included in the analysis.

ICCT commented that if SHEVPS restrictions were removed for smaller pickup trucks and SUVs, this would

[237] 2015 NAS Report, at p. 134.

[238] Kapadia *et al.* (2017).

[239] Some PHEVs operate in charge-depleting mode (*i.e.,* ''electric-only'' operation—depleting the high-voltage battery's charge) before operating in charge-sustaining mode (similar to strong hybrid operation, the gasoline and electric powertrains work together), while other (blended) PHEVs switch between charge-depleting mode and charge-sustaining mode during operation.

[240] John German, Docket No. NHTSA–2023–0022–53274–A1, at 6–7, referenced by ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 4.

[241] MECA, Docket No. NHTSA–2025–0491–5331–A1, at 10.

[242] ICCT, Docket No. NHTSA–2023–0022–54064–A1, at 20, referenced by ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 6.

[243] MECA, Docket No. NHTSA–2025–0491–5331–A1, at 12.

[244] MECA, Docket No. NHTSA–2025–0491–5331–A1, at 4–5.

[245] ZETA, Docket No. NHTSA–2025–0491–6039–A2, at 35–36.

[246] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 4.

[247] NACAA, Docket No. NHTSA 2025–0491–5884, at 13; MECA, Docket No. NHTSA–2025–0491–5331–A1, at 13; AVE, Docket No. NHTSA–2025–0490–0033–A1, at 2; ICCT, Docket No. NHTSA 2025–0491–5240–A2, at 21–24.

[248] Ram Trucks, The Ram 1500 REV: Range-extended Electric Truck, last revised: 2026, available at: *https://www.ramtrucks.com/electric/1500-rev.html* (accessed: May 26, 2026).

[249] Further, if an EREV existed that only used the engine to charge its battery and could not be operated in a charge-sustaining mode (*i.e.,* could not be only operated on gasoline or another fuel), it would be an electric vehicle and would not be considered in NHTSA's standard-setting analysis per the limits in 32902(h).

[250] CAFE Analysis Autonomie Documentation at p. 254.

[251] NACAA, Docket No. NHTSA–2025–0491–5884, at 13.

better reflect what is in the baseline fleet and improve the SHEVPS application within the fleet.[252] Though anomalous examples exist in the fleet,[253] NHTSA has not removed the SHEVPS restrictions for smaller pickup trucks and SUVs because, in the real world, performance vehicles with certain powertrain configurations cannot adopt the technologies listed above and maintain vehicle performance without a cost-effective pathway to redesigning the entire powertrain, as described below.

As described in Final TSD Chapter 3.3, NHTSA assigns hybrid technologies to vehicles in the analysis fleet [254] using manufacturer-submitted CAFE compliance information, publicly available technical specifications, marketing brochures, articles from reputable media outlets, and data subscriptions.[255] Final TSD Chapter 3.3.2 shows the penetration rates of hybrid technologies in the standard-setting analysis fleets. Over half the analysis fleet has some level of hybridization, with the vast majority—over 50 percent of the fleet—being micro hybrids. Like the other technology pathways, as the CAFE Model adopts hybrid technologies for vehicles, more advanced levels of hybrid technologies will supersede all prior levels, while certain technologies within each level are mutually exclusive. The only adoption feature applicable to micro (SS12V) and mild (BISG) hybrid technology is path logic; vehicles may adopt micro and mild hybrid technology only if the vehicle did not already have a more advanced level of hybridization.

The adoption features that NHTSA applies to strong hybrid technologies include path logic, powertrain substitution, and vehicle class restrictions. Per the technology pathways, SHEVPS, P2x, P2TRBx, and the P2HCRx technologies are considered mutually exclusive. When the Model applies one of these technologies, the others are immediately disabled from future application. However, all vehicles on the strong hybrid pathways can still advance to one or more of the plug-in technologies, when applicable in the modeling scenario (*i.e.,* allowed in the Model).

When the Model applies any strong hybrid technology to a vehicle, the transmission technology on the vehicle is superseded; regardless of the transmission originally present, P2 hybrids adopt an advanced 8-speed automatic transmission (AT8L2), and power split hybrids adopt a continuously variable transmission via power-split device (eCVT). When the Model applies the P2 technology, the Model can consider various engine options to pair with the P2 architecture according to existing engine path constraints—taking into account relative cost effectiveness. For SHEVPS technology, the existing engine is replaced with a full-time Atkinson cycle engine.[256] For P2s, NHTSA picks the 8-speed automatic transmission to supersede the vehicle's incoming transmission technology. This is because most P2s in the market use an 8-speed automatic transmission,[257] therefore it is representative of the fleet now. NHTSA also believes that 8-speed transmissions are representative of the transmissions that will continue to be used in these hybrid vehicles, as NHTSA anticipates manufacturers will continue to use these ''off-the-shelf'' transmissions based on availability and ease of incorporation in the powertrain. The eCVT (power-split device) is the transmission for SHEVPSs and is therefore the technology NHTSA has picked to supersede the vehicle's prior transmission when adopting the SHEVPS powertrain.

SKIP logic is also used to constrain adoption of SHEVPS and PHEVx0PS technologies. These technologies are ''skipped'' for vehicles with engines [258] that meet one of the following conditions: the engine belongs to an excluded manufacturer; [259] the engine belongs to a pickup truck (*i.e.,* the engine is on a vehicle assigned the ''pickup'' body style); the engine's peak HP is more than 405 HP; or the engine is on a non-pickup vehicle but is shared with a pickup. The reasons for these conditions are similar to those for the SKIP logic that NHTSA applies to HCR engine technologies, discussed in more detail in Section II.D.1.

It may be helpful to understand why NHTSA does not apply SKIP logic to P2s but does apply SKIP logic to SHEVPSs. Note the difference between SHEVP2 and SHEVPS architectures: P2 architectures are better for ''larger vehicle applications because they can be integrated with existing conventional powertrain systems that already meet the additional attribute requirements'' of large-vehicle segments.[260] No SKIP logic applies to P2s because NHTSA believes that this type of hybrid powertrain is sufficient to meet all the performance requirements for all types of vehicles. Manufacturers have proven this with vehicles like the Ford F–150 Hybrid and Toyota Tundra Hybrid.[261] If NHTSA were to size (in the Autonomie simulations) the SHEVPS motors and engines to achieve ''not optimum'' performance, the electric motors would be unrealistically large (on both a size and cost basis), and the accompanying engine also would have to be a very large displacement engine, which is not characteristic of how vehicle manufacturers apply SHEVPS to ICE vehicles in the real world. Instead, for vehicles that have particular performance requirements—which the analysis defines as vehicles with engines that belong to an excluded manufacturer, engines belonging to a pickup truck or shared with a pickup truck, or engines with a peak HP of more than 405 HP—the model allows for the adoption of SHEVP2 architectures that should be able to handle the vehicle's performance requirements.

As mentioned above, while strong hybridization is allowed on all vehicle types, NHTSA allows different types of strong hybrid powertrains to be applied to different types of vehicles for the reasons discussed above. NHTSA believes that allowing SHEVPS and SHEVP2 powertrains to be applied subject to the base vehicle's performance requirements is a reasonable approach to maintaining a performance-neutral analysis.

The engine and transmission technologies on a vehicle are superseded when PHEV technologies

[252] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 4.

[253] Such as the Ford Maverick and Ford Escape hybrids, mentioned in ICCT's comment.

[254] The standard-setting analysis fleet does NOT contain BEVs or FCEVs; the Final SEIS fleet considers all technologies, including BEVs and FCEVs.

[255] Wards Intelligence, U.S. Car and Light Truck Specifications and Prices, '22 Model Year (2022), available at: *https://omdia.tech.informa.com/om132144/us-car-and-light-truck-specifications-and-prices-22-model-year* (accessed: May 28, 2026).

[256] This engine type is designated as Eng26 in the list of engine map models used in the analysis. Final TSD Chapter 3.1.1.2.3 provides more information.

[257] NHTSA is aware that some Hyundai vehicles use six-speed transmissions, and some Ford vehicles use 10-speed transmissions, but NHTSA has observed that the majority of P2s use eight-speed transmissions.

[258] This refers to the engine assigned to the vehicle in the 2024 analysis fleet.

[259] Excluded manufacturers include BMW, Daimler, and Jaguar Land Rover.

[260] Kapadia *et al.* (2017).

[261] Buchholz, K., 2022 Toyota Tundra: V8 Out, Twin-Turbo Hybrid Takes Over, SAE International: Warrendale, VA, last revised: Sept. 22, 2021, available at: *https://www.sae.org/articles/2022-toyota-tundra-v8-out-twin-turbo-hybrid-takes-sae-ma-06782* (accessed: May 28, 2026); Visnic, B., Hybridization the Highlight of Ford's All-New 2021 F–150, last revised: June 30, 2020, available at: *https://www.sae.org/articles/hybridization-highlight-fords-new-2021-f-150-sae-ma-03885* (accessed: May 28, 2026).

are applied. For example, the Model applies an AT8L2 transmission with all PHEV20T/50T plug-in technologies, and the Model applies an eCVT transmission for all PHEV20PS/50PS and PHEV20H/50H plug-in technologies in the fleet; Final TSD Chapter 3.3 provides more details on different system combinations of hybridization. A vehicle adopting PHEV20PS/50PS receives a hybrid full-time Atkinson cycle engine, and a vehicle adopting PHEV20H/PHEV50H receives an HCR engine. For PHEV20T/50T, the vehicle receives a TURBO1 engine.

Autonomie determines the effectiveness of each hybridized powertrain type by modeling the basic components, or building blocks, for each powertrain and then combining the components modularly to determine the overall efficiency of the entire powertrain. The components, or building blocks, which contribute to the effectiveness of a hybridized powertrain in the analysis include the vehicle's battery, electric motors, power electronics, and accessory loads. Autonomie identifies components for each hybridized powertrain type and then interlinks those components to create a powertrain architecture. Autonomie then models each hybridized powertrain architecture and provides an effectiveness value for each architecture. For example, Autonomie determines a PHEV's efficiency in part by considering the efficiencies of the battery (including charging efficiency), the electric traction drive system (ETDS) (the electric machine and power electronics), and mechanical power transmission devices.[262] Autonomie further combines the modeled hybrid components of the hybrid powertrain to include the ICE and related power for transmission components.[263] Argonne uses data from their Advanced Mobility Technology Laboratory (AMTL) to develop Autonomie's hybrid powertrain models. The modeled powertrains are not intended to represent any specific manufacturer's architecture but act as surrogates predicting representative levels of effectiveness for each hybrid technology. NHTSA discusses the procedures for modeling each of these subsystems in detail in the Final TSD and in the CAFE Analysis Autonomie Documentation and provides a summary below.

NHTSA received a comment from Anderson Economic Group (AEG) stating that NHTSA omits the real-world costs of heat loss during fueling for BEVs and only considers these losses for ICE vehicle refueling.[264] Contrary to the commenter's assertion, Autonomie modeling captures charging efficiency and considers the associated losses of the modern-day charging technology. For more information on these assumptions, see CAFE Analysis Autonomie Documentation.[265] Further discussion on this comment with regard to the unconstrained analysis can be found in SEIS Appendix D.

NHTSA received comments about the hybrid effectiveness values used in the analysis. ZETA commented that DOE/EPA's data on hybrid effectiveness ''is consistent with NHTSA's effectiveness estimates.'' [266] ICCT commented extensively on hybrid effectiveness values. ICCT noted that though NHTSA's SHEVPS effectiveness is acceptable, ICCT recommends including ''at least one future (power-split) hybrid system improvement beyond that which is already modeled.'' [267] ICCT commented further that NHTSA's SHEVP2 effectiveness is too low and noted that NHTSA's modeling constrains SHEVP2 motor power to below 45 kW [268] for future model years, citing ICCT's 2025 HEV study, which it says shows specifications for primary drive motors and that the SHEVP2 motor rated between 34kW and 42 kW in 2024 and between 135 kW and 175 kW in 2030 and beyond.[269]

In response to the comments on a purported need to align NHTSA's effectiveness values with industry and the perspective on future hybrid component specifications, NHTSA notes that NHTSA generally models effectiveness values only with components that exist in the current fleet—not concept powertrain components that might exist in the market years from now that have drastically different power ratings compared to the present day. There are ways to optimize electric motors, engines, and battery packs and integrate them in the powertrain, but in the analysis this is limited to discrete packages that NHTSA has modeled with Autonomie, as discussed further in Section II.C.2.c. For example, ICCT projected hypothetical electric motor and hybrid battery sizes in MY 2030 do not appear to even be based on any OEM announcements, component teardowns, or concept vehicles within the rulemaking timeframe. Without more concrete data about these future developments, NHTSA cannot accurately simulate the effectiveness and costs associated with their adoption. In contrast, NHTSA modeled ten SHEVP2 variants from basic to advanced engines that cover the span of hybrid technologies present in the current fleet.[270] Though NHTSA has not made any changes to the analysis in response to ICCT's comment, NHTSA will continue to monitor for these improvements and will continue to update its analyses.

The fundamental components of a hybrid powertrain's propulsion system—the electric motor and inverter—ultimately determine the vehicle's performance and efficiency. For this analysis, Autonomie employs a set of electric motor efficiency maps created by Oak Ridge National Laboratory (ORNL), one for a traction motor and an inverter, the other for a motor/generator and inverter.[271] The electric motor efficiency maps, created from production vehicles like the 2007 Toyota Camry hybrid and the 2011 Hyundai Sonata hybrid, represent electric motor efficiency as a function of torque and motor rotations per minute (RPM). These efficiency maps provide nominal and maximum speeds, as well as a maximum torque curve. Argonne uses the maps to determine the efficiency characteristics of the motors, which include some of the losses due to power transfer through the electric machine.[272] Specifically, Argonne scales the efficiency maps, specific to powertrain type, to have total system peak efficiencies ranging from 96 to 98

[262] Iliev, S. *et al.,* Vehicle Technology Assessment, Model Development, and Validation of a 2021 Toyota RAV4 Prime, DOT HS 813 356, NHTSA: Washington, D.C. (2023), available at: *https://downloads.regulations.gov/NHTSA-2023-0022-0010/attachment_6.pdf* (accessed: May 28, 2026).

[263] See the CAFE Analysis Autonomie Documentation.

[264] AEG, Docket No. NHTSA–2025–0491–5981–A1, at 6–7.

[265] CAFE Analysis Autonomie Documentation at p. 226.

[266] ZETA, Docket No. NHTSA–2025–0491–6039–A2, at 36–37.

[267] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 4.

[268] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 17.

[269] ICCT, Docket No. NHTSA–2025–0491–5240–A9, at 17, Table 4.

[270] Autonomie models SHEV P2 with Eng1, Eng5b, Eng12, Eng13, Eng18, Eng32, Eng33, Eng36, Eng37, and Eng41.

[271] Burress, T. *et al.,* Evaluation of the 2007 Toyota Camry Hybrid Synergy Drive System, ORNL: Washington, DC (2008), available at: *https://doi.org/10.2172/928684* (accessed: May 28, 2026) (hereinafter, ''Burress *et al.* (2008)''); Olszewski, M., Annual Progress Report for the Power Electronics and Electric Machinery Program, ORNL/TM–2011/263, Oak Ridge National Laboratory: Washington, DC (2011), available at: *https://info.ornl.gov/sites/publications/files/Pub31483.pdf* (accessed: May 28, 2026) (hereinafter, ''Olszewski (2011)'').

[272] CAFE Analysis Autonomie Documentation chapter titled ''Vehicle and Component Assumptions—Electric Machines—Electric Machine Efficiency Maps.''

percent [273]—such that their peak efficiency value corresponds to the latest state-of-the-art technologies, as opposed to retaining dated system efficiencies (90 to 93 percent).[274]

Beyond the powertrain components, Autonomie also considers electric accessory devices that consume energy in 2-cycle testing and how they affect overall vehicle effectiveness, such as radiator fans, engine control units, transmission control units, cooling systems, and safety systems. In real-world driving and operation, the electrical accessory load on the powertrain varies depending on how the driver uses certain features and the condition in which the vehicle is operating, such as night driving or hot weather driving. However, for regulatory test cycles related to fuel economy, the electrical load is repeatable because the fuel economy regulations control these factors. Accessory loads during test cycles vary by powertrain type and vehicle technology class, since distinctly different powertrain components and vehicle masses consume different amounts of energy.

The analysis fleets consist of different vehicle types with varying accessory electrical power demand. For instance, vehicles with different motor and battery sizes require different sizes of electric cooling pumps and fans to manage component temperatures optimally. Autonomie has built-in models that can simulate these varying subsystem electrical loads. However, for this analysis, NHTSA uses a fixed (by vehicle technology class and powertrain type), constant power draw to represent the effect of these accessory loads on the powertrain on the 2-cycle test. NHTSA expects that fixed accessory load values will, on average, have similar impacts on effectiveness as found on actual manufacturers' systems. This process is in line with the past analyses.[275] [276] NHTSA aggregates electrical accessory load modeling assumptions for the different powertrain types (hybridized and conventional) and technology classes from data from the 2016 Draft Technical Assessment Report (TAR), and the 2016 EPA Proposed Determination,[277] data from manufacturers,[278] research and development data from DOE's Vehicle Technologies Office,[279] [280] [281] and DOT-sponsored vehicle benchmarking studies completed by Argonne's AMTL.

Certain technologies' effectiveness for reducing fuel consumption requires optimization through the appropriate sizing of the powertrain. Autonomie uses sizing control algorithms based on data collected from vehicle benchmarking,[282] and the modeled hybrid components are sized based on performance neutrality considerations. This analysis iteratively minimizes the size of the powertrain components to maximize efficiency while enabling the vehicle to meet multiple performance criteria. The Autonomie simulations use a series of resizing algorithms that contain ''loops,'' such as the acceleration performance loop (0–60 mph), which automatically adjusts the size of certain powertrain components until a criterion, like the 0–60 mph acceleration time, is met. As the algorithms examine different performance or operational criteria that must be met, no single criterion can degrade; once a resizing algorithm completes, all criteria will be met, and some may be exceeded as a necessary consequence of meeting others.

Autonomie applies different powertrain sizing algorithms depending on the type of vehicle considered because different types of vehicles not only contain specific, optimized components, but they must also operate in varying driving modes. While the conventional powertrain sizing algorithm must consider only the power of the engine, the more complex algorithm for hybridized powertrains must simultaneously consider multiple factors, which could include the engine power, electric machine power, battery power, and battery capacity. Also, while the resizing algorithm for all vehicles must satisfy the same performance criteria, the algorithm for some electric powertrains must also allow those hybridized vehicles to operate in certain driving cycles, like the US06 cycle (a high acceleration aggressive driving schedule), without assistance of the combustion engine and ensure the electric motor/generator and battery can handle the vehicle's regenerative braking power, all-electric mode operation, and intended range of travel.

To establish the effectiveness of the technology packages, Autonomie simulates the vehicles' performance on compliance test cycles.[283] For vehicles with conventional powertrains and micro hybrid powertrains, Autonomie simulates the vehicles using the 2-cycle test procedures and guidelines.[284] For mild HEVs and strong HEVs, Autonomie simulates the same 2-cycle test, with the addition of repeating the drive cycles until the final state-of-charge (SOC) is approximately the same as the initial SOC, a process described in SAE J1711; SAE J1711 also provides test cycle guidance for testing specific to PHEVs.[285] PHEVs have a range of modeled effectiveness during ''standard-setting'' CAFE Model runs, in which the PHEV operates under a ''charge sustaining'' (gasoline-only) mode—similar to how SHEVs function.

The Alliance for Vehicle Efficiency (AVE) submitted a comment emphasizing the need for harmonized test procedures across Federal regulatory programs when evaluating hybrid and electrified powertrains. AVE further stated that differences in test procedures result in inconsistent performance valuation of hybrid vehicle technologies.[286]

In response to AVE's comment, NHTSA emphasizes that its analysis is based on the 2-cycle testing prescribed by EPA's regulation for calculating CAFE compliance, in accordance with EPCA.[287] We discuss the use of 2-cycle

[273] CAFE Analysis Autonomie Documentation chapter titled ''Vehicle and Component Assumptions—Electric Machines—Electric Machine Peak Efficiency Scaling.''

[274] Burress *et al.* (2008); Olszewski (2011).

[275] Technical Assessment Report at Chapter 5 (2016).

[276] EPA Proposed Determination TSD at pp. 2–270 (2016).

[277] *Id.*

[278] Alliance of Automobile Manufacturers (now Auto Innovators) Comments on Draft TAR, at p. 30.

[279] DOE, Electric Drive Systems Research and Development, last revised: 2025, available at: *https://www.energy.gov/eere/vehicles/electric-drive-systems-research-and-development* (accessed: May 28, 2026).

[280] Argonne National Laboratory, Advanced Mobility Technology Laboratory (AMTL), last revised: 2025, available at: *https://www.anl.gov/taps/advanced-mobility-technology-laboratory* (accessed: May 28, 2026).

[281] DOE's lab years are 10 years ahead of manufacturers' potential production intent (*e.g.,* 2020 lab year is MY 2030).

[282] CAFE Analysis Autonomie Documentation chapter titled ''Vehicle Sizing Process—Vehicle Powertrain Sizing Algorithms—Light-Duty Vehicles—Conventional Vehicle Sizings Algorithm.''

[283] EPA, How Vehicles are Tested, last revised: 2025, available at: *https://www.fueleconomy.gov/feg/how_tested.shtml* (accessed: May 28, 2026); Good, D., EPA Test Procedures for Electric Vehicles and Plug-in Hybrids, Draft Summary, EPA: Washington, DC (2017), available at: *https://www.fueleconomy.gov/feg/pdfs/EPA%20test%20procedure%20for%20EVs-PHEVs-11-14-2017.pdf* (accessed: May 28, 2026); CAFE Analysis Autonomie Documentation, chapter titled ''Test Procedure and Energy Consumption Calculations.''

[284] 40 CFR part 600.

[285] PHEV testing is broken into several phases based on SAE J1711: charge-sustaining on the city and HWFET cycle, and charge-depleting on the city and HWFET cycles.

[286] AVE, Docket No. NHTSA–2025–0490–0033–A1, at 7.

[287] *See* 49 U.S.C. 32904(c) (''Testing and calculation procedures . . . . [T]he Administrator shall use the same procedures for passenger automobiles the Administrator used for model year

Continued

testing for compliance in Section VI of this preamble.

Chapters 2.4 and 3.3 of the Final TSD and the CAFE Analysis Autonomie Documentation chapter titled ''Test Procedure and Energy Consumption Calculations'' discuss the components and test cycles used to model each hybrid powertrain type; please refer to those chapters for more technical details on each of the modeled technologies discussed in this section.

The range of effectiveness for the hybrid technologies used in this analysis is a result of the interactions between the components listed above and how the modeled vehicle operates on its respective test cycle. This range of values results in some modeled effectiveness values being close to real-world measured values and some modeled values departing from measured values, depending on the level of similarity between the modeled hardware configuration and the real-world hardware and software configurations. The range of effectiveness values for the hybrid technologies applied in the fleet is shown in Final TSD Figure 3–23 and Figure 3–24.

Some advanced engine technologies indicate low effectiveness values when paired with hybrid architectures. The low effectiveness results from the application of advanced engines to existing P2 architectures. This effect is expected and illustrates the importance of using the full-vehicle modeling to capture interactions between technologies and to capture instances of both complementary technologies and non-complementary technologies. In developing its hybrid powertrains, NHTSA considers the engine maps, engine technologies, electric motor power, and battery pack size. The hybrid powertrains are calibrated to operate in their respective hybrid architecture most effectively and to allow the electric machine to provide propulsion or assistance in regions of the engine map that are less efficient. As the Model sizes the powertrain for any given application, it considers all these parameters as well as performance neutrality metrics to provide the most efficient solution. In this instance, the P2 powertrain improves fuel economy, in part, by allowing the engine to spend more time operating at efficient engine speed and load conditions. This reduces the advantage of adding advanced engine technologies, which also improve fuel economy by broadening the range of speed and load conditions for the engine to operate at high efficiency. This redundancy in fuel-saving mechanisms results in a lower effectiveness when the technologies are added together.

The technology effectiveness values are developed specifically to support analyses for a rulemaking timeframe. For example, the hybrid Atkinson engine peak thermal efficiency was updated based on 2017 Toyota Prius engine data.[288] As mentioned above, Argonne scales the efficiency maps, specific to powertrain type, to have total system peak efficiencies ranging from 96 to 98 percent [289]—such that their peak efficiency value corresponds to the latest state-of-the-art technologies, as opposed to retaining dated system efficiencies (90 to 93 percent).[290] The 2016 maps scaled to peak efficiency are equivalent to (if not exceed) efficiencies seen in vehicles in the current fleet and in the future. Though the base references for these technologies are from a few years ago, NHTSA has worked with Argonne to update individual inputs to reflect the latest improvements. Accordingly, NHTSA has made no changes to the electric machine efficiency maps for this final rule analysis.

When the CAFE Model turns a vehicle powered by an ICE into a hybridized vehicle, it must remove the parts and costs associated with the ICE (and, potentially, the transmission depending on the hybridization level and powertrain type) and add the costs of a battery pack and other non-battery hybridization components, such as the electric motor and power inverter. To estimate battery pack costs for this analysis, NHTSA needs an estimate of how much battery packs cost (*i.e.,* a ''base year'' cost) and estimates of how that cost could reduce over time (*i.e.,* the ''learning effect''). The general concept of learning effects is discussed in detail in Section II.C and in Chapter 2 of the Final TSD, while the specific learning effect NHTSA applied to battery pack costs in this analysis is discussed below. NHTSA estimates base year battery pack costs for most hybrid technologies using BatPaC, which is an Argonne model designed to calculate the cost of hybrid battery packs.

Traditionally, a user would use BatPaC to cost a battery pack for a single vehicle, and the user would vary factors such as battery cell chemistry, battery power and energy, battery pack interconnectivity configurations, battery pack production volumes, charging constraints, or combinations of these factors, to name a few, to see how those factors would increase or decrease the cost of the battery pack. However, several hundreds of thousands of simulated vehicles in the analysis have hybridized powertrains, meaning that NHTSA would have to run individual BatPaC simulations for each full-vehicle simulation that requires a battery pack. This would have been computationally intensive and impractical. Instead, Argonne staff builds ''lookup tables'' with BatPaC that provide battery pack manufacturing costs, battery pack weights, and battery pack cell capacities for vehicles with varying power requirements modeled in these large-scale simulation runs.

Just like with other vehicle technologies, the specifications of different vehicle manufacturers' battery packs are extremely diverse. NHTSA, therefore, endeavored to develop battery pack costs that reasonably encompass the cost of battery packs for vehicles in each technology class.

In conjunction with the agency's partners at Argonne working on the CAFE analysis Autonomie modeling, NHTSA references assessment and outlook reports,[291] vehicle teardown reports,[292] and stakeholder discussions [293] to determine common

1975 (weighted 55 percent urban cycle and 45 percent highway cycle), or procedures that give comparable results.'').

[288] Atkinson Engine Peak Efficiency is based on 2017 Prius peak efficiency scaled up to 41 percent. CAFE Analysis Autonomie Documentation at p. 138. See ANL—All Assumptions_Summary_NPRM_022021.xlsx, ANL—Summary of Main Component Performance Assumptions_NPRM_022021.xlsx, Argonne Autonomie Model Documentation_NPRM.pdf and ANL—Data Dictionary_NPRM_022021.XLSX, which can be found in the rulemaking docket (NHTSA–2023–0022) by filtering for Supporting & Related Material.

[289] See CAFE Analysis Autonomie Documentation, chapter titled ''Electric Machine Peak Efficiency Scaling.''

[290] Burress *et al.* (2008); Olszewski (2011).

[291] Rho Motion, EV Battery subscriptions, available at: *https://rhomotion.com/* (accessed: May 28, 2026); BNEF, Electric Vehicle Outlook 4Q 2023: Growth Ahead, last revised: Jan. 4, 2024, available at: *https://about.bnef.com/insights/clean-transport/electrified-transport-market-outlook-4q-2023-growth-ahead/* (accessed: May 28, 2026); Benchmark Mineral Intelligence, Cathode, Anode, and Gigafactories subscriptions, available at: *https://benchmarkminerals.com/* (accessed: May 28, 2026); International Energy Agency, Global EV Outlook 2022: Securing Supplies For an Electric Future, International Energy Agency: Paris, France (2022), available at: *https://iea.blob.core.windows.net/assets/ad8fb04c-4f75-42fc-973a-6e54c8a4449a/GlobalElectricVehicleOutlook2022.pdf* (accessed: May 28, 2026).

[292] Hummel, P. *et al.,* UBS Evidence Lab Electric Car Teardown—Disruption Ahead?, UBS: Zurich, Switzerland (2017), available at: *https://neo.ubs.com/shared/d1ZTxnvF2k* (accessed: May 28, 2026); A2Mac1, Automotive Benchmarking (proprietary data), available at: *https://portal.a2mac1.com/* (accessed: May 28, 2026).

[293] See Docket Submission of Ex Parte Meetings Prior to Publication of the Corporate Average Fuel Economy Standards for Passenger Cars and Light

battery pack chemistries for each modeled hybrid technology. The CAFE Analysis Autonomie Documentation chapter titled ''Battery Performance and Cost Model—BatPaC Examples From Existing Vehicles in the Market'' includes more detail about the reports referenced for this analysis.[294] For mild hybrids, NHTSA uses the lithium iron phosphate (LFP)–G [295] chemistry because power and energy requirements for mild hybrids are very low, the charge and discharge cycles (or need for increased battery cycle life) are high, and the battery raw materials are much less expensive than a nickel manganese cobalt (NMC)-based cell chemistry. NHTSA uses NMC622–G [296] for all other hybrid vehicle technology base (MY 2022) battery pack cost calculations. NHTSA believes that, based on available data,[297] NMC622 is more representative for the MY 2022 base year battery costs than LFP, and any additional cost reductions from manufacturers switching to LFP chemistry-based battery packs in years beyond 2022 are accounted for in the battery cost learning effects. The learning effects estimate potential cost savings for future battery advancements (a learning rate applied to the battery pack DMC); this final rule includes a dynamic NMC/LFP cathode mix over each future model year (for PHEVs). The battery chemistry that NHTSA uses is intended to represent reasonably what is used in the MY 2022 U.S. fleet, which is the DMC base year for the BatPaC calculations.[298]

The Attorneys General [299] stated that NHTSA's analysis assumed that all strong hybrids rely on NMC battery chemistries and countered that cheaper LFP batteries have quickly become the dominant global battery chemistry since 2022, meaning NHTSA's chemistry assumption overstates actual market costs.

NHTSA does not apply LFP batteries to SHEVs in its analysis because no strong hybrid in the American automotive market uses the LFP battery chemistry for its battery packs. As for battery chemistry assumptions in the analysis, NHTSA accounts for the increasing prevalence of LFP displacing NMC cathodes in the U.S. market, applies a ''composite correlation equation'' for PHEVs,[300] and models a dynamic, shifting mix of NMC and LFP chemistries through MY 2035.

The Attorneys General [301] also commented that NHTSA used 2022 as the base year to estimate the manufacturing cost of hybrid battery packs. The Attorneys General point out that material costs and the relative intensity of certain mineral uses dropped significantly between 2022 and 2024, meaning the 2022 baseline overestimates DMCs.

While the *base* DMC is anchored to MY 2022, NHTSA does not assume that battery costs will remain constant at 2022 levels. To reflect how battery costs will decrease over the analytical timeframe, NHTSA applies specific ''learning rates'' to the BatPaC-generated DMCs, developed by Argonne's BatPaC team.[302] Final TSD Chapter 3.3 explicitly notes that ''NHTSA accounts for the potential cost savings for future battery cell chemistries using a learning rate applied to the battery pack DMC.'' The anticipated drops in material costs and advancements in manufacturing are built into the future projections via these learning curves, and the analysis does not require a shift in base year. NHTSA did not update the battery cost base year for the final rule analysis.

NHTSA also looks at vehicle sales volumes for MY 2022 to determine a reasonable base production volume assumption.[303] In practice, a single battery plant can produce packs using different cell chemistries with different power and energy specifications, as well as battery pack constructions with varying battery pack designs—different cell interconnectivities (to alter overall pack power end energy) and thermal management strategies—for the same base chemistry. However, in BatPaC, a battery plant is assumed to manufacture and assemble a specific battery pack design, and all cost estimates are based on one single battery plant manufacturing only that specific battery pack. For example, if a manufacturer has more than one PHEV in its vehicle lineup and each uses a specific battery pack design, a BatPaC user would include manufacturing volume assumptions for each design separately to represent each plant producing each specific battery pack. NHTSA has examined battery pack designs for vehicles sold in MY 2022 to determine a reasonable manufacturing plant production volume assumption. NHTSA considers each assembly line designed for a specific battery pack and for a specific PHEV as an individual battery plant. Since battery technologies and production are still evolving, it is likely to be some time before battery cells can be treated as commodities where the specific numbers of cells are used for varying battery pack applications and all other metrics remain the same.

Similar to previous rulemakings, NHTSA uses sales as a starting point to analyze potential base modeled battery manufacturing plant production volume assumptions. Since actual production data for specific battery manufacturing plants are extremely hard to obtain and the battery cell manufacturer is not always the battery pack manufacturer,[304] NHTSA calculates an average production volume per manufacturer metric to approximate hybrid vehicle production volumes for this analysis. This metric is calculated by taking an average of all of one hybrid vehicle type (for example, all PHEVs) battery energies reported in a vehicle manufacturer's pre-MY 2022 reports [305] and dividing by the averaged sales-weighted energy per-vehicle; the resulting volume is then rounded to the nearest 5,000. Manufacturers are not required to report gross battery pack sizes for the pre-model year or mid-model year compliance reports, so NHTSA estimates pack size for each vehicle based on proprietary data and publicly available data, like a

Trucks for Model Years 2027–2032 and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030–2035 Notice of Proposed Rulemaking memorandum, which can be found in the rulemaking docket (NHTSA–2023–0022) by filtering for Supporting & Related Material.

[294] CAFE Analysis Autonomie Documentation chapter titled ''Battery Performance and Cost Model—BatPac Examples From Existing Vehicles in the Market.''

[295] Lithium iron phosphate ($LiFePO_4$) cathode and graphite anode.

[296] Lithium nickel manganese cobalt oxide ($LiNiMnCoO_2$) cathode and graphite anode.

[297] Rho Motion, EV Battery subscriptions, available at: *https://rhomotion.com/* (accessed: May 28, 2026); International Energy Agency, Global EV Outlook 2023: Catching Up with Climate Ambitions, International Energy Agency: Paris, France (2023), available at *https://www.iea.org/reports/global-ev-outlook-2023* (accessed: May 28, 2026).

[298] For this analysis, 2021$ costs have been updated to 2024$; this is not reflected directly in the base Battery Cost csv file, however, as this conversion was performed external to the file itself.

[299] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62.

[300] This is also the case for battery-electric vehicles (BEVs) in the EIS analysis.

[301] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62.

[302] Argonne National Laboratory, Cost Analysis and Projections for U.S.-Manufactured Automotive Lithium-Ion Batteries, ANL/CSE–24/1, Argonne National Laboratory: Lemont, IL (2024), available at: *https://publications.anl.gov/anlpubs/2024/01/187177.pdf* (accessed: May 28, 2026) (hereinafter, ''ANL/CSE–24/1'').

[303] See Chapter 2.2.1.1 of the Final TSD for more information on data NHTSA uses for sales volumes.

[304] Zhou, Y. *et al.,* Lithium-Ion Battery Supply Chain for E-Drive Vehicles in the United States: 2010–2020, ANL/ESD–21/3, Argonne National Laboratory: Argonne, IL (2021), available at: *https://publications.anl.gov/anlpubs/2021/04/167369.pdf* (accessed: May 28, 2026); Gohlke, D. *et al.,* Quantification of Commercially Planned Battery Component Supply in North America Through 2035, Final Report, ANL–24/14, Argonne National Laboratory: Alexandria, VA (2024), available at: *https://publications.anl.gov/anlpubs/2024/03/187735.pdf* (accessed: May 28, 2026).

[305] 49 CFR 537.7.

manufacturer's published or announced specifications. This process is repeated for all hybrid vehicle technologies. NHTSA believes this provides a reasonable base year plant production volume—especially in the absence of actual production data—since the compliance report data from manufacturers already includes accurate related data, such as vehicle model and estimated sales information metrics.[306] The final battery manufacturing plant production volume assumptions for different hybrid technologies are as follows: mild hybrid and strong hybrids are manufactured assuming 200,000 packs and PHEVs are manufactured assuming 20,000 packs.

As mentioned above, the BatPaC Lookup Tables provide $/kWh battery pack costs based on vehicle power and energy requirements. As the total cost of a battery pack increases the higher the power/energy requirements, the cost per kWh decreases. This represents the cost of hardware that is needed in all battery packs but is deferred across more kW/kWh in larger packs, which reduces the per kW/kWh cost. Table 3–78 in Final TSD Chapter 3.3.5 shows an example of the BatPaC Lookup Tables for SHEVPS technology classes.

Note that the values in the table discussed above should not be considered the total battery $/kWh costs that are used for vehicles in the analysis in future model years. As detailed below, battery costs are also projected to decrease over time as manufacturers improve production processes, shift battery chemistries, and make other technological advancements. In addition, select modeled tax credits further reduce the estimated costs; additional discussion of those tax credits is located throughout this preamble, Final TSD Chapter 2.3, FRIA Chapters 8 and 9, and preamble Section II.C.2.e.

The CAFE Analysis Autonomie Documentation details other specific assumptions that Argonne used to simulate battery packs and their associated base year costs for the full-vehicle simulation modeling, including updates to the battery management unit costs and the range of power and energy requirements used to bound the lookup tables.[307] CAFE Analysis Autonomie Documentation and Chapter 3.3 of the Final TSD provide further information about how NHTSA used BatPaC to estimate base year battery costs. The full range of BatPaC-generated battery DMCs is in the file ANL—Summary of Main Component Performance Assumptions_NPRM_2206.[308] Note again that these charts represent the DMC using a dollar per kW/kWh metric; absolute battery costs used in the analysis by technology key can be found in the CAFE Model Battery Costs File.

The DOE and Argonne developed battery cost correlation equations from BatPaC for use in the 2024 CAFE final rule analysis—cost equations that continue to be used in this analysis.[309] These cost equations—developed for use through MY 2035—are tailored for different vehicle segments,[310] different levels of hybridization,[311] and anticipated plant production volumes.[312] These equations represent cost improvements achieved from advanced manufacturing, pack design, and cell design with current and anticipated future battery chemistries,[313] design parameters, forecasted market prices, and vehicle technology penetration. Argonne's Cost Analysis and Projections for U.S.-Manufactured Automotive Lithium-ion Batteries report contains a detailed discussion of the inputs and assumptions used to generate these cost equations.[314]

The Attorneys General [315] argue that NHTSA's evaluation of economic feasibility relies on cost models that fail to account for dramatically falling battery costs, thereby artificially inflating the cost of strong hybrid vehicles. They assert that NHTSA's inaccurate assumptions affect the CAFE Model results by inflating projected regulatory costs and distorting the projected makeup of the fleet. In addition to comments on battery base year and chemistry assumptions that were discussed above, the Attorneys General argued that NHTSA's attempt to account for battery technology advancements by applying a 1.5-percent learning rate is inadequate to keep pace with current battery technology advancements. They cite evidence suggesting that EV battery manufacturing has recently demonstrated a 7.5-percent learning rate, which is five times higher than the rate NHTSA applied.

In response to these comments, NHTSA emphasizes that the 1.5-percent learning rate applies to later years—well beyond those years subject to this regulation—when battery technology matures, not in the near term. The Final TSD clarifies that NHTSA specifically uses the 1.5-percent learning rate for battery packs from MY 2036 and beyond, which is appropriate because the agency expects battery technology to be largely mature by that time. The near-term battery learning rates differ across each vehicle class, specific hybrid powertrain technology, and across each year (through MY 2035), with year-over-year improvements spanning from above four percent year-over-year to below one percent year-over-year.[316]

Though batteries and relative battery components are the biggest cost drivers of hybridization, non-battery hybridization components, such as electric motors, power electronics, and wiring harnesses, also add to the total cost required to electrify a vehicle. Different levels of hybrid vehicles have variants of non-battery hybridization components and configurations to accommodate different vehicle classes and applications with respective designs. For instance, some SHEVs may be engineered with only one electric motor, while other SHEVs may be engineered with two or even three electric motors within their powertrains to provide AWD functionality. In addition, some hybrid vehicle types still include conventional powertrain components, like an ICE and transmission.

For all hybrid vehicle powertrain types, NHTSA groups non-battery hybridization components into four major categories: electric motors, power electronics (generally including the DC-DC converter, inverter, and power distribution module), charging components (charger, charging cable, and high-voltage cables), and thermal management systems. NHTSA further groups the components into those composing the ETDS, and all other components. Though each manufacturer's ETDS and power electronics vary between the same hybrid vehicle types and between different hybrid vehicle types, NHTSA

[306] NHTSA uses publicly available range and pack size information and linked the information to vehicle models.

[307] CAFE Analysis Autonomie Documentation chapter titled ''Battery Performance and Cost Model—Use of BatPac in Autonomie for FRM runs.''

[308] The DMCs in the Argonne file are in 2021$ (from the 2024 final rule).

[309] ANL/CSE–24/1.

[310] The vehicle classes considered in this project include compact cars, mid-size cars, mid-size SUVs, and pickup trucks.

[311] The levels of hybridization considered in this project include light-duty micro HEVs, mild HEVs, strong HEVs, and PHEVs.

[312] Production volumes were determined for each vehicle class and type for each model year. See ANL/CSE–24/1 at Equation 1 and Table 13.

[313] Battery cathode chemistries considered in this project include nickel-based materials (NMC622, NMC811, NMC95, and LMNO) as well as lower cost LFP cathodes; varying percentages of silicon content (5%, 15%, and 35%) within a graphite anode were considered, as well.

[314] ANL/CSE–24/1.

[315] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62–63.

[316] ANL/CSE–24/1.

considers the ETDS for this analysis to be composed of the electric motor and inverter, power electronics, and thermal system.

When researching costs for different non-battery hybridization components, NHTSA finds that different reports vary in components considered and cost breakdown. This is not surprising, as vehicle manufacturers use different non-battery hybridization components in different vehicle systems, or even in the same vehicle type, depending on the application. For each of the component categories discussed above, NHTSA examines cost teardown studies and uses the best available cost estimate for each component from these different reports. These reports capture components in most manufacturers' systems but not all, and NHTSA believes that this is a reasonable approach for this analysis, given the non-standardization of hybrid powertrain designs and subsequent component specifications. Other sources NHTSA uses for non-battery hybridization component costs include an EPA-sponsored FEV teardown of a 2013 Chevrolet Malibu ECO with eAssist for some BISG component costs,[317] which were validated against a 2019 Dodge Ram eTorque system's publicly available retail price,[318] and the 2015 NAS report.[319] Broadly, the total BISG system cost, including the battery, fairly matches these other cost estimates. Component cost information is discussed further in Final TSD Chapter 3.3.5.

NHTSA received a number of comments about hybrid powertrain costs. Stellantis argued that NHTSA's cost assumptions were too low, while other commenters argue that NHTSA's cost estimates are too high. Stellantis [320] argued that NHTSA's powertrain cost assumptions for SHEV technology are significantly underestimated regarding what is economically and commercially feasible, especially for large vehicles. Stellantis urges NHTSA to adjust SHEV cost estimates upward specifically for large vehicles and not assume a similar cost across small cars, crossovers, SUVs, and full-size pickup trucks—noting that correcting these cost assumptions will alter the technology penetration rates assumed in the modeling.

In contrast to the comment from Stellantis, NHTSA received several comments stating that the agency overestimates hybrid costs compared to current markets.[321] [322] These commenters argue that NHTSA's cost estimates for strong hybrid electric vehicles (SHEVs) are excessively high and outdated and contradict current market prices.[323] [324] ICCT asserted that the agency overestimates cost by comparing price premiums for hybrids and their non-hybrid counterparts.[325] ZETA commented similarly, referencing a paper asserting the differences in price premiums between the current market prices and NHTSA's analysis, and incorrectly concluding that NHTSA inflated hybrid powertrain cost estimates.[326]

As with previous rulemakings, NHTSA continues to reject the use of vehicle MSRPs to estimate component costs, as this oversimplifies the technology cost walk that the Model performs between powertrains in a given model year.[327] Final TSD Chapter 2.4 describes NHTSA's technology cost estimation methodology and clarifies that the agency estimates technology costs from the ground-up and scales for factors such as electric motor power and does reference vehicle prices to estimate technology costs. The Vehicle Report Output File and read related CAFE Model Documentation describe the actual technology costs used in the model. NHTSA is not making any changes to hybrid vehicle costs from the NPRM analysis for this final rule.

For the non-battery electrification component learning curves, NHTSA uses cost information from Argonne's 2016 Assessment of Vehicle Sizing, Energy Consumption, and Cost Through Large-Scale Simulation of Advanced Vehicle Technologies report.[328] The report provides estimated cost projections from the 2010 lab year to the 2045 lab year for individual vehicle components.[329] NHTSA considers the component costs used in HEVs and determines the learning curve by evaluating the year over year cost change for those components. Argonne published a 2020 and a 2022 version of the same report; however, those versions did not include a discussion of the high- and low-cost estimates for the same components.[330] The learning estimates generated using the 2016 report align in the middle of the high- and low-cost estimates from the Argonne reports, and therefore NHTSA continues to apply the learning curve estimates based on the 2016 report. There are many sources that NHTSA could have picked to develop learning curves for non-battery electrification component costs; however, given the uncertainty surrounding extrapolating costs out to MY 2050, NHTSA believes these learning curves provide a reasonable estimate.

ICCT commented that NHTSA's electric motor and inverter costs are too high for SHEVs that utilize greater than 57 kW [331] and attached a related 2025 HEV study they published.[332]

NHTSA interprets ICCT's comment as taking issue with learning rates associated with electric motors in the future and disagrees with ICCT's claim that the cost of electric motors greater than 57 kW is too high. NHTSA determined that the non-battery component learning rates used in this analysis reflect the trajectory of economies of scale and production capabilities predicted by industry. NHTSA has not updated the non-battery component learning rates for the final rule.

In summary, NHTSA calculates the total hybrid powertrain costs by

[317] FEV, Inc., Light Duty Vehicle Technology Cost Analysis: 2013 Chevrolet Malibu ECO With eAssist BAS Technology Study, FEV P311264, Contract No. EP–C–12–014, WA 1–9, EPA: Washington, DC (2014), available at: *https://www.regulations.gov/document/EPA-HQ-OAR-2015-0827-0342* (accessed: May 28, 2026).

[318] Colwell, K., The 2019 Ram 1500 eTorque Brings Some Hybrid Tech, if Little Performance Gain, to Pickups, Car and Driver, last revised: Mar. 14, 2019, available at: *https://www.caranddriver.com/reviews/a22815325/2019-ram-1500-etorque-hybrid-pickup-drive* (accessed: May 28, 2026).

[319] 2015 NAS Report, at p. 305.

[320] Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 10.

[321] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 3–4.

[322] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 15 and –A2, at 34–35.

[323] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 3–4.

[324] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 15 and –A2, at 34–35.

[325] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 5.

[326] ZETA, Docket No. NHTSA–2025–0491–6039–A2, at 34–37.

[327] A technology cost walk is the step-by-step cost transaction the model performs when a vehicle adopts technology, allowing cost changes to be attributed to specific technology changes.

[328] Moawad, A. *et al.,* Assessment of Vehicle Sizing, Energy Consumption and Cost Through Large Scale Simulation of Advanced Vehicle Technologies, ANL/ESD–15/28, Argonne National Laboratory: Argonne, IL (2016), available at: *https://doi.org/10.2172/1245199* (accessed: May 28, 2026).

[329] DOE's lab year equates to 5 years after a model year (*e.g.,* DOE's 2010 lab year equates to MY 2015). ANL/ESD–15/28 at p. 116.

[330] Islam, E. *et al.,* Energy Consumption and Cost Reduction of Future Light-Duty Vehicles Through Advanced Vehicle Technologies: A Modeling Simulation Study Through 2050, ANL/ESD–19/10, Argonne National Laboratory: Lemont, IL (2020), available at: *https://publications.anl.gov/anlpubs/2020/08/161542.pdf* (accessed: May 28, 2026); Islam, E. *et al.,* A Comprehensive Simulation Study to Evaluate Future Vehicle Energy and Cost Reduction Potential, ANL/ESD–22/6, Argonne National Laboratory: Lemont, IL (2022), available at: *https://publications.anl.gov/anlpubs/2023/11/179337.pdf* (accessed: May 28, 2026).

[331] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 17.

[332] ICCT, Docket No. NHTSA–2025–0491–5240–A9, at 15–19.

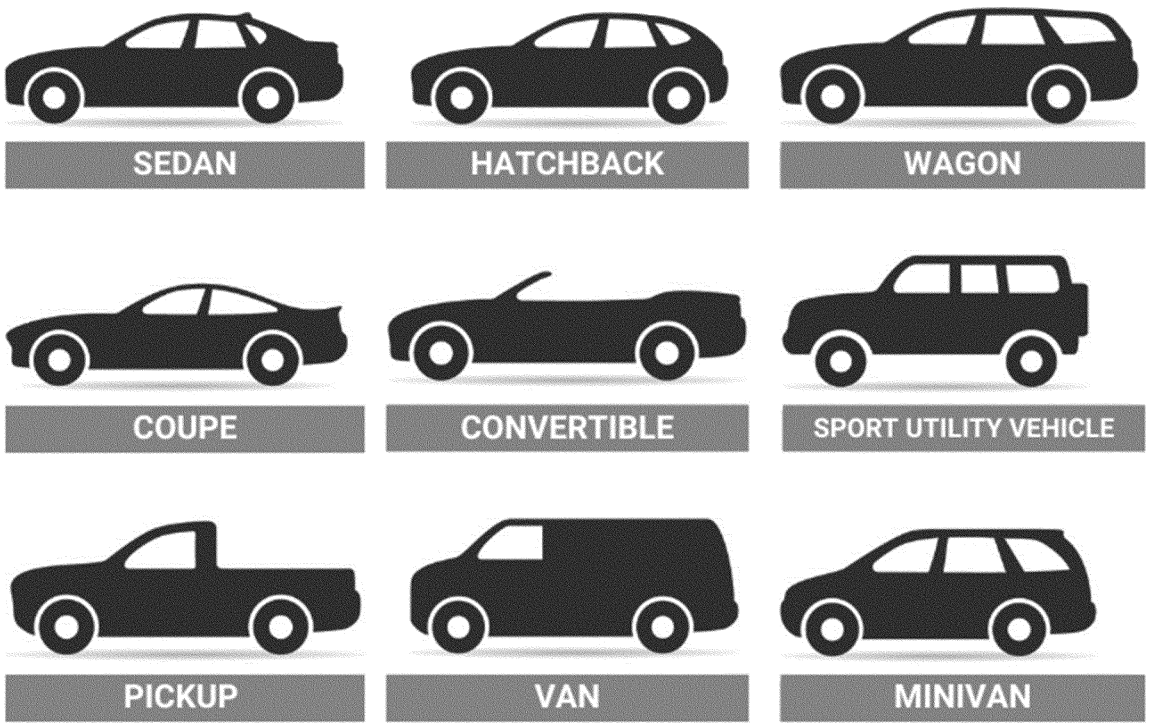
summing individual component costs, which ensures that all technologies in a hybrid powertrain appropriately contribute to the total system cost. NHTSA combines the costs associated with the ICE (if applicable) and transmission, non-battery hybridization components like the electric machine, and battery pack to create a full-system cost. Chapter 3.3.5.4 of the Final TSD presents the total costs for each hybrid powertrain option, broken out by the components NHTSA discussed throughout this section. In addition, the section discusses where to find each of the component costs in the CAFE Model's various input files.

4. Road Load Reduction Paths

No car or truck uses energy (whether gas or otherwise) 100 percent efficiently when it is driven down the road. If the energy in a gallon of gas is thought of as a pie, the amount of energy ultimately available from that gallon to propel a car or truck down the road would only be a small slice. Instead, most of the energy is lost due to thermal and frictional losses in the engine and drivetrain and drag from ancillary systems (*e.g.,* the air conditioner, alternator generator, or various pumps). The rest is lost to what engineers call road loads. For the most part, road loads include wind resistance (or aerodynamics), drag in the braking system, and rolling resistance from the tires. At low speeds, aerodynamic losses are very small, but as speeds increase these losses rapidly become dramatically higher than any other road load. Drag from the brakes in most cars is practically negligible. Tire rolling resistance losses can be significant: at low speeds rolling resistance losses can be more than aerodynamic losses. Whatever energy is left after these road loads is spent on accelerating the vehicle anytime its speed increases. This is where reducing the mass of a vehicle is important to efficiency because the amount of energy to accelerate the vehicle is always directly proportional to a vehicle's mass. All else being equal, reduce a car's mass and better fuel economy is guaranteed. However, at freeway speeds, aerodynamics plays a more dominant role in determining fuel economy than any other road load or vehicle mass.

NHTSA includes three road load reducing technology paths in this analysis: the Mass Reduction (MR) Path, Aerodynamic Improvements (AERO) Path, and Low Rolling Resistance Tires (ROLL) Path. For all three paths, NHTSA assigns vehicles in the analysis fleet technologies and identifies adoption features based on the vehicle's body style. The light-duty fleet body styles NHTSA includes in the analysis are convertible, coupe, sedan, hatchback, wagon, SUV, pickup, minivan, and van. Figure II–3 shows the light-duty fleet body styles used in the analysis.

Figure II-3: Light-Duty Fleet Body Styles



As expected, the road load forces described above operate differently based on a vehicle's body style, and the technology adoption features and effectiveness values reflect this. The following sections discuss the three Road Load Reduction Paths.

5. Mass Reduction

Mass reduction is a relatively cost-effective means of improving fuel economy, and vehicle manufacturers are expected to apply various mass reduction technologies to meet fuel economy standards. Vehicle manufacturers can reduce vehicle mass through several different techniques, such as modifying and optimizing vehicle component and system designs, part consolidation, and adopting materials that are conducive to mass reduction (*e.g.,* advanced high strength steel), aluminum, magnesium, and

plastics, including carbon fiber reinforced plastics).

For this analysis, NHTSA considers five levels of mass reduction technology (MR1–MR5) that include increasing amounts of advanced materials and mass reduction techniques applied to the vehicle's glider.[333] The subsystems that may make up a vehicle glider include the vehicle body, chassis, interior, steering, electrical accessory, brake, and wheels systems. NHTSA accounts for mass changes associated with powertrain changes separately.[334] The agency's estimates of how manufacturers could reach each level of mass reduction technology, and a discussion of advanced materials and mass reduction techniques can be found in Chapter 3.4 of the Final TSD.

Reaching the highest level of mass reduction considered in this analysis, MR5, requires a blend of aluminum and carbon fiber components. Achieving MR5 with aluminum exclusively is unlikely to be achievable by manufacturers during the rulemaking timeframe. Though aluminum technology can be an effective mass reduction pathway, it has its limitations. First, aluminum does not have a fatigue endurance limit. That is, with aluminum components there is always some combination of stress and cycles when failure occurs. Automotive design engineering teams will dimension highly stressed cross sections to provide an acceptable number of cycles to failure. But this often comes at mass savings levels that fall short of what would be expected purely based on density specific strength and stiffness properties for aluminum.

Looking at real data, the mostly aluminum (cab and bed are made from aluminum) 2021 Ford F150 achieves less than a 14-percent mass reduction compared to its 2014 all-steel predecessor.[335] This is an especially pertinent comparison because both vehicles have the same footprint within a 2-percent margin and presumably were engineered to similar duty cycles given that they both came from the same manufacturer. Per the agency's regression analysis, the Ford F–150 achieves MR3. As mentioned in the Final TSD Chapter 3.4, achieving MR4 using aluminum only would require that the body in white structure be made almost entirely from aluminum. It may be possible to achieve MR5 without the use of carbon fiber, but the resultant vehicle would not achieve performance parity with customer expectations in terms of crash safety, noise and vibration levels, and interior content. The discontinued Lotus Elise is an example of an aluminum and fiberglass car that achieved MR5 but represents an extremely niche vehicle application that is unlikely to translate to mainstream, high-volume models. Therefore, it is entirely reasonable to assume that carbon fiber ''hang on'' panels and closures would be necessary to achieve MR5 at performance parity.

In past rules, commenters have noted that the NAS study relies on very little application of carbon fiber technology to achieve their highest level of mass reduction technology. NHTSA notes that the NAS study espouses a maximum level of mass reduction of approximately 14.5 percent using composites (*e.g.,* fiberglass) and carbon fiber technology only in closures structures (*e.g.,* doors, hoods, and decklids) and hang-on panels (*e.g.,* fenders). This is the ''alternative scenario 2'' in the NAS study and is a similar light-weighting technology application strategy to what the analysis roughly associates with MR5, but MR5 requires a 20-percent mass reduction. In this scenario, NHTSA is allotting more mass reduction potential for the same carbon fiber technology application than the NAS study does.

CALSTART, Inc. (CALSTART) commented on mass reduction, stating, ''. . . mass reduction is often treated as a secondary pathway rather than a primary technology lever. This underestimates the true 'maximum feasible' frontier.'' Offering support for the approach NHTSA takes with mass reduction, the American Chemistry Council (ACC) commented, ''ACC supports NHTSA standards that recognize mass reduction as an effective strategy to achieve both improved safety and fuel economy outcomes.'' [336] CALSTART appears to misunderstand how the CAFE model analyzes and applies mass reduction, since mass reduction is a primary, not secondary, technology pathway, as explained in the CAFE Model Documentation and Final TSD Chapter 3.4. For this final rule, NHTSA did not make any changes to the mass reduction pathway in response to comments.[337]

ICCT commented on specific mass reduction technology levels, stating that, ''Nearly half of the baseline fleet is assumed to be at mass reduction level MR2 or MR3'' and that, ''NHTSA effectively limits further minor reduction in mass.'' [338] Fleet assignments for mass reduction, along with the regression analysis used to establish MR0 for each vehicle technology class, is discussed in Final TSD Chapter 3.4. Vehicles assigned MR2 or MR3 in the analysis fleet are lighter than the modeled vehicle for a given vehicle technology class and have already incurred the costs of MR2 or MR3 as a result of this mass reduction. Because these vehicles are already lighter than their respective vehicle technology class MR0 and early stages of mass reduction have already been achieved, continuing to remove mass from these vehicles will cost more. If NHTSA were to re-baseline MR0 continually, it would no longer account for the level of mass reduction already applied to vehicles in the analysis fleet, overestimating the available levels of mass reduction and underestimating the associated costs. The regression analysis used in this rulemaking appropriately captures the levels of mass reduction in the analysis fleet and further potential mass reduction throughout the rulemaking timeframe. NHTSA will revisit the regression analysis for future rulemaking and make appropriate updates.

NHTSA assigns mass reduction levels to vehicles in the analysis fleet by using regression analyses that consider a vehicle's body design [339] and body style,

[333] Note that in the previous analysis associated with the MYs 2024–2026 final rule, there was a sixth level of mass reduction available as a pathway to compliance. For this analysis, this pathway was removed because it relied on extensive use of carbon fiber composite technology to an extent that is only found in purpose-built racing cars and a few hundred road legal sports cars costing hundreds of thousands of dollars. Final TSD Chapter 3.4 provides additional discussion on the decision to include five mass reduction levels in this analysis.

[334] Glider mass reduction can sometimes enable a smaller engine while maintaining performance neutrality. Smaller engines typically weigh less than bigger ones. NHTSA captures any changes in the resultant fuel savings associated with powertrain mass reduction and downsizing via the Autonomie simulation. Autonomie calculates a hypothetical vehicle's theoretical fuel mileage using a mass reduction to the vehicle curb weight equal to the sum of mass savings to the glider plus the mass savings associated with the downsized powertrain.

[335] Ford, 2021 F–150 Technical Specifications (2021), available at: *https://www.fromtheroad.ford.com/content/dam/fordmediasite/us/en/library/2021/specs/2021-F-150-Technical-Specs.pdf* (accessed: May 28, 2026); Ford, Used 2014 F–150—Specs & Features, available at: *https://www.edmunds.com/ford/f-150/2014/features-specs/* (accessed: May 28, 2026).

[336] ACC, Docket No. NHTSA–2025–0491–5049–A1, at 2.

[337] For this final rule, NHTSA did correct an error in the NPRM market data input file that effectively skipped light trucks under 50k vehicles by nameplate. NHTSA has since corrected the market data file such that SKIP is applied to light trucks as discussed in Final TSD Chapter 3.4.3.

[338] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 10.

[339] The body design categories NHTSA uses are 3-box and 2-box pickup trucks. A 3-box has a box in the middle for the passenger compartment, a box

Continued

in addition to several vehicle design parameters, like footprint, horsepower, bed length (for pickup trucks), and battery pack size (if applicable), among other factors. NHTSA has been improving on the light-duty regression analysis since the 2016 Draft TAR and continues to find that it reasonably estimates mass reduction technology levels of vehicles in the analysis fleet. Chapter 3.4 of the Final TSD contains a full description of the regression analyses used for the analysis fleet and examples of results of the regression analysis for select vehicles.

There are several ways NHTSA ensures that the CAFE Model considers mass reduction technologies in the way that manufacturers might apply them in the real world. Given the degree of commonality among the vehicle models built on a single platform, manufacturers do not have complete freedom to apply unique technologies to each vehicle that shares the same platform. Though some technologies (*e.g.,* low rolling resistance tires) are very nearly ''bolt-on'' technologies, others involve substantial changes to the structure and design of the vehicle and therefore often necessarily affect all vehicle models that share that platform. In most cases, mass reduction technologies are applied to platform level components and therefore the same design and components are used on all vehicle models that share the platform. Each vehicle in the analysis fleet is associated with a specific platform family. A platform ''leader'' in the analysis fleet is a vehicle variant of a given platform that has the highest level of mass reduction technology in the analysis fleet. As the Model applies technologies, it ''levels up'' all variants on a platform to the highest level of mass reduction technology on the platform. For example, if a platform leader is already at MR3 in MY 2024, and a ''follower'' starts at MR0 in MY 2024, the follower will get MR3 at its next redesign (unless the leader is redesigned again before that time and further increases the mass reduction level associated with that platform, then the follower would receive the new mass reduction level).

In addition to leader-follower logic for vehicles that share the same platform, NHTSA also restricts MR5 technology to platforms that represent 50,000 vehicles or fewer. The CAFE Model does not apply MR5 technology to platforms representing high-volume sales, like a Chevrolet Traverse, for example, where hundreds of thousands of units are sold per year. NHTSA also restricts MR5 technology from being applied to low volume non-passenger vehicles with a focus on durability and utility, such as the Ineos Grenadier and Ram 1500 Classic.[340] NHTSA uses the combination of the leader-follower logic, the 50,000-unit threshold, and the high-utility vehicle restriction to make the simulation of mass reduction technologies more realistic. This is because NHTSA assumes that MR5 would require carbon fiber technology.[341] There is high global demand from a variety of industries for a limited supply of carbon fibers; specifically, aerospace, military/defense, and industrial applications demand most of the carbon fiber currently produced. Currently, only about 10 percent of the global dry carbon fiber supply is allocated to the automotive industry, limiting the global supply base to supporting approximately 70,000 vehicles.[342] In addition, the production process for carbon fiber components is significantly different than for traditional vehicle materials. NHTSA uses this adoption feature as a proxy for stranded capital (*i.e.,* when manufacturers amortize research, development, and tooling expenses over many years) from leaving the traditional processes and to represent the significant paradigm change to tooling and equipment that would be required to support molding carbon fiber panels. There are no other adoption features for mass reduction in the analysis.

In the Autonomie simulations, mass reduction technology is simulated as a percentage of mass removed from the specific subsystems that make up the glider. The mass of subsystems that make up the vehicle's glider is different for every technology class, based on glider weight data from the A2Mac1 database [343] and two NHTSA-sponsored studies that examined light-weighting a passenger car and light truck. NHTSA accounts for mass reduction from powertrain improvements separately from glider mass reduction. Autonomie considers several components for powertrain mass reduction, including engine downsizing and fuel tank, exhaust systems, and cooling system light-weighting.[344] With regard to the light-duty vehicle fleet, the 2015 NAS report suggested an engine downsizing opportunity exists when the glider mass is light-weighted by at least 10 percent. The 2015 NAS report also suggested that 10-percent light-weighting of the glider mass alone would boost fuel economy by 3 percent and any engine downsizing following the 10-percent glider mass reduction would provide an additional 3-percent increase in fuel economy.[345] The NHTSA light-weighting studies applied engine downsizing (for some vehicle types but not all) when the glider weight was reduced by 10 percent. Accordingly, the analysis limits engine resizing to several specific incremental technology steps; important for this discussion, engines in the analysis are resized only when mass reduction of 10 percent or greater is applied to the glider mass or when one powertrain architecture replaces another architecture. A summary of how the different mass reduction technology levels improve fuel consumption is shown in Final TSD Chapter 3.4.4.

Regarding mass reduction costs, ICCT commented, ''[a]lthough NHTSA improved its methodology for calculating mass reduction costs (the 'bracketed' approach), its costs for M0–M4 levels of mass reduction remain based on outdated studies.'' [346] ICCT did not provide more recent comprehensive mass reduction cost estimates. NHTSA prices mass reduction technologies using a series of studies completed by EDAG in 2012 and 2018.[347] [348] These prices are then multiplied by an RPE factor to account for indirect costs

in the front for the engine and a box in the rear for the luggage compartment. A 2-box has a box in front for the engine and then the passenger and luggage box are combined into a single box.

[340] See the Final TSD Chapter 3.4 for more information on MR5 restrictions.

[341] See the Final TSD for CAFE standards for MYs 2024–2026 and Chapter 3.4 of the Final TSD accompanying this rulemaking for more information about carbon fiber.

[342] Sloan, J., Carbon Fiber Suppliers Gear Up for Next Generation Growth, last revised: Feb. 11, 2020, available at: *https://www.compositesworld.com/articles/carbon-fiber-suppliers-gear-up-for-next-gen-growth* (accessed: May 28, 2026).

[343] A2Mac1, Automotive Benchmarking (proprietary data), available at: *https://portal.a2mac1.com/* (accessed: May 28, 2026). The A2Mac1 database tool is widely used by industry and academia to determine the bill of materials (a list of the raw materials, sub-assemblies, parts, and quantities needed to manufacture an end-product) and mass of each component in the vehicle system.

[344] Though NHTSA does not account for mass reduction in transmissions, NHTSA does reflect design improvements as part of mass reduction when going from, for example, an older AT6 to a newer AT8 that has similar if not lower mass.

[345] 2015 NAS Report.

[346] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 3.

[347] Singh, H. *et al.,* Mass Reduction of Light-Duty Vehicles for Model Years 2017–2025: Peer Review Comments Log, DOT HS 812 487, NHTSA: Washington, DC (2018), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/13250f-peer_review_comment_resolution_document-final-112818-v3-tag.pdf* (accessed: May 28, 2026).

[348] Singh, H. *et al.,* Mass Reduction for Light-Duty Vehicles for Model Years 2017–2025, Final Report, DOT HS 811 666, NHTSA: Washington, DC (2012), available at: *https://static.nhtsa.gov/nhtsa/downloads/CAFE/2017-25_Final/811666.pdf* (accessed: May 28, 2026).

associated with applying and developing the mass reduction technologies, such as R&D, personnel, and facilities. To account for ongoing improvements in manufacturing, learning, and efficiencies, the prices are reduced in a linear fashion year after year. Accordingly, NHTSA concludes that the current mass reduction costs and learning curves are still representative of mass reduction levels during the rulemaking timeframe and has not made changes to mass reduction costs for this final rule.

NHTSA's mass reduction costs are based on two NHTSA light-weighting studies—the teardown of a MY 2011 Honda Accord and a MY 2014 Chevrolet Silverado pickup truck [349]—and the 2021 NAS report.[350] The costs for MR1–MR4 rely on the light-weighting studies, while the cost of MR5 references the carbon fiber costs provided in the 2021 NAS report. Unlike the other technologies in this analysis that have a fixed technology cost (for example, it costs about $3,000 to add an AT10L3 transmission to a light-duty SUV or pickup truck in MY 2027), the cost of mass reduction is calculated on a dollar per pound saved basis based on a vehicle's starting weight. Put another way, for a given vehicle platform, an initial mass is assigned using the aforementioned regression model. The amount of mass to reach each of the five levels of mass reduction is calculated by the CAFE Model based on this number and then multiplied by the dollar per pound saved figure for each of the five mass reduction levels. The dollar per pound saved figure increases at a nearly linear rate going from MR0 to MR4. However, this figure increases steeply going from MR4 to MR5 because the technology cost to realize the associated mass savings level is an order of magnitude larger. This dramatic increase is reflected by all three studies NHTSA relied on for mass reduction costing, and NHTSA believes that it reasonably represents what manufacturers would expect to pay for using increasing amounts of carbon fiber on their vehicles.

Like past analyses, NHTSA considers several options for mass reduction technology costs. The agency has determined that the NHTSA-sponsored studies accounted for significant factors the agency believes are important to include in this analysis, including materials considerations (material type and gauge, while considering real-world constraints such as manufacturing and assembly methods and complexity), safety (including the Insurance Institute for Highway Safety's (IIHS) small overlap tests), and functional performance (including towing and payload capacity and noise, vibration, and harshness), and gradeability in the pickup truck study.[351]

First, NHTSA limits application of MR5 in the analysis to represent the limited volume of available dry carbon fiber and the resultant high costs of the raw materials. This constraint is described above and in more detail in Final TSD Chapter 3. The CAFE Model assumes that there is not enough carbon fiber readily available to support vehicle platforms with more than 50,000 vehicles sold per year. NHTSA believes this volume constraint does more to limit the application of MR5 technology in the analysis than does its high price. Even if a lower price is used, the dominant constraint would still be volume. Second, NHTSA does not believe that a lower price would prove to be a competitive pathway to compliance with exotic materials technology compared to other less expensive technologies with higher effectiveness. The MR5 effectiveness as applied to vehicles in this analysis considers the total effect of reducing that level of mass from the vehicle, from the vehicle's starting mass reduction level. As an example, while the cost of going from MR0 or MR1 to MR5 may be slightly overstated (but still limited in total application by the volume cap), the cost of going from MR4 to MR5 is not. NHTSA continues to consider the balance of carbon fiber and other advanced materials for mass reduction to meet MR5 levels and may update that value in future rules.

6. Aerodynamic Improvements

The energy required for a vehicle to overcome wind resistance, or more formally what is known as aerodynamic drag, ranges from minimal drag at low speeds to extremely significant drag at highway speeds.[352] Reducing a vehicle's aerodynamic drag is, therefore, an effective way to reduce the vehicle's fuel consumption. Aerodynamic drag is characterized as proportional to the frontal area (A) of the vehicle and a factor called the coefficient of drag (C_d). The coefficient of drag (C_d) is a dimensionless value that represents a moving object's resistance against air, which depends on the shape of the object and flow conditions. The frontal area (A) is the cross-sectional area of the vehicle as viewed from the front. Aerodynamic drag of a vehicle is often expressed as the product of the two values, C_dA, which is also known as the drag area of a vehicle. The force imposed by aerodynamic drag increases with the square of vehicle velocity, accounting for the largest contribution to road loads at higher speeds.[353]

Manufacturers can reduce aerodynamic drag either by reducing the drag coefficient or reducing vehicle frontal area, which can be achieved by passive or active aerodynamic technologies. Passive aerodynamics refers to aerodynamic attributes that are inherent to the shape and size of the vehicle. Passive attributes can include the shape of the hood, the angle of the windscreen, or even overall vehicle ride height. Active aerodynamics refers to technologies that variably deploy in response to driving conditions. Examples of active aerodynamic technologies are grille shutters, active air dams, and active ride height adjustment. Manufacturers may employ both passive and active aerodynamic technologies to improve aerodynamic drag values.

There are four levels of aerodynamic improvement (over AERO0, the first level) available in the analysis (AERO5, AERO10, AERO15, AERO20). Refer to Figure II–3 for a visual of each body style considered in the analysis. Each AERO level is associated with 5-, 10-, 15-, or 20-percent aerodynamic drag improvement values over a reference value computed for each vehicle body style. These levels, or bins, respectively correspond to the level of aerodynamic drag reduction over the reference value (*e.g.,* ''AERO5'' corresponds to the 5-percent aerodynamic drag improvement value over the reference value). While

[349] Singh, H. *et al.,* Mass Reduction for Light-Duty Vehicles for Model Years 2017–2025, Final Report, DOT HS 811 666, NHTSA: Washington, DC (2012), available at: *https://static.nhtsa.gov/nhtsa/downloads/CAFE/2017-25_Final/811666.pdf* (accessed: May 28, 2026); Singh, H. *et al.,* Mass Reduction for Light-Duty Vehicles for Model Years 2017–2025: Peer Review Comments Log, DOT HS 812 487, NHTSA: Washington, DC (2018), available at: *https://downloads.regulations.gov/NHTSA-2021-0053-0011/attachment_5.pdf* (accessed: May 28, 2026).

[350] This analysis applied the cost estimates per pound derived from passenger cars to all passenger car segments, and the cost estimates per pound derived from full-size pickup trucks to all light-duty truck and SUV segments. The cost estimates per pound for carbon fiber (MR5) were the same for all segments.

[351] Final TSD Chapter 7.3 has additional detail on this analysis.

[352] 2015 NAS Report, at p. 207.

[353] See, *e.g.,* Pannone, G., Technical Analysis of Vehicle Load Reduction Potential for Advanced Clean Cars, Final Report, California Air Resources Board and The California Environmental Protection Agency: Sacramento, CA (2015), available at: *https://ww2.arb.ca.gov/sites/default/files/2020-04/13_313_ac.pdf* (accessed: May 28, 2026). The graph on p. 20 shows how the aerodynamic force becomes the dominant load force at higher speeds.

each level of aerodynamic drag improvement is technology neutral—that is, manufacturers can ultimately choose how to reach each level by using whatever technologies work for the vehicle—NHTSA estimates a pathway to each technology level based on data from a National Research Council of Canada-sponsored wind tunnel testing program. The program included an extensive review of production vehicles utilizing aerodynamic drag improvement technologies and of industry comments.[354] NHTSA's example pathways for achieving each level of aerodynamic drag improvement are discussed in Chapter 3.5 of the Final TSD.

NHTSA assigns aerodynamic drag reduction technology levels in the analysis fleets based on vehicle body styles.[355] NHTSA computes an average coefficient of drag based on vehicle body styles, using coefficient of drag data from the MY 2015 analysis fleet. Different body styles offer different utility and have varying levels of form drag. This analysis considers both frontal area and body style as unchangeable utility factors affecting aerodynamic forces; therefore, the analysis assumes all reductions in aerodynamic drag forces come from improvements in the drag coefficient. Then NHTSA uses drag coefficients for each vehicle in the analysis fleet to establish an initial aerodynamic technology level for each vehicle. NHTSA compares the vehicle's drag coefficient to the calculated drag coefficient by body style mentioned above to assign initial levels of aerodynamic drag reduction technology to vehicles in the analysis fleets. NHTSA can find most vehicles' drag coefficients in manufacturers' publicly available specification sheets; however, in cases where this information cannot be found, NHTSA uses engineering judgment to assign the initial technology level.

NHTSA looks at vehicle body style and vehicle HP to determine which types of vehicles can adopt different aerodynamic technology levels. For this analysis, AERO15 and AERO20 cannot be applied to minivans, and AERO20 cannot be applied to convertibles, pickup trucks, and wagons. In addition, NHTSA does not allow application of AERO15 and AERO20 technology to vehicles with more than 780 HP. This threshold is informed by information about performance of ICE vehicles. NHTSA recognizes that manufacturers tune aerodynamic features on these vehicles to provide desirable downforce at high speeds and to provide sufficient cooling for the powertrain, rather than reducing drag, resulting in middling drag coefficients despite advanced aerodynamic features. Therefore, manufacturers may have limited ability to improve aerodynamic drag coefficients for high performance ICE vehicles without reducing HP. This threshold for performance vehicles only limits the application of aerodynamic technologies on 2,518 units of sales volume in the analysis fleet.[356]

The aerodynamic technology effectiveness values that show the potential fuel consumption improvement from AERO0 technology are found and discussed in Chapter 3.5.4 of the Final TSD. For example, the AERO20 values represent the range of potential fuel economy improvement that could be achieved through the replacement of AERO0 technology with AERO20 technology for every technology key that is not restricted from using AERO20. NHTSA uses the change in fuel consumption values between entire technology keys and not the individual technology effectiveness values. Using the change between whole technology keys captures the complementary or non-complementary interactions among technologies.

NHTSA has carried forward the established AERO technology costs previously used in the 2020 final rule for the MY 2024–2026 standards analysis,[357] and the 2024 rulemaking and has updated those costs to the dollar-year used in this analysis. For light-duty AERO improvements, the cost to achieve AERO5 is relatively low, as manufacturers can make most of the improvements through body styling changes. The cost to achieve AERO10 is higher than AERO5, due to the addition of several passive aerodynamic technologies, and consecutively the cost to achieve AERO15 and AERO20 is much higher than AERO10 due to use of both passive and active aerodynamic technologies. The cost estimates are based on CBI submitted by the automotive industry in advance of the 2018 CAFE NPRM and on the agency's assessment of manufacturing costs for specific aerodynamic technologies. The 2018 FRIA contains discussion of the cost estimates.[358] NHTSA has not received additional information from stakeholders regarding the AERO costs since conducting the analysis for the 2018 final rule and has continued to use those cost estimates for subsequent analysis, including for this analysis. Final TSD Chapter 3.5 contains additional discussion of aerodynamic improvement technology costs, and costs for all technology classes across all model years are in the Technologies Input File.

7. Low Rolling Resistance Tires

Tire rolling resistance burns additional fuel when driving. As a car or truck tire rolls, at the point the tread touches the pavement, the tire flattens out to create what tire engineers call the contact patch. The rubber in the contact patch deforms to mold to the tiny peaks and valleys of the pavement. The interlock between the rubber and these tiny peaks and valleys creates grip. Every time the contact patch leaves the road surface as the tire rotates, it must recover to its original shape, and then as the tire goes all the way around, it must create a new contact patch that molds to a new piece of road surface. However, this molding and repeated re-molding action takes energy. Just like stretching a rubber band requires work, so does deforming the rubber and the tire to form the contact patch. When thinking about the efficiency of driving a car down the road, this means that not all the energy produced by a vehicle's engine can go into propelling the vehicle forward. Instead, some small, but appreciable, amount goes into deforming the tire and creating the contact patch repeatedly. This also explains why tires with low pressure have higher rolling resistance than properly inflated tires. When the tire pressure is low, the tire deforms more to create the contact patch, which is the same as stretching the rubber farther in the analogy above. Larger deformations consume even more energy, which results in worse fuel economy. Low rolling resistance tires have characteristics that reduce frictional losses associated with the energy dissipated mainly in the deformation of the tires under load, thereby improving fuel economy.

NHTSA uses three levels of low rolling resistance tire technology for the

[354] Larose, G. *et al.,* Evaluation of the Aerodynamics of Drag Reduction Technologies for Light-Duty Vehicles: A Comprehensive Wind Tunnel Study, *SAE International Journal of Passenger Cars—Mechanical Systems,* Vol. 9(2): pp. 772–84 (2016), available at: *https://doi.org/10.4271/2016-01-1613* (accessed: May 28, 2026).

[355] These assignments do not necessarily match the body styles that manufacturers use for marketing purposes. Instead, NHTSA makes these assignments based on engineering judgment and the categories used in the modeling, considering how this affects a vehicle's AERO and vehicle technology class assignments.

[356] See the Market Data Input File.

[357] Note the FRIA accompanying the 2020 final rule, Chapter VI.C.5.e.

[358] Note the PRIA accompanying the 2018 NPRM, Chapter 6.3.10.1.2.1.2 for a discussion of these cost estimates.

light-duty analysis. Each level of low rolling resistance tire technology reduces rolling resistance by 10 percent from an industry-average rolling resistance coefficient (RRC) value of 0.009.[359] RRC data from a NHTSA-sponsored study shows that similar vehicles across the light-duty vehicle categories have been able to achieve similar RRC improvements. Chapter 3.6 of the Final TSD presents more information on this comparison. Final TSD Chapter 3.6.1 shows the light-duty low rolling resistance technology options and their associated RRC.

NHTSA has been using ROLL10 and ROLL20 in the last several CAFE Model analyses. NHTSA has only recently included ROLL30 due to lack of widespread commercial adoption of ROLL30 tires in the fleet within past rulemaking timeframes, despite commenters' argument on availability of the technology on current vehicle models and the possibility that there would be additional tire improvements over the next decade.[360] NHTSA has received comments in previous CAFE rules that also reflect the application of ROLL30 by OEMs, though they discourage considering the technology due to high cost and possible wet traction reduction. With increasing use of ROLL30 application by OEMs,[361] and material selection making it possible to design low rolling resistance independent of tire wet grip (discussed in detail in Chapter 3.6 of the Final TSD), NHTSA considers ROLL30 as a viable future technology during this rulemaking period. NHTSA believes that the tire industry is in the process of moving automotive manufacturers towards higher levels of low rolling resistance technology in the vehicle fleet. NHTSA believes that, at this time, the emerging tire technologies that would achieve 30-percent improvement in rolling resistance, like changing tire profile, stiffening tire walls, employing novel synthetic rubber compounds, or adopting improved tires along with active chassis control, among other technologies, may be available for commercial adoption in the fleet during this rulemaking timeframe.

Assigning low rolling resistance tire technology to the analysis fleet is difficult because RRC data are not part of tire manufacturers' publicly released specifications, and because vehicle manufacturers often offer multiple wheel and tire packages for the same nameplate. Consistent with previous rules, NHTSA uses a combination of CBI, data from a NHTSA-sponsored ROLL study, and assumptions about parts-sharing to assign tire technology in the analysis fleet. A slight majority of vehicles (54.9 percent) in the analysis fleet do not use any ROLL improvement technology (ROLL0), while 13.0 percent of vehicles use ROLL10, and 28.4 percent of vehicles use ROLL20. Only 3.7 percent of vehicles in the analysis fleet use ROLL30.

Lucid commented that the Draft TSD assumes all vehicles sharing a nameplate use identical rolling resistance technology in the fuel economy model. Lucid stated its view that this assumption is inaccurate, noting this approach ''skews modeled fleet performance toward higher resistance values and undermines accuracy in estimating standards compliance.'' [362] NHTSA has determined that the approach used in the analysis is appropriate given the available data discussed above in this section and in Final TSD Chapter 3.6.2, and that the analysis reasonably captures the state of and application of low rolling resistance technology and its impact on fuel economy. Attempting to gather or generate specific rolling resistance values for each tire make and model for each vehicle in the analysis fleet would be unreasonably time consuming and expensive without contributing significantly to the robustness of the analysis. Lucid also commented, ''NHTSA's analysis exaggerates cost burdens and fails to distinguish between low cost RRC improvements and wheel and tire size changes.'' [363] Consistent with previous rules, ROLL10 costs are in line with the supporting studies and reports discussed in Final TSD Chapter 3.6. Second, NHTSA concludes that using percent reductions in tire rolling resistance and the costs associated with the different levels of ROLL technology best represents the available technology and how the fleet could incorporate that technology. For this final rule, NHTSA has not made changes to the approach or costs for tire rolling resistance technologies.

The CAFE Model can apply ROLL technology at either a vehicle refresh or redesign. NHTSA recognizes that some vehicle manufacturers prefer to use higher RRC tires on some performance cars and SUVs. Since many performance cars have higher torque, to avoid tire slip, OEMs prefer to use higher RRC tires for these vehicles. Like the aerodynamic technology improvements discussed above, NHTSA applies ROLL technology adoption features based on vehicle HP and body style. As explained in Final TSD Chapter 3.6.3, all light-duty vehicles under 350 HP can adopt ROLL technology, and as vehicle HP increases, fewer vehicles can adopt the highest levels of ROLL technology. Final TSD Chapter 3.6 shows how effective the different levels of ROLL technology are at improving vehicle fuel consumption.

DMCs and learning rates for ROLL10 and ROLL20 are the same as prior analyses [364] but are updated to the

[359] See Technical Analysis of Vehicle Load Reduction by CONTROLTEC for California Air Resources Board (Apr. 29, 2015). NHTSA determined the industry-average baseline RRC using a CONTROLTEC study prepared for the CARB in addition to considering CBI submitted by vehicle manufacturers prior to the 2018 light-duty NPRM analysis. The RRC values used in this study were a combination of manufacturer information, estimates from coast-down tests for some vehicles, and application of tire RRC values across other vehicles on the same platform. The average RRC from surveying 1,358 vehicle models by the CONTROLTEC study is 0.009. The CONTROLTEC study compared the findings of their survey with values provided by the U.S. Tire Manufacturers Association for original equipment tires. The average RRC from the data provided by the U.S. Tire Manufacturers Association is 0.0092, compared to the average of 0.009 from CONTROLTEC.

[360] See The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021–2026 Passenger Cars and Light Trucks, Docket No. NHTSA–2018–0067–11985.

[361] See NHTSA, Evaluation of Rolling Resistance and Wet Grip Performance of OEM Stock Tires Obtained from NCAP Crash Tested Vehicles Phase One and Two, Memorandum, NHTSA: Washington, DC, Docket No. NHTSA–2021–0053 (2021), available at: *https://downloads.regulations.gov/NHTSA-2021-0053-0010/attachment_3.pdf* (accessed: May 28, 2026); CONTROLTEC, LLC, Technical Analysis of Vehicle Load Reduction, California Air Resources Board: Sacramento, CA, Docket No. NHTSA–2021–0053–0010 (2015), available at: *https://ww2.arb.ca.gov/sites/default/files/classic/research/apr/past/13-313.pdf* (accessed: May 28, 2026); Evans, L. *et al.,* NHTSA Tire Fuel Efficiency Consumer Information Program Development: Phase 2—Effects of Tire Rolling Resistance Levels on Traction, Treadwear, and Vehicle Fuel Economy, DOT HS 811 154, NHTSA: Washington, DC, Docket No NHTSA–2008–0121–0035 (2009), available at: *https://downloads.regulations.gov/NHTSA-2008-0121-0035/attachment_1.pdf* (accessed: May 25, 2026).

[362] Lucid, Docket No. NHTSA–2025–0491–6043, at 10.

[363] Lucid, Docket No. NHTSA–2025–0491–6043, at 10.

[364] See Transportation Research Board, Tires and Passenger Vehicle Fuel Economy: Informing Consumers, Improving Performance, Special Report 286, The National Academies Press: Washington, DC (2006), available at: *https://nap.nationalacademies.org/catalog/11620/tires-and-passenger-vehicle-fuel-economy-informing-consumers-improving-performance* (accessed: May 28, 2026); NHTSA, Corporate Average Fuel Economy for MY 2011 Passenger Cars and Light Trucks, Final Regulatory Impact Analysis, NHTSA: Washington, DC (2009), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/cafe_final_rule_my2011_fria.pdf* (accessed: May 28, 206); EPA and NHTSA, Joint Technical Support Document: Rulemaking to Establish Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards, EPA–420–R–10–901, EPA and NHTSA: Washington, DC, p. 3–77 (2010), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/final_joint_tsd.pdf* (accessed: May

Continued

dollar-year used in this analysis. In the absence of ROLL30 DMCs from tire manufacturers, vehicle manufacturers, or studies, NHTSA extrapolated the DMCs from ROLL10 and ROLL20 to develop the DMC for ROLL30. NHTSA believes that the added cost of each tire technology accurately represents the price difference that would be experienced by the different fleets. ROLL technology costs are discussed in detail in Chapter 3.6 of the Final TSD, and ROLL technology costs for all vehicle technology classes can be found in the Technologies Input File.

8. Simulating Air-Conditioning Efficiency and Off-Cycle Technologies

Under EPA's current procedures for determining fleet average fuel economy for CAFE compliance, manufacturers may generate FCIVs, which improve their fuel economy values. Manufacturers may generate FCIVs for the addition of OC and AC efficiency technologies, which can provide fuel economy benefits in real-world vehicle operation that are not fully captured using the 2-cycle test procedures (*e.g.,* FTP and HFET) used to measure fuel economy.[365] Starting in MY 2027, only automobiles powered by ICEs are eligible to generate FCIVs, and the OC FCIV program is currently being phased out between MYs 2031–2033, with manufacturers no longer being able to generate OC FCIVs for MY 2033 and beyond. OC technologies can include, but are not limited to, thermal control technologies, high-efficiency alternators, and high-efficiency exterior lighting. As an example, manufacturers can generate FCIVs for the addition of thermal control technologies like active seat ventilation and solar reflective surface coating, which help to regulate the temperature within the vehicle's cabin—making it more comfortable for the occupants and reducing the use of low-efficiency heating, ventilation, and air-conditioning (HVAC) systems. AC efficiency technologies are technologies that reduce the operation of or the loads on the compressor, which pressurizes AC refrigerant. The less the compressor operates or the more efficiently it operates, the less load the compressor places on the engine or battery storage system, resulting in better fuel efficiency. AC efficiency technologies can include, but are not limited to, blower motor controls, internal heat exchangers, and improved condensers/evaporators.

Since EPA first proposed allowing manufacturers to earn FCIVs for AC efficiency and OC technologies, NHTSA has not modeled AC efficiency and OC technologies in the CAFE Model like other vehicle technologies, for several reasons. Each time NHTSA adds a technology option to the CAFE Model's technology pathways, the agency increases the number of Autonomie simulations by approximately a hundred thousand. This means that adding just five AC efficiency and five OC technology options would double the agency's Autonomie simulations to around 2 million total simulations. Instead, for applicable model years, the CAFE Model applies predetermined AC efficiency and OC benefits to each manufacturer's fleet after the CAFE Model applies traditional technology pathway options. The CAFE Model attempts to apply pathway technologies and AC efficiency and OC technologies in a way that both minimizes cost and allows the manufacturer to meet a given CAFE standard without over-or under-complying. The predetermined benefits that the CAFE Model applies for AC efficiency and OC technologies are based on manufacturers' MY 2024 mid-model year CBI compliance reports.

NHTSA uses manufacturers' MY 2024 AC efficiency and OC FCIVs as a starting point for each regulatory class, then holds those values constant from MYs 2024–2031 for the No-Action Alternative and through MY 2027 for action alternatives. Unlike previous versions of this analysis, NHTSA does not extrapolate the MY 2024 values to future model years. Instead, the CAFE Model assumes that FCIVs for MY 2027 will be the same as they were for MY 2024. Manufacturers have been able to settle in on a level of AC efficiency and OC technologies that maximize their ROI; therefore, NHTSA does not anticipate a significant increase in manufacturers' AC efficiency and OC FCIVs between MYs 2024–2027 for any regulatory category. Additional details about how NHTSA determines AC efficiency and OC technology application rates are discussed Chapter 3.7 of the Final TSD.

Because the CAFE Model applies AC efficiency and OC technology benefits independent of the technology pathways, NHTSA must account for the costs of those technologies independently, as well. NHTSA generates costs for these technologies on a dollars per gram of CO_2 per mile ($ per g/mi) basis, as AC efficiency and OC technology benefits are applied in the CAFE Model on a gram per-mile basis (as in the regulations). NHTSA updates the AC efficiency and OC technology costs by implementing an updated calculation methodology and converting the DMCs to 2024 dollars. The AC efficiency costs are based on data from EPA's 2010 FRIA and the 2010 and 2012 Joint NHTSA/EPA TSDs.[366] [367] [368] NHTSA has used data from EPA's 2016 Proposed Determination TSD [369] to develop the updated OC costs that were used for the 2022 final rule and now this final rule.

In the NPRM and for this final analysis, NHTSA removed FCIVs from its standard-setting analysis starting with MY 2028, which is the first year in which a removal of FCIVs could go into effect.[370] NHTSA initially made this change in the NPRM to align with its conclusion that technology-specific incentives should not be considered when running the compliance simulation that informs its consideration of maximum feasible standards. For MY 2028 and beyond, NHTSA's analysis is based on simulating compliance based on 2-cycle testing. To simulate compliance

28, 2026); EPA and NHTSA, Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022–2025, EPA–420–D–16–900, EPA and NHTSA: Washington, DC, pp. 5–153 and 154, 5–419 (2016), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/draft-tar-final.pdf* (accessed: May 28, 2026). In brief, the estimates for ROLL10 are based on the incremental $5 value for four tires and a spare tire in the NAS/NRC Special Report and confidential manufacturer comments that provided a wide range of cost estimates. The estimates for ROLL20 are based on incremental interpolated ROLL10 costs for four tires (as NHTSA and EPA believed that ROLL20 technology would not be used for the spare tire) and are seen to be fairly consistent with CBI suggestions by tire suppliers.

[365] *See* 49 U.S.C 32904(c) (''The Administrator shall measure fuel economy for each model and calculate average fuel economy for a manufacturer under testing and calculation procedures prescribed by the Administrator . . . [T]he Administrator shall use the same procedures for passenger automobiles the Administrator used for model year 1975 (weighted 55 percent urban cycle and 45 percent highway cycle), or procedures that give comparable results.'').

[366] EPA, Final Rule for Model Year 2012—2016 Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards, last revised: Apr. 23, 2026, available at: *https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-model-year-2012-2016-light-duty-vehicle* (accessed: May 28, 2026) (hereinafter, ''Final Rulemaking MYs 2012–2016'').

[367] Final Rulemaking MYs 2012–2016.

[368] EPA and NHTSA, Joint Technical Support Document: Final Rulemaking for 2017–2025 Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards, EPA–420–R–12–901, EPA and NHTSA: Washington, DC (2012), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/joint_final_tsd.pdf* (accessed: May 28, 2026).

[369] EPA, Proposed Determination on the Appropriateness of the Model Year 2022–2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Technical Support Document, EPA–420–R–16–020, EPA: Washington, DC (2016), available at: *https://downloads.regulations.gov/EPA-HQ-OAR-2022-0829-0230/attachment_1.pdf* (accessed: May 28, 2026).

[370] 49 U.S.C. 32904(d).

pathways using the CAFE Model without AC efficiency and OC technologies, NHTSA sets the maximum allowable FCIV to 0 g CO_2 (CO_2)/mi in the Scenarios Input File. Section VI contains a more detailed discussion of how AC efficiency and OC benefits affect compliance with NHTSA's fuel economy standards.[371]

In addition, NHTSA believes that the FCIVs generated under the OC and AC efficiency programs are no longer representative of actual fuel savings. The values for adding such technologies were estimated from emission-reduction assessments performed on MY 2008 automobiles. As fuel economy has improved in the model years since these assessments were performed, the FCIVs for adding OC technologies have increasingly represented a larger percentage improvement in fuel economy values. As a result, the values for FCIVs have become less representative of actual fuel savings and have created market distortions by incentivizing the addition of technology that does not provide commensurate fuel savings. NHTSA sought comment on this determination. Additional details and assumptions used for AC efficiency and OC costs are discussed in Chapter 3.7.2 of the Final TSD.

Comments from auto manufacturers and supplier groups supported the exclusion of AC efficiency and OC values from the standard-setting analysis. The Alliance [372] agreed that technology-specific incentives should not be used to justify higher standards. Historically, including these values has increased stringency of the standards, effectively requiring their application. Ford Motor Company (Ford), Hyundai, Nissan, Porsche Cars North America (Porsche), and Stellantis [373] support removing AC efficiency and FCIVs from the analysis used to set standards starting in MY 2028. MEMA, The Vehicle Suppliers Association and Specialty Equipment Market Association (SEMA) [374] support the decision to base standards exclusively on gas and diesel vehicle fuel economy, excluding adjustments for OC technologies during the standard-setting phase.

NHTSA did not receive any comments requesting a different modeling approach for AC and OC FCIVs, nor any comments arguing that NHTSA should continue to include the simulation of these technologies and their FCIVs in the analysis. Therefore, NHTSA has made no changes to the analysis from the NPRM regarding AC efficiency and OC technology FCIVs. As described above, FCIVs are removed from the regulatory alternatives starting in MY 2028 and remain in the No-Action Alternative per the limits and phase-out schedule in EPA's regulations.

E. Consumer Responses to Manufacturer Compliance Strategies

The preceding subsections of Section II discussed how manufacturers might respond to the final standards. While the technology analysis outlined different compliance strategies available to manufacturers, the costs and benefits that would accrue because of the final standards are dependent on how consumers respond to manufacturers' compliance decisions. The following subsections describe how the agency models potential consumer response to changes in vehicle prices and attributes caused by manufacturer compliance decisions, as simulated by the CAFE Model.

1. Macroeconomic and Consumer Behavior Assumptions

Most of the economic effects simulated within the analysis are influenced by macroeconomic conditions outside the agency's influence. For example, fuel prices are determined mainly by global petroleum supply and demand, yet they affect how much fuel efficiency-improving technology U.S. manufacturers would apply to their vehicles, how much more consumers would be willing to pay to purchase vehicles offering higher fuel economy, how much buyers would drive those vehicles, and the value of each gallon of fuel saved from improved fuel efficiency. Forecasting the consequences of CAFE standards requires robust projections of demographic and macroeconomic variables that span the full timeframe of the analysis, including real GDP, consumer confidence, U.S. population, and real disposable personal income.

The analysis presented with the final rule utilizes fuel price projections developed by EIA, an agency within DOE that collects, analyzes, and disseminates independent and impartial energy information to promote sound policy-making and public understanding of energy. EIA uses its National Energy Modeling System (NEMS) to produce its AEO, which presents projections of future fuel prices (among many other economic and energy-related variables). The agency's analysis for the final rule uses AEO's 2026 Alternative Transportation and Electricity case projections of U.S. population, GDP, disposable personal income, GDP deflator, and fuel prices.[375] NHTSA uses AEO's 2026 Alternative Transportation and Electricity case because this case is intended to reflect recently finalized changes to policy and therefore provides a more informed analysis of conditions that will affect fuel prices than the Reference Baseline case, especially in the near-term. The analysis also relies on the S&P Global forecasts of the University of Michigan's Consumer Sentiment Index from its fall 2025 U.S. Macroeconomic Forecast, which EIA also uses to develop the projections it reports in its AEO.[376]

These macroeconomic assumptions are important inputs to the analysis, but they are also uncertain, particularly over the long lifetimes of the vehicles affected by this final rule. To reflect the effects of this uncertainty, the agency also uses the 2026 AEO's Low Oil and Gas Supply and High Oil and Gas Supply side cases, and the 2025 AEO's Low Oil Price and High Oil Price side cases to analyze the sensitivity of its analysis to alternative fuel price projections.[377] The purpose of the sensitivity analysis, which is discussed in greater detail in Chapter 9 of the FRIA, is to measure the degree to which different assumptions about fuel prices can change simulated outcomes. NHTSA similarly uses low and high economic growth cases from the 2026 AEO forecast as bounding cases for the macroeconomic variables in its analysis.

NHTSA sought and received comments on these data sources. Prime Mover Institute (PMI) criticized past price forecasts from the AEO, which overestimated the long-term level of prices, but supported NHTSA's choice in the proposal to rely on the Alternative Transportation case from the 2025 AEO because of the mix of policies

[371] Compliance with NHTSA's fuel economy standards is determined in accordance with EPA's calculation procedures at 40 CFR 600.512.

[372] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at 40.

[373] Ford, Docket No. NHTSA–2025–0491–5821–A1, at 6; Hyundai, Docket No. NHTSA–2025–0491–4972–A1, at 2; Nissan, Docket No. NHTSA–2025–0491–5857–A1, at 5; Porsche, Docket No. NHTSA–2025–0491–0044, at 3; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 11.

[374] MEMA, Docket No. NHTSA–2025–0491–5859–A1, at 2; SEMA, Docket No. NHTSA–2025–0491–5891–A1, at 1–2.

[375] Similarly, for the proposal NHTSA used the Alternative Transportation case from the 2025 AEO for projections related to macroeconomic variables and fuel prices, and its Alternative Electricity case for electricity price forecasts. For the 2026 AEO, the EIA combined these two cases into the case that NHTSA is using in this final rule.

[376] NHTSA sourced the data from IHS-Polk. S&P Global purchased IHS Markit and rights to this data in 2022.

[377] The 2026 AEO did not include either a Low or High Oil Price side case.

included in this case as compared to the Reference case.[378] In contrast, an individual commenter criticized the use of the Alternative Transportation case forecast, claiming that this artificially deflated the level of fuel prices and thus the benefits from higher CAFE standards.[379]

In response to these comments, NHTSA acknowledges that it is important to rely on a forecast that uses up-to-date assumptions about the most likely effects of policy on energy markets and the economy. The forecast NHTSA used in the proposal for gasoline prices was higher than the Reference case forecast, and this remains the case in the final rule. For 2031–2050, crude oil prices are also higher in the Alternative Transportation case that NHTSA is using than in the other AEO cases.

The analysis presented for this final rulemaking uses a 2024 base year, consistent with the use of vehicle data for MY 2024, and data for that year represents actual observations rather than estimates to the extent possible. Chapter 4.1 of the Final TSD discusses macroeconomic forecasts and assumptions NHTSA uses in this analysis.

Another key assumption used throughout the agency's analysis is how much consumers are willing to pay for improved fuel economy, including how much they are willing to pay when these fuel savings are accompanied by sacrifices in other vehicle features. The payback period assumption also has important implications for other regulatory analysis results, including the effect of standards on sales and the use of new vehicles, as well as the number and use of older, used vehicles. The NPRM proposed to change the payback period assumption from 30 months of fuel savings used in prior analyses to 36 months. The agency has updated its review of the academic literature on willingness to pay as part of its analysis of this final rule, which is discussed in Final TSD Chapter 4.21 and FRIA Chapter 2.1.2. As noted in previous rulemakings, the range of estimates presented in the literature is wide. Some of the studies conclude that consumers value much of the potential savings in fuel costs from driving higher mpg vehicles, while others conclude that consumers significantly undervalue expected fuel savings. The more recent studies suggest that consumers value somewhere between 24 months and the full lifetime value of undiscounted fuel savings, which is also supported by several of the older studies.[380]

Manufacturers have repeatedly informed the agency that they believe consumers only value between two to three years of fuel savings when choosing among competing models to purchase,[381] and the plurality of consumers when surveyed about their payback preferences have stated they are willing to pay for technology that repays the upfront cost within 24 months.[382]

The agency also performed a retrospective analysis using the CAFE Model with reference fleets created to support prior rules. For the NPRM, the agency modeled how the 2020 reference fleet (used for the 2022 final rule), similarly projected forward, compared with the 2022 reference fleet (used in the 2024 final rule) and how the 2022 reference fleet (used for the 2024 final rule) projected forward with different payback assumptions compared with the 2024 reference fleet. These simulations provided model predictions about the technology penetration rates under different assumptions about the length of the payback period and under different projections of future fuel prices and technology costs. By comparing these to actual penetration rates, NHTSA could assess the Model's ability to predict technology adoption under each payback assumption. NHTSA found that the payback assumption that predicted technology adoption most accurately is 36 months, followed by 30 months. Both longer and shorter payback periods create a larger divergence; that is, when NHTSA tested longer and shorter payback periods, the model's predictions become less accurate, compared to the actual use of technology observed in MY 2024.

After weighing the results from the academic literature, previous statements from manufacturers, and the agency's retrospective analysis, NHTSA used a 36-month payback assumption for the analysis supporting the proposal. In coming to this determination, NHTSA was persuaded by its retrospective analysis, which found that a 36-month payback period assumption yielded greater consistency between the modeled 2024 fleet and observed 2024 technology application and achieved compliance. This estimate is also consistent with the literature and what manufacturers have consistently relayed to the agency. While this estimate represents a longer payback period assumption than was applied in the analysis of the previous three CAFE rules, the agency stated in the proposal its belief that the preponderance of the evidence suggests that 36 months is appropriate.

NHTSA sought comments on whether this is an appropriate representation of consumer willingness to pay higher upfront vehicle prices for future fuel savings. Several commenters criticized the assumption of a 36-month payback period. Consumer Reports argued that this was too short and at odds with survey evidence, while ZETA and other commenters argued 36 months was at odds with NHTSA's survey of the literature regarding consumer willingness to pay for fuel economy, and criticized NHTSA's survey as too selective.[383] Another commenter suggested that NHTSA should use a longer payback period, noting that the average vehicle age is now 12.8 years.[384] Several commenters disputed NHTSA's assumption that automakers will add technologies with a 36-month payback voluntarily in the absence of standards, stating this has no historical basis and artificially inflates the costs and pollution associated with the proposed rule.[385] UCS argued that, because there were not significant changes in achieved fuel economy during the period in which standards were not increasing, modeling voluntary adoption of fuel-saving technologies that pay back within 36 months was inappropriate.[386] UCS argued that no voluntary over-compliance should be assumed, which is equivalent to a 0 month payback period. They further argued that this assumption is inconsistent with NHTSA's inclusion of the implicit opportunity cost (IOC), because in principle consumers may value performance improvements more.[387] Another commenter suggested that if

[378] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 47.

[379] Anonymous, Docket No. NHTSA–2025–0491–5040.

[380] See Final TSD Chapter 4.21 and FRIA Chapter 2.1.2 for literature references.

[381] *See, e.g.,* 87 FR 25710, 25856 (May 2, 2022).

[382] Some survey data such as Consumer Reports shows consumers with lower payback periods (around 24 months). However, the methodology employed by surveys like Consumer Reports are less rigorous than the revealed preferences data from the other sources, which is why Circular A–4 directs the agencies to attempt to use studies that rely on revealed preferences when feasible.

[383] Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 1, 4; ZETA, Docket No. NHTSA–2025–0491–6039–A2, at 27–29; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 20–23; Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 27–29.

[384] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 14.

[385] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 13–16; ACEEE, Docket No. NHTSA–2025–0491–5943–A1, at 2–3; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 41–45.

[386] UCS, Docket No. NHTSA–2025–0491–6027, Technical Appendix at 41–44.

[387] UCS, Docket No. NHTSA–2025–0491–6027, Technical Appendix at 45–47.

industry truly believed consumers valued fuel economy improvements with a 36-month payback, they would invest in efficiency without Federal mandates.[388] PMI supported NHTSA's choice to model a 36 month payback period in conjunction with its inclusion of the IOC, arguing that this was a reasonable proxy for buyers' preference for other vehicle characteristics, as opposed to being the result of myopia.[389]

The range of comments NHTSA received is consistent with the range of findings in the literature surrounding how much consumers value fuel savings. As noted in Final TSD Chapter 4.2.1.1, NHTSA's updated survey of the literature found a wide range of estimates that vary based on factors such as how the value was elicited (stated preference surveys vs. revealed preference surveys and market sales data). Including additional sources in NHTSA's review of the literature did not change NHTSA's findings about the approximate range of estimates. Indeed, one large survey found that, across different methodologies and datasets, the range of average estimates lined up closely with NHTSA's findings.[390] Ultimately, NHTSA must choose a set of assumptions to make about consumer behavior in its modeling. For this reason, to determine an appropriate payback period assumption, NHTSA relied on retrospective analysis comparing results obtained from its model using a range of different payback periods. This allows NHTSA to use a payback period that produces realistic results in its simulations. NHTSA found that using a payback period of 36 months provided the most accurate representation of consumer behavior across the range of technologies modeled. Using significantly shorter or longer payback period assumptions appears to produce less representative results when predicting technology adoption.

NHTSA's retrospective analysis separately examined the technology adoption by manufacturers for vehicle fleets that over-complied with the MY 2024 standards and found that its assumption of 36 months outperformed shorter payback periods.[391] This contradicts the contention by commenters that manufacturers will not apply fuel-saving technologies in the absence of higher standards. Therefore, eliminating cost-effective technology adoption in NHTSA's analysis would bias downward the achieved fuel economy levels in the absence of standards, and would bias upwards the technology costs of the standards. NHTSA also disagrees with UCS's argument that inclusion of the IOC precludes voluntary over-compliance. The technologies adopted under voluntary over-compliance are those whose fuel savings most significantly exceed upfront costs. Crucially, the fuel savings of vehicles with these technologies by definition are large enough that the portion of their fuel savings that consumers are assumed to value exceeds the sum of both the upfront additional costs of the technology and NHTSA's estimate of the IOC.

The contention that consumer valuation of fuel savings supports a longer payback period might not consider potential associated trade-offs in vehicle attributes. For example, survey evidence may indeed support the idea that consumers are willing to pay more for a vehicle with greater fuel economy if the question used in the survey does not include the caveat that the vehicle will come equipped with a less advanced set of features, less interior space, less power, or worse performance than expected. Similarly, consumers may indeed show a willingness to pay more for an individual vehicle model when fuel prices are higher (and projected fuel savings are greater) versus when fuel prices are lower. However, this does not address directly how a consumer would react to a combination of changes that includes new fuel-saving technology, changes to other vehicle features, and a higher sticker price.

Accordingly, NHTSA has concluded that increasing the payback period from 30 months in previous rulemakings to 36 months for this rulemaking is appropriate. Recognizing the consequences of the payback assumption in the agency's regulatory analysis, NHTSA also includes sensitivity cases to examine the impacts of longer and shorter payback periods in Chapter 9 of the FRIA. These concepts are explored more thoroughly in Chapter 4.2.1.1 of the Final TSD and Chapter 2.1 of the FRIA.

2. Fleet Composition

The composition of the on-road fleet—and how it changes in response to standards—determines many of the costs and benefits of the final rule. For example, how much fuel is consumed depends on the number and efficiency of new vehicles sold and how rapidly older, less efficient, less safe vehicles are retired. Reducing the stringency of the CAFE standards would lower the price of new vehicles compared to the No-Action Alternative and would lead to a relative increase in sales of newer, safer vehicles, which in turn would decrease the price of used vehicles leading to the quicker retirement of the oldest, least safe, and less fuel-efficient vehicles on the road.

The analysis accompanying the proposal and now this final rule simulates changes in the vehicle fleet's size, composition, and usage as manufacturers and consumers respond to regulatory alternatives, fuel prices, and macroeconomic conditions. The analysis of fleet composition examines two primary drivers: how sales of new vehicles and their integration into the existing fleet change in response to each regulatory alternative, and how economic and regulatory factors influence the retirement of used vehicles from the fleet (scrappage). NHTSA models sales and scrappage independently.

CAFE standards have been rising every year for nearly two decades. This constant increase in standards has been accompanied by a rise in both the cost of new vehicles and the age of the on-road fleet. The average selling price for new cars and light trucks rose nearly 50 percent between 2012 and 2024 and now approaches $50,000,[392] while average U.S. household income increased only about half as much over that same period.[393] Meanwhile, the total number of cars and light trucks in use rose by about 30 million, with the entire increase representing used vehicles, while their average age rose

[388] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 14.

[389] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 48–49.

[390] Greene, D. *et al.,* Consumer willingness to pay for vehicle attributes: What do we know?, *Transportation Research Part A: Policy and Practice,* Vol. 118(c): pp. 258–79 (2018), available at: *https://www.sciencedirect.com/science/article/abs/pii/S0965856417308546* (accessed: May 28, 2026).

[391] This included individual regulatory-class-fleets for BMW, Mercedes-Benz, Stellantis, Honda, Hyundai, Kia, JLR, Nissan, Toyota, Volvo, and VWA.

[392] Cox Automotive, Kelley Blue Book Report: Annual New-Vehicle Price Gains Slow in April as Market Hits Headwinds, last revised: May 12, 2026, available at: *https://mediaroom.kbb.com/2026-05-12-Kelley-Blue-Book-Report-Annual-New-Vehicle-Price-Gains-Slow-in-April-as-Market-Hits-Headwinds* (accessed: May 7, 2026).

[393] U.S. Census Bureau, Current Population Survey, 1981 to 2024 Annual Social and Economic Supplements (CPS ASEC), Table H–9, Type of Household–All Households by Median and Mean Income: 1980 to 2024, available at: *https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html* (accessed: May 7, 2026).

from 10.6 to 12.6 years.[394] Below are brief descriptions of how the agency models sales and scrappage; for full explanations, readers should refer to Chapter 4.2.1 of the Final TSD.

a. Sales

By reducing the regulatory costs of complying with fuel economy standards, the final rule would lead to an increase in new vehicle sales relative to the No-Action Alternative. For purposes of regulatory evaluation, the relevant metric is the *difference* in the number of new vehicles sold between the baseline and each alternative rather than the absolute number of sales under any alternative. The agency's analysis of the response of new vehicle sales to different stringencies of fuel economy standards includes three components: a forecast of sales based exclusively on macroeconomic factors, which is used to determine the sales quantity for the No-Action Alternative; the assumed price elasticity of new vehicle demand, which interacts with estimated price increases under each alternative to create differences in sales relative to the No-Action Alternative; and a fleet share model that projects differences in the passenger and non-passenger automobile fleet shares under each alternative.

The first component of the sales response model is the nominal total new vehicle sales forecast, which is based on a small set of macroeconomic inputs that together determine the size of the new vehicle market in each future year under the baseline alternative. This statistical model is intended to provide only an initial forecast of light-duty vehicle sales; it does not incorporate the effect of prices on sales and is not intended to be used for analysis of the response to price changes in the new vehicle market. NHTSA's projection varies in the early model years before leveling off at around 15 million vehicles per year in the 2030s. This result is consistent with the continued response to sales volatility in the years following the coronavirus (COVID–19) public health emergency and the supply chain challenges immediately thereafter, as well as consumer sentiment in the near-term. NHTSA acknowledges that excluding the regulatory costs to comply with the baseline standards has the potential to underestimate the effect of prevailing conditions on vehicle sales; however, given that the macroeconomic assumptions used in the analysis take into account the effects of various regulatory policies and the fact that the relevant metric is the differences created by alternative CAFE stringencies, the agency has determined this approach is appropriate.

The agency's baseline sales forecast assumes that total new vehicle sales are driven primarily by conditions in the U.S. economy that are outside the influence of the automobile industry. Over time, new vehicle sales have been cyclical—rising when prevailing economic conditions are positive (periods of growth) and falling during periods of economic contraction. While changes to vehicles' designs and prices that occur as consequences of manufacturers' compliance with earlier standards (and with regulations on vehicles' features other than fuel economy) exert some influence on the volume of new vehicle sales, they are far less influential than macroeconomic conditions. The effects of compliance are not large enough to reverse broader cyclical trends in sales; instead, they produce marginal differences in sales among regulatory alternatives that the agency's sales module is designed to simulate. Increases in new vehicle prices caused by higher regulatory costs reduce sales below the cyclical trend, and slow fleet turnover, while decreases in prices have the opposite effect.

NHTSA is prohibited by statute from considering the fuel economy of dedicated automobiles (*e.g.,* battery electric or hydrogen vehicles) and therefore has removed dedicated automobiles from the sales forecast it uses to analyze the final rule. NHTSA uses market penetration rates from the AEO 2026 Alternative Transportation and Electricity case to estimate the market share of the gasoline-powered fleet. The agency then applies this market share to the total light-duty forecast produced by the nominal forecast.[395] An independent projection like the AEO 2026 Alternative Transportation and Electricity case is a reliable estimate of the future market share for gasoline-powered vehicles.

The second component of the sales response model captures how price changes affect the number of vehicles sold. NHTSA estimates the change in sales from its initial forecast during future years under each regulatory alternative by applying an assumed price elasticity of new vehicle demand to the percent difference in average price between the regulatory alternatives and the No-Action Alternative. This price change does not represent an increase or decrease from the previous model year, but rather the percent difference in the average price of new vehicles between the baseline and each regulatory alternative for that model year. The average new vehicle price in the baseline is defined as the observed price in 2024 (the last historical data year before the simulation is run) plus the average regulatory cost associated with the No-Action Alternative for each future model year.[396] The agency also subtracts any tax credits for which a PHEV may qualify from those regulatory costs to simulate sales.[397]

Within the CAFE Model's logic, there is an assumption that new vehicle models within the same regulatory class (*e.g.,* passenger automobiles) are close substitutes for one another, including vehicles with differing powertrains.[398] NHTSA recognizes that different vehicle attributes may alter the perceived value of vehicles. NHTSA implements several modeling constraints to prevent the CAFE Model from considering technologies for fuel economy that could adversely affect the utility of vehicles, such as maintaining performance neutrality, including phase-in caps, and defining technology pathways by using engineering judgement. The agency acknowledges that, even with these constraints, it is possible that CAFE standards may influence attributes other than price or fuel economy that are unaccounted for in the agency's sales analysis.

NHTSA has previously invested considerable resources in developing a discrete choice model of the new automobile market that would (1) enable the agency to incorporate the effect of additional vehicle attributes on buyers' choices among competing models; (2)

[394] Parekh, N., & Campau T., Average Age of Vehicles Hits New Record in 2024, last revised: May 22, 2024, available at: *https://www.spglobal.com/mobility/en/research-analysis/average-age-vehicles-united-states-2024.html* (accessed: June 2, 2026).

[395] NHTSA also considers other approaches, such as assuming the full fleet in future model years would be composed of gasoline-powered vehicles or holding the current market penetration rate for dedicate automobiles constant. Final TSD Chapter 4.2.1.2 provides more discussion of the selected approach and alternatives considered.

[396] The CAFE Model currently operates as if all costs incurred by the manufacturer as a consequence of meeting regulatory requirements, whether those costs are the cost of additional technology applied to vehicles in order to improve fleetwide fuel economy or civil penalties paid when fleets fail to achieve their standard, are ''passed through'' to buyers of new vehicles in the form of price increases.

[397] For additional details about how NHTSA models tax credits, see Section II.C.2.e above.

[398] The CAFE Model does not assign different preferences between technologies, and outside the standard-setting restrictions, the Model will apply technology on a cost-effectiveness basis. Similarly, outside of the sales response to changes in regulatory costs, consumers are assumed to be indifferent to specific technology pathways and will demand the same vehicles despite any changes in technological composition.

reflect consumers' differing preferences for specific vehicle attributes; and (3) provide the capability to simulate responses, such as strategic pricing strategies by manufacturers intended to alter the mix of models they sell and enable them to comply with new CAFE standards. However, those efforts have not yet produced a satisfactory and operational model.[399] Instead, NHTSA accounts for the possibility of decreased utility of vehicles because of CAFE standards outside of the sales module.

Because the price elasticity that is applied in the CAFE Model assumes no perceived change in the quality of the product, and the vehicles produced under different regulatory scenarios have inherently different operating costs, the price metric must account for this difference. The price change to which the elasticity is applied in the analysis represents the residual price difference *between the baseline and each regulatory alternative* after deducting the value of fuel savings over the first three years of each model year's lifetime.

The price elasticity is also specified as an input, and for the proposal, the agency assumed a value of −0.4, meaning that a 5-percent increase in the average price of a new vehicle produces a 2-percent decrease in total sales. NHTSA has used this same elasticity in prior rulemakings. NHTSA stated in the proposal that estimates of this parameter reported in published literature vary widely,[400] and NHTSA believes that its choice is a reasonable one within this range, but NHTSA also presented sensitivity cases that explore higher and lower elasticities in the PRIA.

The agency sought comment on this sales elasticity assumption—including whether NHTSA should consider applying separate short-run and long-run elasticity assumptions in the analysis. NADA supported NHTSA's use of −0.4 as its price elasticity since it is in the range supported by recent literature.[401] Natural Resources Defense Council *et al.* (NRDC *et al.*) suggested that NHTSA revise its approach by using a lower elasticity value.[402] This suggestion was based on a selection of estimates made since the year 2010, and NRDC *et al.* argued that the lower value better captures the long run dynamics of the new vehicle market in conjunction with scrappage. In support of its position, NRDC *et al.* included a literature review of papers from 1952 to 2020. The mean of all the studies was −0.6 and –1.15 for the long-run and short-term estimates, respectively. Narrowing the scope to only studies since 2000, NRDC *et al.* found that the median of all estimates for the elasticity falls around −0.35 to −0.4. NRDC *et al.* claimed that even further censoring its dataset to just estimates produced since 2010 lowers the average more and pointed to two recent papers and an amicus brief filed in litigation over the 2020 final rule. Finally, NRDC *et al.* argued that NHTSA's choice of elasticity was inconsistent with the large welfare losses it ascribes to sacrifices in other features for vehicles. IPI also argued that NHTSA should adjust sales using a lower magnitude elasticity due to interactions with the used vehicle market and potential substitution by car owners to outside options like public transit and ride shares.[403]

NHTSA's review of the literature NRDC *et al.* submitted found that one of these papers (Leard (2021) [404]) estimated a long-term elasticity of −0.35, in line with results from the larger set of estimates, and very close to NHTSA's estimate. The amicus brief suggests a range between −0.03 and −0.61, which puts NHTSA's preferred estimate firmly in the middle. NHTSA also notes that Jacobsen *et al.* (2021) conducted a thorough review of the literature around this parameter, and chose a parameter estimate of −0.4 as the lowest magnitude value to use in simulations.[405] NHTSA also chose −0.4, which, as demonstrated by Jacobsen (2021) and literature cited in comments is at the relative low-end of estimates, to represent a long-run ''policy elasticity'' meant to capture the long-run dynamics outlined by IPI. IPI argued that NHTSA should consider outside options like public transit and carpooling. NHTSA believes that these options also carry additional costs and the availability of these options varies across the country. Modeling the impact of these options directly, beyond the long-run impact of fuel prices on light-duty vehicle sales, is beyond the scope of the CAFE analysis and it is unclear whether broadening the analysis' scope would provide materials improvement.

In response to NRDC *et al.'s* comment that NHTSA's choice of elasticity was inconsistent with the large welfare losses it ascribes to sacrifices in other features for vehicles, NHTSA's choice of a three-year payback period operates under the assumption that after accounting for the value of sacrificed attributes, a new vehicle's fuel-saving technology must payback within its first three years of operation in order to be cost effective. This assumption is incorporated in the sales model, meaning that the agency's sales model is consistent with its accounting for the value of other vehicle features.

After consideration of comments and the relevant literature, NHTSA is continuing to use −0.4 as its sales elasticity parameter in this final rule. NHTSA presents sensitivity cases that explore the impact of higher and lower elasticities on the analysis in FRIA Chapter 9. Chapter 4.2.1.2 of the Final TSD further presents evidence that NHTSA believes supports its decision.

The third and final component of the sales model is the dynamic fleet share module (DFS). The analysis uses the DFS developed during the previous rulemaking. The baseline fleet share projection is derived from the agency's own compliance data for the 2024 fleet and from the 2026 AEO projections for subsequent model years. These shares are applied to the total industry sales derived in the first stage of the total sales model to estimate sales volumes of car and light truck body styles. NHTSA determines individual model sales using the following sequence: (1) individual

[399] NHTSA's experience partly reflects the fact that these models are highly sensitive to their data inputs and estimation procedures, and even versions that fit well when calibrated to data from a single period—usually a cross section of vehicles and shoppers or actual buyers—often produce unreliable forecasts for future periods, which NHTSA's regulatory analyses invariably require. This occurs because they are often unresponsive to shifts in economic conditions or consumer preferences, and also because it is difficult to incorporate factors such as the introduction of new model offerings—particularly those utilizing advances in technology or vehicle design—or shifts in manufacturers' pricing strategies into their representations of choices and forecasts of future sales or market shares. For these reasons, most vehicle choice models have been better suited for analysis of the determinants of historical variation in sales patterns than for forecasting future sales, volumes and market shares of particular categories.

[400] See Jacobsen, M. *et al.,* The Effects of New-Vehicle Price Changes on New- and Used-Vehicle Markets and Scrappage, EPA–420–R–21–019, EPA: Washington, DC (2021), available at: *https://cfpub.epa.gov/si/si_public_record_Report.cfm?Lab=OTAQ&dirEntryId=352754* (accessed: June 2, 2026) (reporting a range of estimates, with a value of approximately −0.4 representing an upper bound of this range). NHTSA selects this point estimate for the central case and explores alternative values in the sensitivity analysis.

[401] NADA, Docket No. NHTSA–2025–0490–0036–A1, at 9–10.

[402] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 98–102.

[403] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 62–64 and 70–72.

[404] Leard, B., Estimating Consumer Substitution Between New and Used Passenger Vehicles, Working Paper 19–01 (revised Aug. 2021), Resources for the Future: Washington, DC (2021), available at: *https://media.rff.org/documents/WP_19-01_rev_2021.pdf* (accessed: May 28, 2026).

[405] See Jacobsen, M. *et al.,* The Effects of New-Vehicle Price Changes on New- and Used-Vehicle Markets and Scrappage, EPA–420–R–21–019, EPA: Washington, DC, (2021), available at: *https://cfpub.epa.gov/si/si_public_record_Report.cfm?Lab=OTAQ&dirEntryId=352754* (accessed: June 2, 2026).

manufacturer shares of each regulatory class (either passenger cars or light trucks) are multiplied by total industry sales of vehicles in that regulatory class and then (2) each vehicle within a manufacturer's volume of that regulatory class is assigned the same percentage share of that manufacturer's sales as in MY 2024. This assumes that consumer preferences for particular styles of vehicles are determined in the aggregate (*i.e.,* at the industry level), but that manufacturers' sales shares of those body styles are consistent with their MY 2024 sales. Within a given regulatory class, NHTSA assumes a manufacturer's sales shares of individual models are also constant over time.

This approach also assumes implicitly that manufacturers are pricing individual vehicle models within market segments in a way that maximizes their profit. Without more information about each manufacturer's true cost of production, including its fixed and variable components and its target profit margins for its individual vehicle models, there is no basis to assume that strategic shifts within a manufacturer's portfolio will occur in response to standards.

Similar to the second component of the sales module, the DFS applies an elasticity to the change in price between each regulatory alternative and the No-Action Alternative to determine the change in fleet share from its baseline value. NHTSA uses the net regulatory cost differential (costs minus fuel savings) in a logistic model to capture the changes in fleet share between passenger cars and light trucks, with a relative price coefficient of −0.000042. NHTSA selected this methodology and price coefficient based on a review of academic literature.[406] When the total regulatory costs for passenger automobiles of meeting standards minus the value of the resulting fuel savings exceed that of non-passenger automobiles, the market share of non-passenger automobiles will rise relative to passenger automobiles. For example, a $100 net regulatory cost increase in passenger automobiles relative to light trucks would produce around a 0.1 percent shift in market share towards light trucks, assuming in the example that the latter initially represents 60 percent of the fleet.

As discussed in preamble Section VI, the agency is modifying its regulatory definitions for vehicle classification starting with MY 2030. The agency takes account of this reclassification after it simulates the aggregate sales and DFS responses to changes in vehicle prices. NHTSA assigns vehicles both an ''initial'' classification based on how they are classified under the current regulations and a ''revised'' classification for how they would be classified under the final regulations. The aggregate sales response is calculated at the fleetwide level, so regulatory classification affects changes in sales only insofar as a reclassified vehicle model incurs a different regulatory cost to comply with the requirements of its new regulatory class. For the DFS model, the regulatory costs are borne by a vehicle's ''initial'' classification, so an SUV that is reclassified from the light truck fleet to the passenger car fleet has its regulatory costs for the DFS analysis attributed to the light truck fleet throughout the analysis. This method assumes that each individual model's sales shares within the ''initial'' regulatory class remain constant. This may cause the counterintuitive effect of an increase in a vehicle's price, leading to an increase in that vehicle's sales. NHTSA considered applying its existing model to sales shares determined by the ''revised'' classification but decided against this due to the cross-elasticities used in the analysis being estimated based on the current classification system.

NHTSA sought comment on this approach and whether it is appropriate to apply the DFS's price coefficient to the ''revised'' regulatory classes, and if there is an alternative elasticity or methodology the agency could employ in its analysis. NHTSA did not receive any comments on this issue. On a related matter, AEG agreed with NHTSA that a discrete choice model would best capture the tradeoffs present in the new vehicle market and suggested using a sequential decision problem model setup.[407] AEG argued that this framework would allow NHTSA to analyze substitution at a more granular and realistic level, within specific segments of the new vehicle market, rather than between regulatory classes. Likewise, IPI commented that sales should be projected by make of vehicle or even by model, allowing for compliance cost differences between manufacturers and vehicle models to influence market shares.[408]

In response to AEG's comments, NHTSA notes that it is continuing to explore options for improving the modeling of consumer choice for future rules. Regarding IPI's comment, to model sales accurately at the make or even model level would require modeling pricing strategies for manufacturers, which would involve capturing firm-level priorities and costs outside of the fuel economy technology adoption decision and goes well beyond the scope of this analysis. As a result, NHTSA has not changed its approach for this final rule.

b. Scrappage

For potential car buyers, new and used vehicles act as alternatives, or substitutes, for each other within broad limits. A consumer surveying the market for a new vehicle may find the combination of price and features undesirable and elect to continue to use an existing vehicle or purchase a used vehicle that better meets the consumer's price and feature preferences. When the price of a good increases, so does the demand for its substitutes, causing the equilibrium price and quantity of substitutes supplied to rise. Because the final rule would lower the price of new vehicles, demand for used vehicles would decrease, causing the equilibrium market price for used vehicles to decrease and simultaneously increasing the rate at which used vehicles are retired. Because used vehicles are in existence, their supply only can be increased by keeping more of those that would otherwise be retired in use longer, which corresponds to a reduction in their scrappage or retirement rates. As older vehicles are used longer, the average age of the fleet rises and the safety risk to all road users likewise increases, because older vehicles are less safe than newer ones.

When new vehicles become more expensive, demand for used vehicles increases. Because used vehicles are more valuable in such circumstances, they are scrapped at a lower rate, and just as rising new vehicle prices push some prospective buyers into the used vehicle market, rising prices for used vehicles force some prospective buyers to acquire even older vehicles or models with fewer desired attributes. The effect of fuel economy standards on scrappage is partially dependent on how consumers value future fuel savings; NHTSA assumes that, after accounting for sacrifices in other vehicle attributes, consumers value only the first 36 months of fuel savings when making a purchasing decision.

Many competing factors influence the decision to scrap a vehicle, including the cost to maintain and operate it, the household's demand for VMT, the cost

[406] NHTSA describes this literature review and the calibrated logit model in more detail in the accompanying docket memo ''Calibrated Estimates for Projecting Light-Duty Fleet Share in the CAFE Model.''

[407] AEG, Docket No. NHTSA–2025–0491–5981–A1, at 2–5.

[408] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 70–72.

of alternative means of transportation, and the value that can be attained through reselling or scrapping the vehicle for parts. In theory, a car owner will decide to scrap a vehicle when the value of the vehicle minus the cost to insure, register, maintain, and repair the vehicle is less than its value as scrap material; in other words, when the owner realizes more value from scrapping the vehicle than from continuing to drive it or from selling it. Typically, the owner that scraps the vehicle is not the original owner.

While scrappage decisions are made at the household level, NHTSA is unaware of sufficiently detailed household data to capture scrappage at that level. Instead, NHTSA uses aggregate data measures that capture broader market trends. In addition, the aggregate results are consistent with the rest of the CAFE Model, as the Model does not attempt to project manufacturers' pricing strategies; the Model assumes instead that all regulatory costs to make a particular vehicle compliant are passed on to the purchaser who buys the vehicle.

The dominant source of scrappage is ''engineering scrappage,'' which is largely determined by the age of a vehicle and the durability of the specific model year or vintage it represents. NHTSA uses proprietary vehicle registration data from S&P Global to estimate vehicle age and durability. Other factors affecting decisions to retire used vehicles or retain them in service include fuel economy and new vehicle prices; for historical data on new vehicle transaction prices, NHTSA uses NADA data.[409] The data consists of the average transaction price of all light-duty vehicles; because the transaction prices are not broken down by body style, the scrappage module may miss unique trends within a particular vehicle body style. The transaction prices reflect the amount consumers paid for new vehicles and exclude any trade-in value credited towards the purchase. This may be relevant particularly for pickup trucks, which have experienced considerable changes in average price as luxury and high-end options entered the market over the past decade.

Vehicle survival rates, which are determined over time by scrappage, follow a roughly logistic function with age—that is, when a vintage is young, few vehicles in the cohort are scrapped; as they age, more and more of the cohort are retired each year, and the annual rate at which vehicles are scrapped reaches a peak. Scrappage then declines as vehicles enter their later years, as fewer and fewer vehicles in the cohort remain on the road. The analysis uses a logistic function to capture this trend of vehicle scrappage with age. The data shows that the durability of successive model years generally increases over time; put another way, historically, newer vehicles last longer than older vintages. However, this trend is not constant across all vehicle ages—the instantaneous scrappage rate of vehicles is lower generally for more recent vintages up to a certain age, but must increase thereafter so that the final share of vehicles remaining converges to a similar share remaining for historically observed vintages.[410] NHTSA's scrappage model uses fixed effects to capture potential changes in durability across model years and ensures that vehicles approaching the ends of their lives are scrapped in the analysis.

The final source of vehicle scrappage is from cyclical effects, which the CAFE Model captures using forecasts of GDP and fuel prices. The macroeconomic conditions variables discussed above are included in the logistic model to capture cyclical effects. Finally, the change in new vehicle prices projected in the Model (technology costs minus 36 months of fuel savings and any tax credits passed through to the consumer) is included, and changes in this variable are the source of differing scrappage rates among regulatory alternatives.

NHTSA sought comment on the suitability of its scrappage modeling approach in the proposal. NADA and other commenters supported NHTSA's scrappage modeling and agreed with its finding that policies like CAFE standards cause some vehicle owners to forgo retiring used vehicles when new vehicle prices increase. NADA pointed to the rise of the average age of vehicles in the on-road fleet in recent years and the greater safety risks that older vehicles present.[411] On the other hand, Consumer Reports supported NHTSA's modeling of scrappage effects but argued that the length of its payback period unduly influenced its results. NRDC *et al.* disagreed with NHTSA's assumption that manufacturers will pass technology costs onto consumers and suggested that this would cause NHTSA to overestimate the effect of high standards on scrappage rates.[412] NRDC *et al.* also argued that, in the absence of higher standards, manufacturers may choose to apply technology to improve other vehicle features and will not lower prices in response.

Regarding Consumer Reports' comment about the interaction between scrappage effects and payback period, NHTSA continues to believe that 36 months is the most appropriate payback period for its new vehicle sales analysis as discussed in Section II.E.1. Because the payback period included in the scrappage model is meant to capture the effects of changes in new vehicle sales on scrappage, NHTSA believes that the payback period for the scrappage model should be the same as that used for the sales module.

In response to NRDC *et al.'*s comment, NHTSA does not model new vehicle pricing strategies because it is beyond the scope of NHTSA's analysis. NHTSA is unaware of any empirical basis to model new vehicle pricing strategies more comprehensively and notes that the data necessary to do so is almost certain to include proprietary business information. If a manufacturer's profit maximizing strategy involves cross-subsidizing vehicles with new technologies by raising the price of other vehicles, the analysis may indeed overestimate the predicted price of some individual new vehicle models while underestimating the price of others. However, NHTSA's analysis operates at higher, more aggregated levels, and its assumptions at this level are reasonable. If manufacturers do not pass on additional costs of technology to consumers at the fleet level, over the long term, they will go out of business. In the case of improvements to other vehicle features, NHTSA anticipates that manufacturers would add these features by choice because they are valued by consumers and would increase demand for new vehicles. As outlined in Final TSD Chapter 4.2, these types of changes in the new vehicle market would tend to increase scrappage rates. Therefore, NHTSA believes that its use of pass-through assumptions at the aggregate level used in the scrappage model is reasonable.

Finally, some commenters took issue with NHTSA's decision to continue using the same dataset for estimating its scrappage model in this rulemaking, and to continue using a reduced-form

[409] The data can be obtained from NADA. For reference, the data for MY 2024 may be found at *https://www.nada.org/nada/research-data/nada-data* (accessed: May 28, 2026).

[410] Some possible reasons for why durability may have changed are new automakers entering the market or general changes to manufacturing practices like switching some models from a car chassis to a truck chassis.

[411] NADA, Docket No. NHTSA–2025–0490–0036–A1, at 11–12; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 52–53; AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 8–9.

[412] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 70–73.

model.[413] They argued that a reduced-form model, which estimates the statistical relationship between scrappage rates and other economic variables, rather than a structural model which formally relates the variables through a theoretical economic model, was inappropriate for predicting scrappage rates out into the future. NHTSA considered updating its dataset, which includes observations for all vehicles present in the on-road fleet for CYs 1975–2017.[414] However, new and used vehicle markets faced significant disruptions due to supply chain interruptions from 2020–2022, making these datapoints somewhat atypical outliers. Scrappage rates require two years of data because they represent a year-to-year change in the size of the on-road fleet, meaning that only one additional year of observations after 2020 would be available prior to the start of the rulemaking period. Because the dataset NHTSA uses covers an extensive time series, adding even several new model years of data would only contribute a small share of additional information to the dataset used to develop the estimates. The commenters also do not point to any reasons or evidence for the assertion that not using more recent data biases the results. Therefore, NHTSA continues to use the same dataset to estimate its scrappage model results for the final rule. However, the agency did update its estimates by adjusting variables denominated in dollars to constant 2024$ values and adjusting the calculation of the explanatory variable representing price net of payback period fuel savings. In prior rulemakings, this variable used a value of fuel savings equal to the value accumulated over the first 2.5 years of use. NHTSA updated its payback period for the proposal to the first 3 years, which is equivalent to the first 48,000 miles of use. Because this variable is meant to capture the effects of the new vehicle market on the used market, and thus scrappage, the CAFE Model projects it forward using the same quantity of miles. Accordingly, the coefficient used in the scrappage model must be estimated using this same calculation in order for the model to be consistent. This means that, in both the proposal and this final rule, coefficients differ from those used in the 2024 final rule, which was noted by commenters.[415] The adjustments are discussed in Chapter 4.2 of both the Draft and Final TSD.

In addition to the variables included in the scrappage module, NHTSA considers several other potential variables that likely either directly or indirectly influence scrappage in the real world, including maintenance and repair costs, the value of scrapped metal, vehicle characteristics, the quantity of new vehicles purchased, higher interest rates, and unemployment. These variables are excluded from the scrappage module either because of difficulties in obtaining data to measure them accurately or other modeling constraints. Their exclusion from the module is not intended to diminish their importance but rather highlights the practical constraints of modeling intricate decisions like scrappage.

NHTSA sought comments on whether it should include any of these variables and, if so, requested specific methodologies that would produce robust and unbiased estimates that could be used in a regulatory analysis setting. Some commenters argued that NHTSA should use a single model to determine both new vehicle sales and scrappage rates jointly.[416]

While NHTSA uses separate modules to predict sales and scrappage, the two are connected through the inclusion of new vehicle prices, net of payback period fuel savings, in each. Modeling sales and scrappage jointly would require developing a dynamic model for scrappage that takes account of consumer expectations for the cost of continuing to own and operate used vehicles as well as expectations about the future cost of owning and operating new vehicles in future years. This would add significant modeling complexity and require additional data not currently used in the CAFE Model, including maintenance costs by age, body style, and powertrain for the entire on-road fleet, which is not possible within the rulemaking timeframe. This would also require more granular data for existing used vehicles, some of which is not available and thus would require significant assumptions that could introduce error to the model. NHTSA includes a set of sensitivity cases that vary parameters in the sales and scrappage models in Chapter 9 of the FRIA which addresses many of the alternative theories posited by commenters. The agency will consider development of a dynamic scrappage model for future rulemaking, but the existing approach provides a reasonable means by which the agency can evaluate the relationship between changes in new vehicle prices and scrappage rates.

Resetting the CAFE standards is expected to accelerate the retirement of older vehicles. Because the final standards reduces the regulatory burden on manufacturers and by extension the price of new vehicles, the demand and price for used vehicles should decrease, and incentivize households to replace the older vehicles that are costly to maintain with newer, cheaper options—including newer used vehicles.

3. Changes in Vehicle Miles Traveled

As described in the fleet turnover section, fuel economy standards influence the quantity of new vehicles sold and how quickly older vehicles are retired. Model years of different vintages possess distinguishable characteristics, with newer vehicles typically being more fuel efficient and safer than their older contingents. While the decision itself to buy a new vehicle or retire an older vehicle may confer certain costs and benefits to their owners, most of the effects are realized only through the use of those vehicles. The lower standards of the final rule will accelerate fleet turnover compared to the baseline, which results in more miles being driven in newer, safer vehicles compared to older, less safe vehicles. The agency anticipates that fewer miles will be driven in the oldest and least safe vehicles on the road, and the number of fatal accidents and serious injuries from highway crashes will decrease as result of the final rule.

Deciphering which vehicles are being driven is just as important as how many miles are being driven. Any shift in miles driven by older vehicles to newer vehicles creates a corresponding shift in societal benefits. To capture how CAFE standards influence the distribution of miles across the fleet, NHTSA estimates VMT based on the average use of vehicles at different ages, the total number of vehicles in use, and the composition of the fleet by ages. These three components—average vehicle usage, new vehicle sales, and older vehicle scrappage—jointly determine total VMT projections for each alternative.

VMT is determined by how much households want to drive and how much they can afford to do so. NHTSA believes that a significant portion of light-duty VMT is unaffected by fuel economy standards. Households have some basic level of travel demand that needs to be met such as driving to work or school, and those households will drive those miles regardless of the

[413] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 64–66.

[414] The analysis begins in 1975 as this is the earliest year all required input data were available.

[415] Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 54–56.

[416] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 62–64; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 95–96.

imposition that fuel economy standards may impose. NHTSA's perspective is that the total demand for VMT should not vary excessively across alternatives. To prevent large differences from arising among the regulatory alternatives, the agency constrains the aggregate amount of VMT—besides VMT attributable to the ''rebound effect''—across alternatives to be equal with the No-Action Alternative.

In prior rules, the agency used the Federal Highway Administration (FHWA) VMT Forecasting Model to project total VMT in future calendar years and then adjusted alternatives based on fleet composition. NHTSA employed this methodology because it used a reliable, external projection of annual VMT as a starting point. However, because the FHWA model includes miles that will be driven in dedicated automobiles, NHTSA amended its approach for the proposed rule, which the agency has elected to retain for the final rule.

The No-Action Alternative's projection of VMT uses the simulated projections of the gas-powered fleet produced by the sales and scrappage models and applies it to estimates of VMT per vehicle. Vehicles of different ages and body styles have different costs to own and operate, and usage changes across vehicle ages independent of CAFE standards. To account properly for the average value of consumer and societal costs and benefits associated with vehicle usage under various alternatives, it is necessary to partition miles by age and body type. Using S&P Global odometer data, NHTSA creates ''mileage accumulation schedules'' as an initial estimate of how much a vehicle is expected to drive at each age throughout its life. The mileage accumulation schedules also account for differences in driving habits based on body style. Multiplying the numbers of each vehicle projected to be in the fleet by the per-vehicle VMT estimates from the mileage accumulation schedules creates a forecast of VMT in each calendar year.

The methodology to allocate miles within the regulatory alternatives is similar. NHTSA uses the forecasts of the fleet produced by the sales and scrappage models and multiplies those by mileage accumulation schedules to create a total estimate of VMT. NHTSA then scales the alternative's VMT to match the No-Action Alternative's aggregate VMT, preserving the percentage of VMT driven by each model.

NHTSA sought comments on whether it should remove the VMT constraint and allow alternatives to have differing levels of VMT. NHTSA stated in the NPRM that, while most household VMT is likely inelastic, it may be reasonable to assume that fleets with differing sizes, age distributions, and inherent cost of operation may have marginally different annual VMT (even without considering VMT associated with rebound miles). In previous rules, NHTSA elected to continue to constrain VMT across alternatives in part because of the difficulty of determining whether VMT would shift to other modes of transportation and, if so, how to account for the impacts of any such mode shift. NHTSA sought comments on whether it is appropriate to consider mode shifts if the agency removes the VMT constraints and requested data or suggested modeling approaches that could assist the agency.

IPI commented that changes in the fleet composition and size should be accompanied by changes in non-rebound VMT.[417] UCS by contrast agreed with NHTSA's assessment that household VMT is largely inelastic, and that changes in travel demand are captured by the modeling of rebound VMT.[418]

NHTSA agrees with UCS and is continuing to model a non-rebound VMT constraint in this final rule. While some households may choose not to own a vehicle, or might dramatically change their daily travel habits when they buy or sell one of their vehicles, it is more likely that most of the changes in fleet size caused by increased CAFE standards will result in compensating changes in the usage of other vehicles, primarily older vehicles being driven more. Even if CAFE standards do cause some changes in VMT, attempting to model the exact nature of this substitution requires a complex model of household travel demand, and alternative modes of travel would require capturing regional and local variation in household driving patterns, and the availability of alternatives like public transportation and carpooling. Modeling this type of decision-making adds little additional precision to NHTSA's incremental results and could instead introduce additional sources of error. Doing so would thus significantly expand the model beyond its current scope, for little additional gain in estimating the variables of interest for NHTSA's CAFE analysis.

The Attorneys General criticized NHTSA's approach to modeling non-rebound VMT in the standard-setting analysis.[419] These commenters argued that, by not including BEVs and other dedicated AFVs, NHTSA failed to consider the costs and benefits related to changes in VMT driven by these vehicles. These commenters also pointed to inconsistencies between NHTSA's standard-setting projection for non-rebound VMT and other projections, including its EIS projection and projections produced by EIA in its 2025 AEO. Commenters pointed to periods where NHTSA's gas-powered fleet's projected non-rebound VMT exceeded the EIS projection, and the faster rate of decline in the gas-powered fleet's share of non-rebound VMT compared to the AEO. These commenters argued that these factors showed that NHTSA's projection model was not suitable for determining non-rebound VMT, and that it had material effects on the costs and benefits estimated in NHTSA's analysis.

NHTSA did not include these vehicles in its projection because doing so would violate the statutory restrictions that preclude consideration of such vehicles when setting standards. While NHTSA's projection of VMT differs from other projections given these statutory constraints, this does not make it unsuitable for the task for which it is used, namely producing a baseline forecast that is consistent with the projected fluctuations in the size and composition of the gas-powered on-road fleet NHTSA models in its standard-setting analysis. Per-vehicle VMT is determined using NHTSA's VMT accumulation schedule, which is documented in Final TSD Chapter 4.3, and represents a reasonable expectation for vehicle usage over the long term. The size and composition of the on-road fleet are consistent with the development of the fleet as predicted by NHTSA's sales and scrappage models. Finally, the purpose of this projection is to provide a baseline expected level of VMT that can be fixed across alternatives and used as a basis for determining rebound VMT. NHTSA's methodology ensures that the per-vehicle usage that rebound elasticities are applied to remains at a reasonable level across alternatives. Using an outside forecast not generated consistently with the projected fleet risks introducing a source of error into the analysis.

NHTSA analyzed sensitivity cases that used alternative sources for its non-rebound VMT constraint, including projections of gas powered VMT from

[417] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 72–76.

[418] UCS, Docket No. NHTSA–2025–0491–6027, at Technical Appendix 58.

[419] Attorneys General, Docket No. NHTSA–2025–0491–6064, at 21–26.

the 2026 AEO and the EIS. Results are discussed in PRIA Chapter 9.

A portion of household travel that *is* elastic is known as ''rebound'' mileage. The fuel economy rebound effect—a specific example of the well-documented energy efficiency rebound effect for energy-consuming capital goods—refers to motorists who choose to increase vehicle use (as measured by VMT) when fuel economy is improved and, as a result, the cost per mile (CPM) of driving declines. If fuel economy increases, the cost to drive additional miles decreases, causing vehicles with better fuel efficiency to be driven more. For the final rule, reducing the level of fuel economy required by government regulation would have the opposite effect, reducing the number of miles driven.

NHTSA has employed several different estimates of the rebound effect through the years. Until recently, the agency had historically used an estimate between 15 and 20 percent. The agency lowered its estimate in the 2022 final rule to 10 percent, a value that was also used in the 2024 final rule. For this rulemaking, NHTSA re-reviewed the literature related to the fuel economy rebound effect, which is extensive and covers multiple decades and geographic regions.[420] The totality of evidence, without excluding certain studies based on arbitrary selection criteria, suggests that the plausible range for the rebound effect is quite wide, extending from 10 percent to perhaps as high as 40 percent. This range implies that, for example, a 10-percent reduction in vehicles' fuel CPM would lead to an increase of between 1 to 4 percent in the number of miles they are driven annually. The central tendency of this range appears to be at or slightly above its mid-point, which is 25 percent. Considering only those studies that NHTSA believes utilize robust and reliable data, employ identification strategies that are likely to prove effective at isolating the rebound effect, and apply rigorous estimation methods, suggests a range of approximately 10–35 percent, with most of the estimates falling in the 15–30 percent range.

When NHTSA reviewed the literature for both the 2022 and 2024 rules, the agency arrived at a similar conclusion but chose to use an estimate at the lowest end supportable by published research. NHTSA argued that both economic theory and empirical evidence suggested that the rebound effect was declining over time in response to factors such as increasing income (which increases the value of travelers' time), progressively smaller reductions in fuel costs from continuing increases in fuel economy, and slower growth in car ownership and the number of license holders. The agency also noted that some lower estimates of the rebound effect were associated with recently published studies that rely on U.S. data, measure vehicle use using actual odometer readings, control for the potential endogeneity of fuel economy, and—critically—estimate the response of vehicle use to variation in fuel economy itself rather than to fuel cost per distance driven or fuel prices. The agency gave greater weight to these studies, which suggested a rebound effect in the 5 to 15 percent range.

Consistent with NHTSA's surveys of the latest available data for each successive CAFE analysis, as discussed above, the agency reconsidered for this analysis its prior assumptions about the rebound effect discussed in the 2022 and 2024 final rules—in particular its assumption that the rebound effect is declining over time—and concluded that a rebound estimate of 15 percent is more appropriate. In particular, a meta-analysis of 74 recently published studies of the rebound effect noted that ''the magnitude of the rebound effect in road transport can be considered to be, on average, in the area of 20 [percent],'' and that the most likely long-run estimate was about 32 percent[421]—both significantly higher than the agency's prior 10 percent value, and also well above the 15 percent value employed in this analysis. The agency also believes that selecting a rebound estimate that is well-supported by the scientific consensus is more appropriate than speculating about potential future trends. NHTSA examines the sensitivity of estimated impacts to values of the rebound effect ranging from 10 to 20 percent to account for the uncertainty surrounding its exact value. For a more complete discussion of the rebound literature, refer to Final TSD Chapter 4.3.4.

Several commenters objected to NHTSA's decision to use a 15 percent rebound effect in its analysis supporting the NPRM, rather than the 10 percent value it has used in some previous rulemaking analyses. ICCT described the lower 10 percent value as ''in alignment with prior analyses and updated research, especially in the context of a new fleet that is more efficient than ever and thus costs less to drive than ever [. . .] Restoring a 10 percent rebound is consistent with both historical precedent and recent literature.'' ICCT and NRDC *et al.* both argued that NHTSA's review of the literature was focused on studies using changes in fuel price or fuel CPM rather than changes in fuel efficiency, and that the former generated a stronger response from consumers than the latter.[422]

NRDC *et al.* objected to NHTSA's consideration of all published estimates of the rebound effect, arguing that it should more heavily weight estimates identified by the authors of published studies as their preferred estimates, while discounting those the authors may view as less reliable.[423] NRDC *et al.* noted that while authors such as Gillingham (2015) and Hymel and Small (2015) report wide ranges of estimates for the rebound effect, these authors prefer estimates toward the lower end of the ranges they report. NRDC *et al.* also cited some research arguing that the rebound effect is likely to decline over time in response to rising incomes, which raise the value of travel time while reducing the importance of fuel costs in drivers' decisions about how much to travel, thus reducing the magnitude of the fuel economy rebound effect.

Similarly, the City of Cleveland (Cleveland) noted ''Historically, NHTSA and U.S. EPA have used a 10 percent rebound effect—meaning that VMT will increase 10 percent for every doubling of fuel economy—which reflects the best available research. In this NPRM, NHTSA rejects that 10 percent standard and instead adopts a 15 percent rebound effect. This is an inappropriately high estimate that breaks with recent research and historical norms.'' [424] Attorneys General asserted that ''. . . the best evidence on rebound driving available—from the United States, using odometer data from emissions or safety inspections, and from recent years—leads to a central case estimate for the rebound effect of 10 percent, or perhaps even lower,'' [425]

In contrast, PMI argued that increasing the rebound effect to 15

[420] Final TSD Chapter 4.3.4 provides more information.

[421] Dimitropoulos, A. *et al.,* The Rebound Effect in Road Transport: A Meta-analysis of Empirical Studies, OECD Environment Working Papers, No. 113, OECD Publishing: Paris, France (2016), available at: *https://dx.doi.org/10.1787/8516ab3a-en* (accessed: June 2, 2026).

[422] ICCT, Docket No. NHTSA–2025–0491–5246 (citing Gillingham, K., Policy Brief: The Rebound Effect and the Rollback of Fuel Economy Standards (2018), available at: *https://resources.environment.yale.edu/gillingham/Gillingham_ReboundFuelEconomyStds.pdf* (accessed: June 2, 2026)); NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 91–98.

[423] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 91–98.

[424] Cleveland, Docket No. NHTSA–2025–0491–4840, at 13.

[425] Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 30.

percent is appropriate, observing that ''at least some rebound effect is very likely, meaning the decrease in gasoline consumption will be muted . . . NHTSA's review of the literature suggests ''a range of approximately 10–45 percent'' for the rebound effect, ''with most of the estimates falling in the 15–30 percent range. NHTSA previously assumed that the rebound effect was 10 percent, but NHTSA now assumes that it is 15 percent. Though still conservative, this change is appropriate.'' [426]

While NHTSA acknowledges certain commenters' concern about the rebound effect estimate [427] the agency concludes that the 15 percent value used in this analysis better represents the totality of evidence about the rebound effect's likely magnitude. As indicated above, the agency purposely chose the previous 10 percent value to be at the lower end of the range of values that could be supported by published research. After considering the issue in this rulemaking, however, NHTSA has concluded that it is more appropriate to select a value more accurately representing the full range of available evidence. The 15 percent value better serves this purpose than does 10 percent because the former lies closer to the central tendency of estimates reviewed in Final TSD Chapter 4.3.4. Specifically, the probability distributions of estimates of the rebound effect based on the response of vehicle use to variation in fuel cost per-mile driven and using different data and estimation approaches (shown in Final TSD Figure 4.20) suggest a most likely value close to 15 percent, while the distribution of estimates based on fuel efficiency (see Final TSD Figure 4.19) suggests a most likely value only slightly lower. Using a 15 percent rebound effect in the central analysis better represents the overall sense of the extensive research on its magnitude conducted over the past three decades, and conducting sensitivity analyses using values of 10 percent and 20 percent adequately encompasses the range of plausible values.

In order to calculate total VMT after allowing for the rebound effect, the CAFE Model applies the price elasticity of VMT (taken from the FHWA forecasting model) to the change in fuel CPM resulting from higher fuel economy and uses the result to adjust the initial estimate of each model's annual use accordingly. The CAFE Model applies this adjustment after the reallocation step described previously because that adjustment is intended to ensure that total VMT is identical among alternatives *before* considering the contribution of increased driving due to the rebound effect. Its contribution differs among regulatory alternatives because alternatives requiring higher fuel economy lead to larger reductions in the per-mile fuel cost of driving and thus to larger increases in vehicle use.

To summarize, because the finalized standards would lower the cost of newer vehicles, more of the base household travel demand will be satisfied by safer, newer vehicles, and simultaneously, newer vehicles will have lower fuel economy, leading to fewer miles being driven and resulting in a further reduction in fatalities and fuel expenditures.

Chapter 4.3 of the Final TSD provides more information on how NHTSA accounts for and models VMT.

4. Changes to Fuel Consumption

NHTSA uses fuel economy, age, and VMT estimates to determine changes in fuel consumption. NHTSA divides the expected vehicle use by the anticipated mpg to calculate the gallons consumed by each simulated vehicle, and when aggregated, the total fuel consumed in each alternative.

F. Simulating Emissions Impacts of Regulatory Alternatives

Changes in fuel consumption because of changes in CAFE standards (and resulting technology application) will result in changes in emissions of various pollutants.[428] Vehicle-related emissions are computed by multiplying vehicle activity (*e.g.,* miles traveled, hours operated, or gallons of fuel burned), population (or number of vehicles), and emission factors. An emission factor is a representative rate that attempts to relate the quantity of a pollutant released to the atmosphere per unit of activity. As in past rules, the CAFE Model generates vehicle activity levels (both miles traveled and fuel consumption), while emission factors have been adapted from models developed and maintained by other Federal agencies.

This section provides a brief overview of how the agency estimates the resulting changes in emissions and associated effects from emissions of those pollutants.[429] In this section, emissions that are generated between the initial point of oil extraction and delivering fuel to vehicles' fuel tanks or energy storage systems are referred to as ''upstream'' emissions, while ''downstream'' emissions refer to those emitted by vehicles' exhaust systems, and also include other emissions generated during vehicle refueling, use, and inactivity (called ''soaking''), including hydrofluorocarbons leaked from vehicles' AC systems.[430] Emissions also include particulate matter released into the atmosphere by BTW, as well as evaporation of volatile organic compounds from fuel pumps and vehicles' fuel storage systems during refueling and when parked.

For the final rule, the agency updated upstream petroleum emission factors using R&D GREET 2025, a lifecycle emissions model developed by Argonne.[431] Several commenters supported the inclusion of upstream impacts in this final rule analysis.[432] As in past analyses, the agency derived emission factors for the following four upstream emission processes for gasoline and diesel: (1) petroleum extraction; (2) petroleum transportation and storage; (3) petroleum refining; and (4) fuel transportation, storage, and distribution. A detailed description of how the agency used R&D GREET 2025 to generate upstream emission factors appears in Chapter 5 of the Final TSD. In this final rule, NHTSA uses a simplified parameterized economic model for estimating the response of domestic fuel production to changes in

[426] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 51.

[427] This is not the first time that the agency has re-examined the existing rebound literature. In the agency's 2020 final rule, the agency used an estimate of 20 percent. In its 2021 proposal, it lowered its estimate of the rebound to 15 percent. The agency then lowered its estimate yet again for the final rule to 10 percent. As shown in Final TSD Chapter 4.3.4, there were no studies published over that time period that influenced the agency's decision.

[428] The various pollutants include carbon monoxide (CO), volatile organic compounds (VOCs), nitrogen oxides (NO_X), sulfur oxides (SO_X), particulate matter with a diameter of 2.5-micron (μm) or less ($PM_{2.5}$), carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

[429] While NHTSA considers the impacts of this rulemaking on the levels of various pollutant emissions, the main analysis does not include a monetization of any changes in levels of CO_2, CH_4, and N_2O emissions. (An analysis using the domestic-only valuation of those emissions is included in a sensitivity case). Monetized changes in criteria pollutant emissions are discussed in the preamble Section II.G and Chapter 6.2.2 of the Final TSD.

[430] Emissions from HFC leakage from air conditioner systems are not captured in the CAFE Model analysis due to limitations in the pollutants modeled by MOVES5.

[431] Argonne National Laboratory, The Research and Development Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (R&D GREET) Model 2025 (2025), last revised: Dec. 2025, available at: *https://greet.anl.gov/* (accessed: June 2, 2026).

[432] CPAC Foundation Center for Regulatory Freedom (CPAC–CRF), Docket No. NHTSA–2025–0491–5054, at 3, 8–9; NACAA, Docket No. NHTSA–2025–0491–5884, at 14–15; ME DEP, Docket No. NHTSA–2025–0490–0026, at 6.

U.S. fuel consumption because such responses also affect upstream emissions estimates. Using this model, NHTSA estimates that 20 percent of the reduction in fuel consumption will be translated into reductions in domestic fuel production. Though NHTSA has not made any methodological changes to calculating upstream emissions in this final rule, projections of non-criteria and criteria pollutant upstream emissions inventories in FRIA Chapter 8.5 are now reported separately for global and domestic emissions, in line with Circular A–4 (2003).[433]

The agency estimated downstream emission factors for gasoline and diesel fuels for the majority of pollutants using EPA's MOVES5 model, a regulatory highway emissions inventory model developed by that agency's National Vehicle and Fuel Emissions Laboratory.[434] [435]

In the proposal, NHTSA sought comments on the assumptions and methods used to project future emission inventories, which included estimated effects from Federal emissions standards for light-duty vehicles, including EPA's CO_2 standards for MYs 2024–2026 and MYs 2027–2031. These effects were estimated prior to EPA publishing its proposal to rescind its action titled ''Endangerment and Cause or Contribute Finding for Greenhouse Gases Under Section 202(a) of the Clean Air Act'' (Endangerment Finding) and all resulting GHG emissions standards for light-, medium-, and heavy-duty vehicles and engines.[436] There were no substantive comments on the policy assumptions included in MOVES5 used to estimate emission inventories in the proposal; however, to be consistent with EPA's final rule rescinding the Endangerment Finding, we have removed policy assumptions that are no longer relevant to estimating future non-criteria pollutant emission inventories for this final rule.[437]

In the proposal, NHTSA explored updating its methodology for applying downstream emission factors to vehicle classes within the CAFE Model and sought comment. MOVES regulatory classes may no longer map directly to the CAFE Model regulatory classes beginning in MY 2030, at which time NHTSA will subject vehicles to the amended vehicle classification definitions. However, because the CAFE Model applies downstream emission factors based on specific vehicle attributes, rather than regulatory classification, NHTSA's update to vehicle classification definitions does not affect how downstream emission inventories are estimated. Final TSD Chapter 5.3 contains additional details about how the agency generated the downstream emission factors used in this analysis, and Section VI presents additional information about NHTSA's finalized vehicle reclassification beginning in MY 2030.

As with downstream emission factors, the agency generated BTW emission factors using the latest version of EPA's MOVES5 model.[438] NHTSA believes that compared to previous versions of MOVES, MOVES5's updated assumptions about brake pad composition and vehicle weights to estimate brake wear emissions that vary by model year, regulatory class, and fuel type present reasonable estimates for use in the agency's regulatory analysis. For further reading on BTW assumptions and how the agency employed those assumptions in the CAFE Model, please refer to Final TSD Chapter 5.3.3.4. NHTSA sought comments on this methodology and received no substantive comments or feedback. NHTSA continues to use the NPRM estimates of BTW emission factors for the analysis supporting this final rule. In terms of combined upstream, downstream, and BTW emissions, commenters noted that the action supported by this analysis would result in increased non-criteria, criteria, and air toxic emissions.[439]

The CAFE Model computes select health impacts resulting from localized population exposure to $PM_{2.5}$ and its precursor pollutants that are measured by the number of instances predicted to result from exposure to each ton of relevant pollutant.[440] As in past CAFE analyses, NHTSA relied on publicly available scientific literature to estimate $PM_{2.5}$-related effects for each upstream and downstream emissions source[441] and employed certain assumptions to determine the most reasonable approach to incorporate estimates from literature into the Model.[442] NHTSA includes additional discussion of the agency's approach to estimating these effects in Chapter 5.4 of the Final TSD. NHTSA received comments from individuals specifically calling for the agency to estimate direct health damages from air toxics.[443]

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[433] Circular A–4.

[434] EPA, Latest Version of Motor Vehicle Emission Simulator (MOVES), last revised: Apr. 3, 2026, available at: *https://www.epa.gov/moves/latest-version-motor-vehicle-emission-simulator-moves* (accessed: July 28, 2026).

[435] The one exception is that downstream CO_2 emission factors were generated based on the carbon content and mass density per unit of each specific type of fuel assuming each fuel's entire carbon content is converted to CO_2 emissions during combustion. See Final TSD Chapter 5.3 for further discussion.

[436] Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards; Proposed Rule, 90 FR 36288 (2025), available at: *https://www.federalregister.gov/documents/2025/08/01/2025-14572/reconsideration-of-2009-endangerment-finding-and-greenhouse-gas-vehicle-standards* (accessed: June 3, 2026); *see also* Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act; Final Rule, 91 FR 7686 (2026), available at: *https://www.federalregister.gov/documents/2026/02/18/2026-03157/rescission-of-the-greenhouse-gas-endangerment-finding-and-motor-vehicle-greenhouse-gas-emission* (accessed: May 15, 2026).

[437] See Final TSD Chapter 5.3.1 for more detailed information on downstream emissions modeling updates for this analysis.

[438] EPA, Brake and Tire Wear Emissions from Onroad Vehicles in MOVES5, EPA–420–R–24–012, EPA: Washington, DC, pp. 1–69 (2024), available at: *https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=P101CTUW.pdf* (accessed: June 3, 2026).

[439] The Climate Reality Project (Climate Reality), Docket No. NHTSA–2025–0491–4896, at 2; Puget Sound Clean Air Agency (PSCAA), Docket No. NHTSA–2025–0491–4918, at 2–3; Cleveland, Docket No. NHTSA–2025–0491–4840, at 2, 4–6; AVE, Docket No. NHTSA–2025–0490–0033, at 5; Southern Environmental Law Center (SELC), Docket No. NHTSA–2025–0490–0035, at 5–11; NACAA, Docket No. NHTSA–2025–0491–5884, at 1, 8–11; South Coast Air Quality Management District (South Coast AQMD), Docket No. NHTSA–2025–0490–0064, at 3–4; ME DEP, Docket No. NHTSA–2025–0490–0026, at 6; City of Madison, Wisconsin (Madison), Docket No. NHTSA–2025–0491–6063, at 1–2; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928, at 9–10, 15.

[440] As the health incidences for the different source sectors are all based on the emission of 1 ton of the same pollutants, NO_X, SO_X, and directly emitted $PM_{2.5}$, differences in the incidence per ton values arise from differences in the geographic distribution of each pollutant's emissions, which in turn affects the number of people exposed to the estimated concentrations of each pollutant.

[441] EPA, Estimating the Benefit per Ton of Reducing $PM_{2.5}$ Precursors from 17 Sectors, EPA: Washington, DC, pp. 1–108 (2018), available at: *https://19january2017snapshot.epa.gov/benmap/estimating-benefit-ton-reducing-pm25-precursors-17-sectors_.html* (accessed: June 5, 2026); Fann, N. *et al.,* Assessing Human Health $PM_{2.5}$ and Ozone Impacts from U.S. Oil and Natural Gas Sector Emissions in 2025, *Environmental Science & Technology,* Vol. 52(15), pp. 8095–103 (2018), available at: *https://doi.org/10.1021/acs.est.8b02050* (accessed: June 5, 2026) (hereinafter, ''Fann *et al.*''); Wolfe, P. *et al.,* Monetized Health Benefits Attributable to Mobile Source Emission Reductions Across the United States in 2025, *The Science of the Total Environment,* Vol. 650 (Pt 2), pp. 2490–98 (2019), available at: *https://doi.org/10.1016/j.scitotenv.2018.09.273* (accessed: June 5, 2026) (hereinafter, ''Wolfe *et al.*''). Health incidence per ton values corresponding to this paper were sent by EPA staff.

[442] Some CAFE Model upstream emissions components do not correspond to any single EPA source sector identified in available literature, so NHTSA determined the most reasonable approach was to use a weighted average of different source sectors to generate those values. NHTSA is also aware that EPA in 2023 updated its estimated benefits for reducing $PM_{2.5}$ from several sources, but those do not include mobile sources (which include the vehicles subject to CAFE standards). NHTSA has thus retained the $PM_{2.5}$ incidence per ton values from the previous CAFE analysis for consistency with the current mobile source emissions estimates.

[443] Jana Milford, Docket No. NHTSA–2025–0491–4828, at 2.

In the absence of any published sources giving per-ton health incidence estimates for these pollutants, NHTSA is continuing to focus the CAFE analysis accounting of health damages from emissions on those stemming from NO_X, SO_2, and $PM_{2.5}$. Commenters noted that there are updated damage estimates for criteria pollutants available for some, but not all, sectors.[444] They encouraged NHTSA to update estimates for the sectors that are available and only retain the current estimates for sectors that have not been updated.[445]

NHTSA has reviewed updated damage estimates for the available sectors and has determined that using these estimates would result in a lack of consistency and the inability to compare health damages across sectors. The available updated damage estimates use different specific health endpoints and including them would require a full restructuring of the health damages analysis that would leave many gaps remaining until the publication of updated damage estimates for all the sectors used in the CAFE analysis. Thus, NHTSA is maintaining the health damages estimates used in the NPRM for this final rule analysis.

G. Simulating Economic Impacts of Regulatory Alternatives

The following sections describe NHTSA's approach for measuring the economic costs and benefits that could result from amending previously established CAFE standards. OMB Circular A–4 states that benefits and costs reported in regulatory analyses must be defined and measured consistently with economic theory and also should reflect how alternative regulations are anticipated to change the behavior of producers and consumers from a baseline scenario without the regulation.[446] Fuel economy standards affect vehicle manufacturers, buyers of new vehicles, owners of used vehicles, and suppliers of fuel, all of whom respond in complex ways to the standards that DOT establishes for future model years. NHTSA's accounting framework for the economic costs and benefits of CAFE standards was developed for a scenario in which standards are being set for cars and light trucks produced during future model years, for which no standards currently exist. Under this framework, NHTSA assumes hypothetical baseline standards for those future years to be identical to those in the last model year for which the agency previously established standards. Costs of alternative standards considered for future model years are measured relative to those for meeting the baseline standards, while benefits for each alternative are savings or other gains to buyers and users of new cars and light trucks or the general public, again measured in reference to the baseline alternative.

Most of the agency's rulemakings have established standards for future model years that are above their hypothetical baseline level, so the costs of meeting these standards have consisted primarily of manufacturers' outlays to increase the fuel economy of their car and light truck models to meet those higher standards, while benefits have consisted primarily of fuel savings for buyers and subsequent owners of models offering higher fuel economy. In rulemakings, such as this one, where the agency *reduces* previously established standards for future model years due to updated economic, market, and technological realities, manufacturers costs will be reduced compared to those for meeting the previous standards, while new cars and light trucks will consume more fuel than if those previous standards remained in place.

Thus, the estimated costs of meeting the revised standards are reported as negative values, which represents a regulatory cost savings. In addition, vehicle buyers' increased costs for fuel represent a reduction in benefits, and are therefore also reported as negative values. The analysis supporting this final rule assumes that reduced costs to manufacturers for meeting reduced CAFE standards will be reflected in lower prices for new cars and light trucks.

NHTSA's approach to estimating the economic impacts of regulatory alternatives considered in this rulemaking, including the assumptions it relies upon and the methodologies it employs, is discussed in detail in Chapter 6 of the Final TSD and throughout the FRIA (particularly Chapter 5). The safety implications of the final rule, including monetary measures of those impacts, are covered in Section II.H below.

Regulatory analysis needs to express costs and benefits that occur at different future times in comparable terms, which is done by discounting each future year's impacts to their present values. Following OMB Circular A–4 (2003), NHTSA presents the current values of all economic impacts quantified in its regulatory analysis discounting using the recommended rates of three and seven percent. One commenter argues that a seven percent capital-based rate should be accompanied by a different pass-through rate of compliance costs to consumers, and that the default discount rate should be a consumption-based one, with rates closer to two percent.[447]

The discount rates used in rulemaking are prescribed by the White House OMB. The current operative guidance from OMB, Circular A–4, refers agencies to OMB's earlier guidance on discounting contained in its Circular A–94, noting that ''[a]s a default position, OMB Circular A–94 states that a real discount rate of 7 percent should be used as a base-case for regulatory analysis.'' [448] OMB continues to use the seven percent rate to estimate the average pre-tax rate of return to private capital investment throughout the U.S. economy. Because it is intended to approximate the opportunity cost of capital, it is the appropriate discount rate for evaluating the economic consequences of regulations that affect private-sector capital investments. OMB's guidance on discounting also recognizes that some Federal regulations are more likely to affect private consumption decisions made by households and individuals, such as when they affect prices or other attributes of consumer goods. In these cases, Circular A–4 advises that a lower discount rate is likely to be more appropriate, and that a reasonable choice for such a lower rate is the real consumer (or social) rate of time preference. This is the rate at which individual consumers discount future consumption to determine its present value to them, and a three percent rate is appropriate in this context.

The categories of economic costs and benefits resulting from NHTSA's finalized amendment to its previously established CAFE standards are described in Chapter 5 of the FRIA (see in particular Table 5–1). Monetary values of those estimates are presented in Chapter 8 (for the central analysis) and Chapter 9 (showing the results of various sensitivity analyses around key parameters and assumptions) of the accompanying FRIA.

Table II–8 below lists the economic benefits and costs analyzed in conjunction with this final rule and identifies where to find explanations of how they were estimated. The organization of the table shows how individual elements of the analysis are grouped together to produce NHTSA's estimates of each alternative's private

[444] Jana Milford, Docket No. NHTSA–2025–0491–4828, at 2.

[445] IPI, Docket No. NHTSA–2025–0491–6015, Appendix at 15; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928, Appendix A at 58–59.

[446] Circular A–4.

[447] IPI, Docket No. NHTSA–2025–0491–6015, at 19.

[448] Circular A–4, at p. 33.

and external costs and benefits.[449]

[449] Changes in tax revenues are a transfer and not an economic externality as traditionally defined, but NHTSA groups tax revenue changes together with other external costs because fuel taxes fund government activities affecting society as a whole rather than only consumers or manufacturers.

Private benefits and costs are those borne by vehicle manufacturers and by users of new cars and light trucks, including their initial purchasers and subsequent owners. External costs and benefits result indirectly from producing and consuming fuel and are borne by the public rather than just those who purchase and use vehicles. Social costs and benefits are the sum of their private and external components.

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Table II-8: Benefits and Costs Resulting from NHTSA's Regulatory Action[450]

Entry	Section of Preamble Discussion	Chapter of Final TSD Modeling Explanation	Chapter of FRIA Discussion
Private Costs			
Technology Costs	II.G.1	Chapter 6.1	Chapters 7.1.1, 8.2.3
Consumer Surplus Loss	II.G.1	Chapter 6.1.2	Chapters 7.1.4, 8.3.2
Maintenance and Repair Costs[451]	II.G.1	-	Chapters 7.1, 8.6
Sacrifice in Other Vehicle Attributes	II.G.1	Chapter 6.1.3	Chapters 7.1.1, 8.3.2
Safety Costs Internalized by Drivers	II.H	Chapter 7	Chapters 7.1.5, 8.4.4
Subtotal—Internal Costs or Cost Savings			
External Costs			
Congestion and Noise Costs From Rebound-Effect Driving	II.G.2	Chapter 6.2.3	Chapter 7.2.2, 8.4.2
Loss in Fuel Tax Revenue	II.G.2	Chapters 6.1.4, 6.2	Chapter 7.3.1, 8.3.2
Safety Costs Not Internalized by Drivers	II.H	Chapter 7	Chapters 7.1.5, 8.4.4
Subtotal—External Costs or Cost Savings			
Total Costs or Cost Savings			
Private Benefits			
Fuel Cost Savings[452]	II.G.1	Chapter 6.1.4	Chapters 7.3.1, 8.3.2
Refueling Frequency	II.G.1	Chapter 6.1.5	Chapter 8.3.2
Benefits From Additional Driving	II.G.1	Chapter 6.1.6	Chapters 7.2.1, 8.3.2
Subtotal—Private Benefits			
External Benefits			
CO_2, methane (CH_4), and N_2O Emissions[453]	II.G.2	Chapter 6.2.1	Chapter 8.5.1

[450] This table presents the societal costs and benefits. Costs and benefits that affect only the consumer analysis, such as sales taxes, insurance costs, and reallocated VMT, are intentionally omitted from this table. Chapters 8.2.3 and 8.3.3 of the FRIA describe consumer-specific costs and benefits.

[451] These costs are discussed qualitatively but not monetized in the central analysis.

[452] Because taxes are transfers from consumers to governments, a portion of the Savings in Retail Fuel Costs includes taxes avoided. The Loss in Fuel Tax Revenue is completely offset within the Savings in Retail Fuel Costs.

[453] These impacts are discussed qualitatively but not monetized in the central analysis.

[454] The CAFE Model computes select health impacts resulting from population exposure to $PM_{2.5}$ associated with emissions from directly emitted PM and two precursors to $PM_{2.5}$ (NO_X and SO_X). The analysis considers the effects of both downstream and upstream emissions.

Health Outcomes[454]	II.G.2	Chapter 6.2.2	Chapters 7.3.2, 8.4.1
Petroleum Market Security	II.G.2	Chapter 6.2.4	Chapter 7.3.3, 8.4.3
Subtotal—External Benefits			Sum of above entries
Social Benefits			Sum of private and external benefits
Net Private Benefits		Private Benefits – Private Costs	
Net External Benefits		External Costs – External Benefits	
Net Social Benefits		Social Benefits – Social Costs	

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The remainder of this section briefly describes the key economic impacts of the finalized amendment and explains how they are categorized within the FRIA (with the exception of safety costs, which as noted earlier are covered in Section II.H).

1. Private Costs and Benefits

Manufacturer efforts to meet CAFE standards consist primarily of adding new technology to their car and light truck models, and together with any necessary design or engineering modifications, this increases their production costs. NHTSA assumes manufacturers pass these costs on to buyers of models that offer higher fuel economy by raising their selling prices.[455] While the agency incorporates the effects of available tax credits in its analysis, these credits simply transfer revenue from taxpayers to vehicle buyers and have no net effect on the benefits or costs of the final rule. Estimates of technology costs reported throughout this final rule should be interpreted as excluding the value of tax credits unless otherwise noted.

Resetting CAFE standards will reduce the cost of technology that manufacturers need to add to their car and light truck models in order to comply with CAFE standards, and NHTSA assumes that this reduction in regulatory costs will be passed through to vehicle buyers in the form of lower prices. Relaxing standards will reduce the regulatory burden on manufacturers and enable them to produce models that offer combinations of fuel economy, other features, and prices that align more closely with consumer demand, resulting in higher vehicle sales. The CAFE reset will improve consumer welfare for consumers who are able to purchase vehicles at lower prices, and their collective welfare gain is measured by the increase in consumer surplus from higher sales of new cars and light trucks. Consumer surplus represents the value a good or service provides to consumers (the maximum they would have been willing to pay for it) over and above its market price, and OMB guidance states that it should be accounted for in regulatory analysis.[456] Resetting previous standards will keep would-be purchasers from being priced out of the new vehicle market as manufacturers raise prices to recover their costs for applying more technology to meet higher standards, so buyers' consumer surplus will increase as sales rise rather than decline as it would have with the higher fuel economy standards in the No-Action Alternative. Section II.C.2.f of this preamble and Chapter 2.4 of the Final TSD provide more details.

Generally, NHTSA's CAFE rulemaking analyses include estimates of benefits to consumers from improving fuel economy, measured by the resulting reduction in vehicles' fuel costs. However, while improved fuel economy reduces vehicles' fuel cost throughout their lifetimes, new car buyers and subsequent owners do not appear to value those savings fully. If they did, manufacturers would presumably offer the levels of fuel economy that buyers demand, and market-determined fuel economy levels would balance the costs of improving it against the private benefits from saving fuel. To the extent regulating fuel economy does not improve the welfare of vehicle owners, regulation can only be justified if it produces additional benefits that are not experienced by buyers themselves. As discussed in II.E, NHTSA assumes that manufacturers will only adopt technologies with fuel economy improvements that repay the higher prices of models offering those improvements within 36 months.

In past rulemakings, the agency has described its assumption that buyers will forgo purchasing vehicles with higher fuel economy, even when they appear to offer future savings exceeding their price premiums, as an example of what is often termed an ''energy paradox'' or ''energy-efficiency gap.'' Though there has been extensive debate about whether and why such a gap might arise, NHTSA has recently justified stricter standards partly by assuming that potential car and light truck buyers act shortsightedly when they refuse to purchase models whose lower fuel costs would more than repay their higher purchase prices. This rationale is fundamentally different from the agency's traditional justification that fuel economy standards are necessary to remedy some ''externality''—whereby buyers' choices cause economic harm to others—that arises from producing and consuming fuel.

Without clear evidence of such ''myopia,'' continuing to raise CAFE standards distorts the market by constraining manufacturers to provide levels of fuel economy above those consumers demand, causing manufacturers to raise prices to recover their higher costs for producing those vehicles or to sacrifice improvements in their models' other features. Instead, the agency believes a more plausible explanation for buyers' reluctance to purchase higher mpg models is that their unsatisfactory combinations of

[455] While NHTSA recognizes that some manufacturers may defray their regulatory costs for meeting increased fuel economy standards through more complex pricing strategies, the agency lacks sufficient insight into manufacturer pricing strategies to analyze such alternative approaches.

[456] OMB's Circular A–4 explains that the ''net reduction in the total surplus (consumer plus producer) is a real cost to society,'' and recommends that changes in consumer or producer surplus should be monetized ''when they are significant.''

price and other features offset the attraction of lower fuel costs, and recent research supports this interpretation.[457] Chapter 6.1.3 of the Final TSD provides further detailed review of this research. NHTSA has acknowledged this potential ''opportunity cost'' of raising fuel economy standards in its recent rules but has attempted to estimate its magnitude only as one of a large number of sensitivity analyses. The agency has justified this decision by claiming there is uncertainty in the literature over the degree to which requiring higher fuel economy will lead manufacturers to delay or forgo improvements to their models' features and how consumers would react. NHTSA has also cited data from EPA's Fuel Economy Trends Report showing that HP and acceleration have not decreased even when fuel economy standards were rising. However, these arguments did not consider the possibility that manufacturers could have offered *further improvements* in their models' other features or lower prices without continuing pressure to increase fuel economy.

NHTSA includes an estimate of the extent to which relaxing standards will reduce the opportunity cost of meeting previously established standards in its primary analysis of this final rule. The agency assumes that this cost must be sufficient to account for buyers' apparent unwillingness to purchase models whose higher fuel economy would repay their higher purchase prices. NHTSA estimates the opportunity cost as the value of fuel savings consumers are unwilling to pay for voluntarily that accrues between years 4 and 10 of a vehicle's life.[458] In practice, manufacturers will respond to lower standards by adjusting the technologies they add to vehicles as well as by altering the tuning of these technologies and mix of vehicles in their production fleets, with the goal of increasing profits. For individual vehicle models this could result in a pure cost reduction, an improvement in other vehicle features, or a combination of the two.[459] At the vehicle level, NHTSA's estimates of changes in costs and other vehicle attributes could be over- or under-estimates. However, at the aggregate level it is reasonable to assume, as NHTSA does, that there is likely to be a combination of lower technology costs and a reduction in the IOC cost relative to the No-Action Alternative. NHTSA included in the Draft TSD a detailed description of the agency's method for developing this measure, including its assumptions about manufacturers' anticipated response. The agency sought comments on its approach as well as suggestions for improving it.

Various organizations commented that the inclusion of IOC in the central analysis is arbitrary, lacks empirical evidence, and is inconsistent with established economic theory.[460] They contend that NHTSA has not provided sufficient justification for elevating these costs from a sensitivity analysis to the central analysis.

The agency included the IOC in its central analysis, after presenting it as a sensitivity analysis in multiple prior rulemakings, because of its strong theoretical basis and the preponderance of empirical findings supporting its existence and importance. As documented in Final TSD Chapter 6, research shows that consumers place significant value on vehicle attributes like acceleration and that manufacturers have tended to make improvements to these features rather than fuel economy when standards are not rising. Moreover, findings from recent research including Leard *et al.* (2023) suggest that when CAFE standards increase manufacturers have less ability to design to the preferences of their customers for attributes other than fuel economy. This constitutes a significant cost to consumers because manufacturers invest less in features that consumers value.

NHTSA does not explicitly model vehicle design decisions over the full range of vehicle features and so must rely on other means to estimate the value of the IOC. This is similar to other aspects of NHTSA's analysis, like the additional mobility benefit provided by rebound driving, that use simplifying assumptions.[461] This approach relies on the economic assumption that competitive, profit maximizing firms will be incentivized to provide vehicles with a mix of attributes that consumers desire in order to increase market share and profits. Manufacturers choosing to prioritize improving performance and other features rather than focusing on improving fuel economy during periods in which standards are constant reveals that consumers value these attributes more than the alternative improvements that could be made to fuel economy, even if consumers also recognize the value of fuel economy. The fact that these improvements to other features slows during periods of increasing standards, while improvements to fuel economy increase demonstrates that CAFE standards are restricting improvements to other features that would have been made otherwise. NHTSA does not model the range of design decisions that manufacturers alter to accommodate applying fuel-saving technology but instead assumes that their cost must be significant enough to account for the gap described above. Thus, NHTSA's approximation is rooted in the economic principle of revealed preference and is consistent with its approach to estimating other costs and benefits accounted for in its analysis.

NHTSA chose to approximate the value of the IOC by using the gap between what consumers have demonstrated they are willing to pay for changes in fuel economy, absent the sacrifice in other vehicle attributes, and the fuel savings that accrue within the first three years, or payback period. UCS claimed that this represented an inconsistency, since NHTSA's choice of payback period was not equal to its assumption about consumer willingness to pay for fuel savings.[462] However, as discussed in Final TSD Chapter 4.2.1.1, these represent distinct concepts. The

[457] For example, Leard *et al.* (2023) finds that consumers value performance improvements at three times the rate at which they value improvements in fuel economy and that forgone improvements in performance from recent changes in CAFE standards have essentially offset consumer welfare improvements from the fully valued savings in fuel costs. Klier and Linn (2016) find that if performance trade-offs resulted from a hypothetical 10-percent increase in regulatory stringency, U.S. consumers would value the resulting fuel economy gains at levels approximately 65–85-percent greater than their willingness to pay for any associated forgone horsepower. Reynaert (2021) finds that the European Union's emission standards caused manufacturers to choose between fuel economy and performance, and that the standards were ultimately not welfare improving. In addition to forgoing technological improvements that would improve performance, economists have also modeled manufacturers trading off performance for fuel economy at a fixed level of technology in order to reduce compliance costs (Whitefoot *et al.* (2017)).

[458] As explained in Chapter 6.1.3 of the Final TSD, consumers value the first 10 years of discounted fuel savings but are unwilling to pay for more than 3 years, because the value of fuel savings during years 4 through 10 is offset by the cost of sacrifices in improvements to vehicles' other attributes.

[459] As explained in Final TSD Chapter 2.3.5, NHTSA attempts to maintain performance neutrality when a technology is applied to a vehicle so that the change is only applied to improving fuel economy.

[460] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 8; NRDC *et al.*, Docket No. NHTSA–2025–0491–5928–A2, at 87–89; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 20–59; ZETA, Docket No. NHTSA–2025–0491–6039, at Appendix 24–34; Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 27–29.

[461] Rather than modeling the change in different types of trips for each driver in response to a change in the cost of driving, and then valuing each separately, NHTSA assumes that because drivers accept the risks of accidents, and costs of fuel when they voluntarily drive additional miles, they must derive some benefit.

[462] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 45–47.

former can be thought of as the degree to which consumers will be willing to pay more for a new vehicle with high fuel efficiency if they expect gasoline prices to be relatively higher over the period in which they own the vehicle verses when they expect gasoline prices to be relatively lower. In this case, the quality of the vehicle's other features is unchanged, but the value of any fuel savings generated by the more fuel-efficient vehicle varies with the level of gas prices. The latter represents the degree to which consumers value a vehicle with greater fuel economy after considering any design changes manufacturers make to accommodate improvements to the vehicle's efficiency. Based on the evidence NHTSA examined in Final TSD Chapters 4 and 6, NHTSA believes that these two concepts differ.

IPI argued that observed consumer undervaluation was more likely the result of behavioral anomalies and other market failures.[463] However, as discussed in FRIA Chapter 2, NHTSA found the evidence for this conclusion to be less compelling as evidence supporting the IOC.

In addition, some commenters argued that the magnitude of NHTSA's estimate of the IOC was unrealistic and had too large of an influence on the estimated net benefits for each alternative, given that it is being added as a measured cost in the central analysis for the first time in this rulemaking.[464] One commenter suggested that NHTSA had used the wrong number of years (10) of discounted fuel savings in calculating the IOC because it did not correspond to the average length of ownership by the initial purchaser.[465]

As explained in Chapter 6 of the Final TSD, the 10-year timeframe accounts for about 75 percent of discounted lifetime fuel consumption. While this period extends beyond a typical initial purchaser's ownership, original owners are still compensated for future fuel savings because a portion of that value is capitalized into the vehicle's resale price. However, as detailed in Final TSD Chapter 6.1.3.4, buyers remain reluctant to factor these recaptured savings into their initial purchasing decisions. The agency's view is that this behavior demonstrates a clear trade-off: the value buyers place on other vehicle features—which manufacturers must often forgo to meet stringent CAFE standards—must significantly exceed the financial benefit of both their direct fuel savings and the capitalized resale value. Further, these other attributes could add value at resell too, which may offset any losses at the time of resale from reduced fuel economy; however, at this time, the agency is not directly measuring the change in value of used vehicles based on differing attributes.

Although NHTSA's estimate of the IOC is meaningful, it is just one of several costs and benefits estimated in the analysis, and the overall estimated net benefits of the final standards would remain positive even if it were to be excluded entirely. Moreover, NHTSA views this as evidence that estimates of costs in prior rulemakings were biased downward by the failure to include the IOC. PMI agreed with this characterization, arguing that costs were underestimated in past rulemakings and pointed to estimates from the economics literature to support its position.[466]

Commenters suggested that NHTSA's modeling of the IOC would be improved by modeling the sacrifice in other vehicle features rather than approximating the value of these features.[467] UCS proposed one potential method for modeling this tradeoff by examining the full range of available technologies for each vehicle in each alternative, and comparing the value of using these technologies to improve performance rather than fuel economy. After accounting for the added cost of applying these technologies, the value of this additional performance can then be compared across alternatives. To address these comments, NHTSA has added a sensitivity case using a similar methodology to that suggested by UCS to estimate the value of the IOC. These results can be found in FRIA Chapter 9.

Commenters also argued that NHTSA misinterprets manufacturers' reluctance to apply fuel-saving technology as being due to a tradeoff of other vehicle features, claiming instead that it is evidence of supply side market failures, such as market power.[468]

In response to this comment, NHTSA considered the financial incentives facing these manufacturers, the findings of economic research on this topic, and the spending by manufacturers on market research. Grieco *et al.* (2024) find that evidence of concentrated market power-based markups have fallen over the past four decades, and that consumers' share of total surplus has increased.[469] The authors suggest that the consumers captured benefits through improvements to features other than fuel economy and from manufacturers passing through reductions in production costs.[470]

Some commenters argued that NHTSA's performance neutrality modeling constraint is incompatible with modeling the existence of an IOC.[471] This position misconstrues the nature of the IOC as applied in NHTSA's analysis. Although performance does not decline in the CAFE Model, it also does not improve. Past observed manufacturer decisions and evidence from the economics literature demonstrate that, in the absence of higher standards, manufacturers will make greater effort to improve performance and other features than they would make under higher standards. Thus, the relevant metric is not the difference in performance between the initial fleet and the modeled fleet under higher standards, but instead the modeled fleet under higher standards and under lower standards. NHTSA's performance neutrality assumption simplifies its modeling but prevents it from modeling these tradeoffs. However, NHTSA accounts for their impact on consumer welfare through the IOC.

Some commenters criticized NHTSA's treatment of the IOC as a single value, rather than accounting for any production costs that would have been diverted from fuel-saving technologies to other vehicle features under reduced fuel economy standards.[472] Because NHTSA does not explicitly model changes in performance and other attributes, NHTSA can only model the IOC's net impact on consumer welfare. In its analysis, NHTSA assumes that the additional consumer benefits that these attributes provide would be larger than consumer willingness to pay for fuel economy improvements using the same

[463] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 52–58.

[464] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 87–89; ZETA, Docket No. NHTSA–2025–0491–6039, at Appendix 42; Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 27.

[465] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 90–91.

[466] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 48–51.

[467] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 34–40; ZETA, Docket No. NHTSA–2025–0491–6039, at Appendix 24.

[468] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 53–57; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 26.

[469] Grieco, P. et al., The evolution of market power in the U.S. automobile industry, *The Quarterly Journal of Economics,* Vol. 139(2): pp. 1201–53 (2024), available at: *https://doi.org/10.1093/qje/qjad047* (accessed: June 5, 2026).

[470] The authors measure consumer demand for horsepower and vehicle size explicitly and capture other vehicle characteristics like safety features and improved electronics through unobserved vehicle quality.

[471] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 46; ZETA, Docket No. NHTSA–2025–0491–6039, at Appendix 24–25; Attorneys General, Docket No. NHTSA–2025–0491–6064–A4, at 28.

[472] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 21–25; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 39–40.

technology or carrying the same cost. This example is illustrated in TSD Chapter 6.1.3.2, which explains the mechanisms through which CAFE standards generate this negative impact for consumers. For this reason, lower standards, which effectively allow manufacturers to substitute from fuel economy improvements to performance and other attribute improvements, are still likely to be net beneficial to the consumer even if there is no net reduction in technology costs (and thus no reduction in vehicle prices) associated with it. There likely are also cases in which manufacturers will choose not to apply additional fuel-saving technologies and will either adopt some additional performance enhancing technology, or not adopt additional technology but instead redeploy existing technology towards greater performance rather than fuel economy. In these cases, costs would decline below levels seen under high standards, performance would improve, and fuel economy would either remain unchanged or decline somewhat. Based on the measures of consumer willingness to pay for these other attributes, consumers will experience a net improvement, as modeled by the IOC. For the final rule, NHTSA has included a sensitivity analysis based on a methodology suggested by UCS, which decomposes technology costs between performance and fuel economy using the existing technology set in the CAFE Model. These results are presented in FRIA Chapter 9.

Finally, some commenters suggested that because some fuel-saving technologies like improved aerodynamics can improve both fuel economy and performance, or because performance features have improved alongside improvements in fuel economy over time, NHTSA's model of the production frontier as a tradeoff between fuel economy and performance is flawed.[473]

There are some technologies that may improve both performance and technology, and as NHTSA points out in its discussion of the production frontier, the figure in Final TSD Chapter 4.2.1.1. represents only a single slice of a multidimensional function relating fuel economy to other attributes. However, based on its review of the economics literature, tradeoffs between fuel economy and performance features more generally operate in the direction NHTSA indicates.[474]

PMI supported NHTSA's decision to include the IOC rather than assuming that market failures accounted for buyers' apparent undervaluation of fuel savings.[475] They argued that in past rulemakings failing to consider tradeoffs between fuel economy and performance, and the high value consumers place on performance, has caused the agency to significantly underestimate the costs of CAFE standards. PMI argued that the effects of high standards can be seen in the share of more powerful V–6 and V–8 engines, which has dropped since 2005, and been replaced by V–4 engines.

After consideration of the comments and relevant literature, NHTSA has continued to include an estimate of the IOC in the analysis supporting this final rule.

Resetting previously established CAFE standards will permit lower fuel economy for some new cars and light trucks, thus increasing their fuel consumption and raising owners' fuel costs. The difference between fuel consumption in the No-Action Alternative and in each regulatory alternative represents that alternative's effect on total fuel use, and the cost of this additional consumption is estimated using forecasts of retail fuel prices. The agency's assumptions about future fuel prices are discussed in detail in Chapter 4.1.2 of the Final TSD. NHTSA received no substantive comments regarding the methodology used in the calculation of fuel costs for consumers. Commenters did compare the projected change in fuel costs to consumers to the upfront savings in vehicle prices, noting that for some model years the lifetime average change in fuel costs is greater than the average decrease in projected vehicle price.[476] However, when taking into account the other categories that accrue privately to consumers, both private net benefits and overall net benefits are positive under the action. See Final TSD Chapter 6.1 for an explanation of the methodology for calculating fuel expenditure and FRIA Chapter 8 for the projected change in fuel expenditure as well as all other categories of private consumer costs and benefits.

Lowering existing standards will lead to relatively shorter driving ranges of models that achieve lower fuel economy in the action alternatives, requiring their users to refuel more frequently than under the No-Action Alternative. Drivers (and passengers) of future new cars and light trucks will economize on refueling stops as fuel economy increases over time under each regulatory alternative. However, their savings will be more modest than under the No-Action Alternative, so it appears as an incremental increase in the frequency of refueling stops in the analysis. NHTSA estimates the cost of more frequent fill-ups by calculating the amount of time it takes to locate a retail outlet, refuel one's vehicle, and pay, accounting for the typical number of passengers traveling with the driver, and multiplying by DOT's recommended value of travel time. NHTSA has updated these values for the final rule consistent with DOT's most recent benefit-cost analysis (BCA) guidance.[477] For a full description of the agency's methodology, refer to Chapter 6.1.5 of the Final TSD. The agency sought comment on whether, and the extent to which, a reasonable manufacturer may simply install a larger fuel tank—potentially eliminating any refueling time savings. There was no substantive feedback on this potential impact on refueling time savings nor on the methodology for calculating it. One commenter did point to the updated guidance from DOT regarding the value of travel time savings used as an input.[478] The commenter discussed the various categories of the value of time travel savings as well as the share of travel that is local versus inter-city. The December 2025 DOT BCA Guidance update does have categories for personal versus business travel time as well as local (urban) versus intercity (rural) travel, given that there is information on the mix of local versus long-distance

[473] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 23; ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 9; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 24–25.

[474] For example, Knittel (2011) and Klier and Linn (2016) estimate a tradeoff of between 3–6 percent improvement in horsepower (which is a determinant of acceleration) for every 1 percent improvement in fuel economy. Watten and Anderson (2025) find an average rate of around 1.4 percent improvement in horsepower to weight for every 1 percent improvement in fuel economy, though the rate varies over time and is closer to 2 percent in recent years.

[475] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 48–49.

[476] Cleveland, Docket No. NHTSA–2025–0491–4840, at 2, 10; OCT, Docket No. NHTSA–2025–0491–4903, at 3; New York State Department of Environmental Conservation (NY DEC), Docket No. NHTSA–2025–0491–5058, at 3; U.S. Climate Alliance, Docket No. NHTSA–2025–0491–5065, at 2; ICCT, Docket No. NHTSA–2025–0491–5240, at 18; NACAA, Docket No. NHTSA–2025–0491–5884, at 15.

[477] DOT, Benefit-Cost Analysis Guidance for Discretionary Grant Programs, DOT: Washington, DC (2025), available at: *https://www.transportation.gov/sites/dot.gov/files/2025-12/Benefit%20Cost%20Analysis%20Guidance%202026%20Update%20%28Final%29.pdf* (accessed: June 5, 2026).

[478] Philip Liang, Docket No. NHTSA–2025–0491–0149.

intercity travel.[479] The final rule has been updated to use parameters from the latest guidance.

Under the regulatory alternatives, new car and light truck models that achieve lower fuel economy would be driven slightly less than in the No-Action Alternative, as their higher fuel cost reduces the fuel economy rebound effect described in preamble Section II.E.3. Again, the final rule would continue to raise fuel economy standards but at a slower rate than under the No-Action Alternative. For example, while vehicle use would continue to increase under each regulatory alternative, it would increase more slowly than under the No-Action Alternative. Additional driving enables buyers of new cars and light trucks to travel more frequently or to reach more desirable destinations, but because vehicle use increases more slowly, these benefits are more modest under this reset of the CAFE standards.[480] NHTSA received no substantive comments on the methodology of calculating the benefits from reallocated mileage.

In addition to the private costs and benefits described above, Table II–8 includes maintenance and repair cost savings as a line item without an associated dollar value; the agency projects the reset of CAFE standards to reduce technology requirements for meeting the new standards and thus to lower buyers' costs to repair and maintain new vehicles. However, the agency does not currently possess sufficiently robust data to quantify maintenance and repair costs in the analysis. NHTSA requested comments on whether the agency should include estimates of repair and maintenance costs—and that interested commenters provide data to support an informed analysis.

There was general support for the inclusion of repair and maintenance costs, as these may be major considerations for consumers in their purchase of a new vehicle.[481] One commenter discussed maintenance and repair costs for low rolling resistance tires, stating that ''lower rolling resistance tires would increase maintenance costs assuming they were replaced at the end of their lifespans.'' [482] The life of low rolling resistance tires can indeed be time limited even if the treads are not worn out; however, the same is also true for conventional tires. Historically, low rolling resistance came from using harder tread compounds and harder tires tend to wear longer than softer tires. With modern materials and compounding it is now possible to maintain this connection as well as to increase traction. For this final rule NHTSA did not make any changes to its consideration of maintenance and repair costs for low rolling resistance tires.

Several commenters noted that there may be a difference in cost for ICE vehicles versus BEVs, and ICCT cited a 2021 Argonne National Laboratory report that develops estimates of maintenance costs that vary for ICE vehicles, HEVs, PHEVs, and BEVs.[483] Due to statutory constraints on considering the fuel economy of BEVs and the full fuel economy of PHEVs in determining maximum feasible CAFE standards, any change in maintenance and repair costs due to electrification would have a limited impact on NHTSA's analysis comparing alternatives. As the results would not affect the agency's decision given the statutory constraint on consideration of BEV fuel economy in determining maximum feasible CAFE standards, it is reasonable not to model these benefits or costs in this final rule.

Commenters also raised methodological concerns related to PRIA Appendix II. NHTSA included an alternative analysis of the benefits and costs of the proposed rule in Appendix II of the NPRM applying a revealed preference approach and sought comment on the analysis. A commenter stated that the methods were unjustified, the assumptions were faulty, and the data was outdated as well as improperly applied.[484] NHTSA has not relied upon Appendix II as justification for this rulemaking. Based on the feedback of the methodology and use of outdated data in Appendix II, NHTSA is not including Appendix II in its analysis of this final action.

2. External Costs and Benefits

Higher fuel economy standards increase vehicle use via the rebound effect and contribute to increased traffic congestion and highway noise. These impacts affect other road users (and nearby residents) rather than the drivers generating additional mileage. Conversely, resetting previous CAFE standards will reduce fuel economy levels compared to the No-Action Alternative, and the resulting reduction in fuel efficiency will lead to fewer rebound miles being driven which will lower the external costs that congestion and noise impose on others. NHTSA estimates these impacts by updating per-mile congestion and noise costs from increased automobile and light truck use originally reported in FHWA's 1997 Highway Cost Allocation Study to account for changes in congestion levels, travelers' value of time, and inflation, an approach it also used for the 2020, 2022, and 2024 final rules. NHTSA received no comments related to its methodology for estimating noise and congestion costs.

Changes in new car and light truck buyers' costs for fuel represents changes in tax revenue received by Federal, State, and some local government agencies. Any variation in the fuel tax burden on drivers is offset by changes in tax revenues, so this transfer does not affect net benefits from changing CAFE standards. However, NHTSA estimates those offsetting changes in drivers' fuel tax payments and tax revenue received by government agencies to highlight this transfer and show its potential impact on government finances. The estimation of this transfer is supported by the DOTs of ID, MT, ND, SD and WY (ID, MT, ND, SD, and WY DOTs). Their comment points to the impact that changing fuel tax revenues have on the Highway Trust Fund and transportation investment.[485] As indicated above, any increase in tax revenue received by governments that levy taxes on fuel is exactly offset by higher fuel tax payments by consumers, so from an economy-wide standpoint increases in gasoline tax revenues are simply a transfer of economic resources and have no effect on net benefits.

Fuel production, distribution, and use generate emissions of certain ''criteria'' or regulated pollutants, and the population's exposure to these pollutants causes adverse effects on public health. Raising or lowering CAFE

[479] DOT, Benefit-Cost Analysis Guidance for Discretionary Grant Programs, Table A–2: Value of Travel Time Savings, DOT: Washington, DC (2025), available at: *https://www.transportation.gov/sites/dot.gov/files/2025-12/Benefit%20Cost%20Analysis%20Guidance%202026%20Update%20%28Final%29.pdf* (accessed: June 5, 2026).

[480] NHTSA does not estimate benefits associated with reallocating travel among vehicles of different ages, because there is no associated change in total VMT until the rebound effect is introduced. Chapter 6.1.5 of the Final TSD explains NHTSA's methodology for reallocating travel and discusses whether any benefits would result as well as how they would be measured. NHTSA sought comment on its methodology for calculating the benefits from reallocated mileage, as well as on whether it is reasonable to assume that reduced sales of new vehicles leads to a transfer of some travel to older models and any welfare implications of such a transfer.

[481] ICCT, Docket No. NHTSA–2025–0491–5240, at 9; Philip Liang, Docket No. NHTSA–2025–0491–0149.

[482] Philip Liang, Docket No. NHTSA–2025–0491–0139.

[483] ICCT, Docket No. NHTSA–2025–0491–5240, at 9.

[484] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 45.

[485] ID, MT, ND, SD, and WY DOTs, Docket No. NHTSA–2025–0491–4948, at 1.

standards affects these emissions by changing the volume of fuel produced and consumed, and NHTSA estimates these changes in emissions and their economic consequences for public health. The CAFE Model estimates monetized health effects associated with population exposure to fine particulate matter, which is emitted directly by refineries and vehicles and also formed in the atmosphere via physical and chemical reactions involving other regulated pollutants emitted by refining and using fuel.[486] Chapter 5 of the Final TSD accompanying this final rule includes a detailed description of the Model's procedures for calculating emissions of these pollutants and assessing their consequences for public health.

Many commenters noted the increase in criteria pollutant emissions and the resulting monetized health costs from rule.[487] NHTSA received comments on the NPRM regarding healthcare costs that are expected to be incurred, given the criteria pollutant health damages projected in the rule analysis.[488] Some commenters specifically cited concerns over healthcare costs in their regions and provided these estimates, stating that NHTSA's health effects analysis was missing these healthcare-specific costs.[489] NHTSA is maintaining the health damages estimates from the NPRM, partly because of the unavailability of updated estimates that correspond to the pollutant source categories needed for the CAFE analysis, and partly because the inclusion of healthcare payments in addition to the health damages already included in the analysis would constitute a double-counting of costs. The cost values per ton used in NHTSA's analysis already include healthcare costs.[490]

Southern Environmental Law Center (SELC) and Attorneys General noted that NHTSA only monetizes the health impacts of NO_X, SO_X, and $PM_{2.5}$ and does not monetize the impacts of other pollutants, arguing that the impacts of these other pollutants are substantial and would change the final net benefit calculation.[491] NHTSA only calculates the impacts from these three pollutants, because they are known to be emitted regularly from mobile sources, have the most adverse effects on human health, and have been the subject of extensive research to estimate the benefits of reducing these pollutants. Commenters did not provide peer-reviewed research for the monetization of CO, volatile organic compounds (VOCs), or air toxics. NHTSA received comments on the NPRM pointing to academic sources of monetized values of the health effects of CH_4 through its contribution to ozone.[492] NHTSA has included a sensitivity case in PRIA Chapter 9 using these estimates, adding them to the health damages portion of the cost-benefit analysis.

NHTSA did not include monetized estimates of changes in so-called GHG emissions in the central analysis supporting the proposal.[493] NHTSA stated in the proposal that this was because there are significant uncertainties related to the monetization of GHGs that include, but are not limited to: the magnitude of the change in climate due to a change in GHG emissions; the relationship between changes in the climate and the economy and, therefore, the resulting economic impacts; future economic and population growth, which are important for estimating vulnerability, willingness to pay to avoid impacts, and the ability to adapt to future changes; future technological advancements that would reduce vulnerability and impacts; the share of impacts from GHG emissions that affect citizens and residents of the United States; and the appropriate discount rates to use when discounting in an intergenerational context. Monetizing these impacts could potentially result in flawed decision-making due to overreliance on highly uncertain values. NHTSA presented a sensitivity analysis using domestic-only (rather than global) estimates in the Draft RIA and concluded that these estimates, if considered in the central analysis, would not have changed its proposed amended standards.

Many commenters encouraged NHTSA to monetize GHG emissions in its central analysis rather than a sensitivity analysis,[494] and to use a global value of the impact of GHG emissions (in particular, those published by the EPA in 2023).[495] A subset of these commenters referenced *Center for Biological Diversity* v. *NHTSA,*[496] saying that an estimate of this impact must be included in the analysis.[497] Others supported NHTSA's decisions to exclude these costs from the central analysis, enumerating the uncertainties involved in estimation of these costs and encouraging the calculation of net benefits to rely on non-subjective or speculative parameters.[498]

[486] As discussed in Section II.F above, though other criteria pollutants are currently regulated, only impacts from these three pollutants are calculated because they are emitted regularly by refineries and motor vehicles, cause the most severe effects on human health, and have been the subject of extensive research to quantify and monetize their health impacts. NHTSA's regulatory analysis does not attempt to quantify the adverse health effects of air toxics, which are emitted during fuel production and use, or ozone, which is formed in the atmosphere by emissions of regulated pollutants.

[487] Climate Reality, Docket No. NHTSA–2025–0491–4896, at 2; PSCAA, Docket No. NHTSA–2025–0491–4918, at 2–3; Cleveland, Docket No. NHTSA–2025–0491–4840, at 2, 4–10; AVE, Docket No. NHTSA–2025–0490–0033, at 5; SELC, Docket No. NHTSA–2025–0490–0035, at 6; NACAA, Docket No. NHTSA–2025–0491–5884, at 15; South Coast AQMD, Docket No. NHTSA–2025–0490–0064, at 3–5; ME DEP, Docket No. NHTSA–2025–0490–0026, at 6; Madison, Docket No. NHTSA–2025–0491–6063, at 1–2.

[488] American Lung Association (ALA), Docket No. NHTSA–2025–0491–5977, at 1–3; Oregon Department of Environmental Quality (OR DEQ), Docket No. NHTSA–2025–0491–5937, at 4–5; Change the Chamber (CTC), Docket No. NHTSA–2025–0491–4904, at 2–3; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928, Appendix A, at 7–9; IPI, Docket No. NHTSA–2025–0491–6015, at 15.

[489] OCT, Docket No. NHTSA–2025–0491–4903, at 5–7; PSCAA, Docket No. NHTSA–2025–0491–4918, at 2–3.

[490] EPA, How BenMAP–CE Estimates the Health and Economic Effects of Air Pollution, last revised: May 20, 2026, available at: *https://www.epa.gov/benmap/how-benmap-ce-estimates-health-and-economic-effects-air-pollution* (accessed: June 5, 2026).

[491] SELC, Docket No. NHTSA–2025–0490–0035, at 6; Attorneys General, Docket No. NHTSA–2025–0491–6064, Detailed Comments, at 89.

[492] SELC, Docket No. NHTSA–2025–0490–0035, at 6–7.

[493] *See* E.O. 14154, Unleashing American Energy (Jan. 20, 2025), available at: *https://www.govinfo.gov/content/pkg/DCPD-202500121/pdf/DCPD-202500121.pdf* (accessed: June 5, 2026) (hereinafter, ''E.O. 14154''); Office of Information and Regulatory Affairs, Guidance Implementing Section 6 of Executive Order 14154, Entitled ''Unleashing American Energy,'' Memorandum M–25–27, Executive Office of the President: Washington, DC (2025), available at: *https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-27-Guidance-Implementing-Section-6-of-Executive-Order-14154-Entitled-Unleashing-American-Energy.pdf* (accessed: June 6, 2026).

[494] Cleveland, Docket No. NHTSA–2025–0491–4840, at 2, 7–10; OCT, Docket No. NHTSA–2025–0491–4903, at 3–4; ICCT, Docket No. NHTSA–2025–0491–5240, at 7; Institute for Policy Integrity at New York University School of Law, Center for Climate and Energy Solutions, Clean Air Task Force, Earthjustice, Environmental Defense Fund, Montana Environmental Information Center, Natural Resources Defense Council, Sierra Club, and Union of Concerned Scientists (IPI *et al.*), Docket No. NHTSA–2025–0491–5758, at i-iii; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928, Appendix A, at 62–64; ZETA, Docket No. NHTSA–2025–0491–6039, at 6; Lucid, Docket No. NHTSA–2025–0491–6043, at 10; Attorneys General, Docket No. NHTSA–2025–0491–6064, Detailed Comments, at 81–87.

[495] ICCT, Docket No. NHTSA–2025–0491–5240, Appendix at 16; IPI *et al.,* Docket No. NHTSA–2025–0491–5758, at 24–34.

[496] *Ctr. for Biological Diversity* v. *Nat'l Highway Traffic Safety Admin.*, 538 F.3d 1172 (9th Cir. 2008).

[497] ZETA, Docket No. NHTSA–2025–0491–6039, at 6; Oakley Vincent, Docket No. NHTSA–2025–0491–6036, at 4; Lucid, Docket No. NHTSA–2025–0491–6043, at 10; Attorneys General, Docket No. NHTSA–2025–0491–6064, Detailed Comments, at 82.

[498] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 39–40; IER, Docket No. NHTSA–2025–0491–6029, at 1, 3–4.

NHTSA disagrees that *CBD* v. *NHTSA* requires the agency to include monetized estimates of the changes in GHG emissions in its central analysis. In the rule at issue in that case, the agency deliberately set standards at the point that maximized societal net benefits.[499] The court acknowledged that the agency possessed the legal discretion to determine standards by maximizing societal net benefits—though not required to [500]—but noted that if the agency were to use such a process, then the agency needed to account reasonably for the social cost of carbon given the agency stated it believed the value was above zero. The holding that the agency acted arbitrarily by not monetizing carbon emissions was conditioned on the agency's decision to determine the stringency of its standards by maximizing monetized net benefits, and the court rejected the agency's decision to exclude a factor the agency acknowledged would affect societal net benefits.

Since that rule and decision, NHTSA has departed from the stance that its estimate of societal net benefits should be deterministic; instead, NHTSA uses the analysis and ensuing estimates of net benefits as one of many inputs for the setting of maximum feasible standards in the context of the statutory balancing of factors specified in 49 U.S.C. 32902(f). As discussed in more detail in Section V, NHTSA is not setting standards based on maximizing net benefits and instead is focusing on resetting the CAFE standards to align more faithfully with the factors Congress directed the agency to balance. In addition, as noted in the proposal, there are significant uncertainties related to the monetization of GHG emissions. As such, for this final rule, NHTSA continues to follow Federal guidance and excludes monetized estimates of changes in GHG emissions in its central analysis.[501] As with the NPRM, the agency includes with the final rule a sensitivity analysis that is discussed in more detail in FRIA Chapter 9. This sensitivity analysis ensures that excluding this value from the central analysis does not bias the cost-benefit analysis that informs the determination of maximum feasible standards. The sensitivity analysis demonstrates that including a monetized estimate for changes in GHG emissions in the central analysis would not have altered NHTSA's maximum feasible determination. This sensitivity analysis uses the same domestic value of the impacts of GHG emissions as used in the 2020 final rule, adjusted for inflation. This value also conforms with E.O. 14154 and Circular A–4 (2003), which direct agencies to consider domestic-only impacts. NHTSA's selection of final standards, considering the various sensitivity analyses presented in FRIA Chapter 9, is discussed in more detail in Section V.

Resetting CAFE standards may increase domestic consumption of gasoline compared to the regulatory baseline, producing a corresponding increase in the Nation's demand for crude petroleum. The U.S. accounts for a significant share of global oil consumption, so the resulting increase in global petroleum demand will exert some upward pressure on worldwide prices, but the financial consequences of higher prices are transfers. Unlike in decades past, when the U.S. was heavily dependent upon foreign petroleum and therefore was broadly exposed to price shocks attributable to supply disruption, the U.S. is now an established net exporter of petroleum. Accordingly, while domestic petroleum production does not insulate the U.S. from international disruptions in petroleum generation, any transfer from global consumers to petroleum producers becomes a financial benefit to the U.S. economy.

Higher U.S. petroleum consumption increases all domestic consumers' exposure to the risks of potential rapid increases in oil prices and interruptions in petroleum imports, though rising domestic production cushions the latter's effect. Individual petroleum users are unlikely to consider the effect of their own consumption on such economy-wide risks, so they may unwittingly impose costs on others that increase with domestic petroleum use. NHTSA includes this effect as a cost of the finalized standards, and Chapter 6.2.4.4 of the Final TSD explains how the agency estimates its magnitude.

Several commenters supported NHTSA's methodology for considering energy security risks, noting (as mentioned above) that the U.S. is now a net exporter of petroleum and arguing that the need to conserve energy against supply shocks has shifted over time as the U.S. has become more insulated due to its growing dominance in this market.[502] Others commented in a general way on the need to insulate consumers from supply shocks and to reduce the impact of foreign power, arguing that changing CAFE standards expose consumers to these costs.[503] As discussed above and in Final TSD Chapter 6.2.4.4, increased domestic petroleum consumption may impose an externality through its impact on the domestic economy as a result of petroleum supply shocks. Such a cost is measured and included in the final calculation of net benefits.

Raising or lowering petroleum imports has also been claimed to influence U.S. military spending, but most careful studies conclude that changes in petroleum use on the scale likely to result from changing CAFE standards are unlikely to affect military activity.[504] Thus, as Chapter 6.2.4.3 of the Final TSD explains in detail, NHTSA does not consider the potential impact of changing CAFE standards on military spending. No substantive comments were received regarding the exclusion of military spending impacts.

NHTSA is also monitoring the availability of critical minerals used in electrified powertrains and whether any shortage of such materials could emerge as an additional energy security concern. Although nearly all electricity in the United States is generated through the conversion of domestic energy sources and thus its supply does not raise security concerns, EVs (as well as hybrids and plug-in hybrids) also require batteries to store and deliver that electricity. Currently, the most common EV battery chemistries include relatively scarce materials (compared to other automotive parts) which are sourced, in large part, from foreign adversaries or potentially insecure or unstable overseas sites. While all mined materials (including those in vehicles powered by ICEs) can pose environmental challenges during extraction and conversion to usable material, this is particularly true with minerals used in battery production. Known supplies of some of these critical minerals are also highly concentrated in a few countries and therefore face similar market power concerns to petroleum products.

NHTSA is restricted from considering the fuel economy of alternative fuel

[499] *See, e.g.,* 71 FR 15588.

[500] *Ctr. for Biological Diversity* v. *Nat'l Highway Traffic Safety Admin.*, 538 F.3d 1172, 1197 (9th Cir. 2008).

[501] *See,* E.O. 14154.

[502] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 33–37; ACI, Docket No. NHTSA–2025–0491–4892, at 7–8; American Fuel & Petrochemical Manufacturers (AFPM), Docket No. NHTSA–2025–0491–5964, at 4.

[503] Anonymous, Docket No. NHTSA–2025–0491–0033; Anonymous, Docket No. NHTSA–2025–0491–5014.

[504] See for example: Brown, S., New estimates of the security costs of U.S. oil consumption, *Energy Policy,* Vol. 113: pp. 171–92 (2018), available at: *https://doi.org/10.1016/j.enpol.2017.11.003* (accessed: June 9, 2026); Brown, S., & Huntington, H., Assessing the U.S. oil security premium, *Energy Economics,* Vol. 38: pp. 118–27 (2013), available at: 10.1016/j.eneco.2013.03.010 (accessed: May 26, 2026).

sources in determining CAFE standards, so the agency only considers the gasoline powered fleet in simulating compliance with fuel economy regulatory alternatives and determining their effects. Although the cost of critical minerals may affect the cost to supply both plug-in and non-plug-in hybrids that require larger batteries, this cost would apply primarily to manufacturers whose voluntary compliance strategy emphasizes hybridization. NHTSA does not include costs or benefits related to these emerging energy security considerations in its analysis for its final rule because, pursuant to its statutory authority to set CAFE standards, NHTSA cannot consider alternative fueled vehicles when setting standards. A few commenters encouraged NHTSA to consider security risks of critical mineral supply chains given supposed growth in electric and hybrid vehicles.[505] As discussed above, NHTSA only considers the gas-powered fleet in determining CAFE standards, and as critical mineral costs would mostly impact voluntary compliance strategies by manufacturers, these costs would be unlikely to vary by alternative. Therefore, NHTSA does not include costs or benefits associated with critical mineral security in its analysis.

The analysis considers the direct labor effects that the finalized standards would have across the automotive sector. The effects include: (1) dealership labor related to new light-duty sales; (2) assembly labor for new vehicles, engines, and transmissions; and (3) labor for developing and producing technologies that improve fuel economy but exclude any broader implications of fuel economy standards for economy-wide employment. NHTSA has used this approach in several recent rulemakings but has not highlighted its results because of its limited scope and the uncertainty introduced by rapidly changing labor inputs for vehicle assembly and technology development. NHTSA sought comment on alternative approaches to the labor analysis that the agency could consider, including approaches that could supplement the agency's current approach or succeed it in future rulemakings. Multiple commenters focused on labor utilization from the manufacturing of fuel-economy-improving components.[506] They argued that the proposed standards will result in substantial losses of jobs associated with making components and materials for fuel-efficiency-based technologies and will likely incentivize OEMs to move production of advanced technologies to parts of the world where regulatory standards are more stringent. Other commenters pointed out the importance of keeping U.S. jobs in automotive technology manufacturing for specific regions and cities where these economic effects are strongest (*e.g.,* Indiana's ''Battery Belt,'' the City of Cleveland).[507]

NHTSA is keeping the methodology used in the NPRM for the final rule analysis as well because none of the alternative approaches suggested by commenters fits the scope of the CAFE analysis. NHTSA especially cannot consider impacts on battery-producing areas given that the statute prohibits the agency from considering the fuel economy of dedicated automobiles.[508] Regarding fuel-economy-improving component manufacturing, lower CAFE standards do not prevent manufacturers from producing more efficient vehicles domestically nor from selling those vehicles in the U.S. Manufacturers that have already invested capital to build so-called clean vehicles in the United States are not disincentivized from these investments as they can continue to sell these vehicles in the U.S. to consumers who demand them and to export these vehicles to meet demand in other countries. Chapter 6.2.5 of the Final TSD describes the current process NHTSA uses to estimate labor impacts in additional detail.

H. Simulating Safety Effects of Regulatory Alternatives

Fuel economy standards have the potential to lead manufacturers to alter the vehicles they produce in ways that may have unintended consequences for motor vehicle safety. The analysis accompanying the final rule includes a comprehensive measure of safety impacts from three sources:

- Changes in Vehicle Mass.

NHTSA calculates the safety impact of changes in vehicle mass made to reduce fuel consumption to comply with the standards. Statistical analysis of historical crash data indicates that reducing mass in heavier vehicles generally improves safety for occupants in lighter vehicles and other road users such as pedestrians and cyclists, while reducing mass in lighter vehicles generally reduces safety.

- Impacts of Vehicle Prices on Fleet Turnover.

Vehicles have become safer over time through a combination of new safety regulations and voluntary safety improvements. NHTSA expects this trend to continue as emerging technologies, such as advanced driver assistance systems, are incorporated into new vehicles. Safety improvements will continue regardless of changes in the standards; however, vehicle technologies added to comply with increased fuel economy standards increase vehicle prices, slowing the acquisition of newer, safer vehicles and retirement of older, less safe vehicles.

The standards also influence the composition of the new light-duty sales mix. As the safety of light trucks, SUVs, and passenger cars is affected by technologies that manufacturers employ to meet the standards differently—particularly mass reduction—fleets with different compositions of body styles have varying safety risks. Therefore, changing the share of each type of light-duty vehicle in the projected future fleet impacts safety outcomes.

- Changes in Safety Associated With ''Rebound Effect'' Driving.

The ''rebound effect'' predicts consumers will drive more when the cost of driving declines. More stringent standards reduce vehicle operating costs, and in response, some consumers may choose to drive more. Additional driving increases exposure to risks associated with motor vehicle travel, and this added exposure translates into higher fatalities and injuries. Slowing vehicle turnover results in an older fleet on average. As a result, this slowing turnover exacerbates the safety costs of additional driving resulting from the ''rebound effect.''

Resetting the CAFE standards will improve safety overall. Setting less stringent standards will accelerate fleet turnover, limit the amount of rebound driving, and reduce the need to adopt mass reduction technologies across the fleet.

The contributions of the three factors described above generate the differences in safety outcomes among regulatory alternatives. NHTSA's analysis makes extensive efforts to allocate the differences in safety outcomes between the three factors. Fatalities expected during future years under each alternative are projected by deriving a fleetwide fatality rate (fatalities per VMT) that incorporates the effects of differences in each of the three factors from the reference baseline and then multiplying it by that alternative's expected VMT. Fatalities are converted into a societal cost by multiplying

[505] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 9; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 36–37.

[506] MECA, Docket No. NHTSA–2025–0491–5331, at 4; BGA, NHTSA–2025–0491–5931, at 1–3, 5.

[507] Matthew Sparks, Docket No. NHTSA–2025–0491–4821, at 2; Cleveland, Docket No. NHTSA–2025–0491–4840, at 10–11; CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 7.

[508] 49 U.S.C. 32902 Average fuel economy standards.

estimated fatalities by the DOT-recommended value of a statistical life (VSL), supplemented by additional economic costs not considered in VSL measurements. Traffic injuries and property damage are also modeled directly using the same process and valued using costs specific to each injury severity level.

All three factors influence predicted fatalities, but only two of them—changes in vehicle mass and in the composition of the light-duty fleet in response to changes in vehicle prices—directly impose increased risks on drivers and passengers not compensated for by accompanying benefits. In contrast, increased driving associated with the rebound effect is a consumer choice that reveals the benefits of additional travel. Consumers who choose to drive more have decided that the utility of additional driving exceeds the additional costs for doing so, including the crash risk that they perceive additional driving involves. As discussed in Chapter 7 of the Final TSD, the benefits of rebound driving are accounted for by offsetting a portion of the added safety costs.

NHTSA's analysis considers the safety impact to both vehicle occupants and non-occupants, such as pedestrians and cyclists. The agency categorizes safety outcomes through three measures of light-duty vehicle safety: fatalities occurring in crashes, serious injuries, and the amount of property damage incurred in crashes with no injuries. Counts of fatalities among occupants of automobiles and non-occupants are obtained from NHTSA's Fatal Accident Reporting System for 1975–2022. Estimates of the number of serious injuries to drivers and passengers of light-duty vehicles are tabulated from NHTSA's General Estimates System (GES) for 1990–2015, and from its Crash Report Sampling System (CRSS) for 2017–2022. Both GES and CRSS include annual samples of motor vehicle crashes occurring throughout the United States. Weights for different types of crashes were used to expand the samples of each type to estimates of the total number of crashes occurring during each year. Finally, estimates of the number of automobiles involved in property damage-only crashes each year were also developed using CRSS.

NHTSA does not anticipate, and does not model, any changes in safety from the finalized changes in vehicle classification. A vehicle's safety performance is unrelated to its CAFE vehicle classification; instead, the safety risk is dependent on its physical attributes, the safety technologies incorporated, and how the vehicle is used.

1. Mass Reduction Impacts

Vehicle mass reduction can be one of the more cost-effective means of improving efficiency, particularly for makes and models built with less high-strength steel or aluminum closures or low-mass components. Manufacturers have stated that they will continue to reduce mass of some of their models to meet more stringent standards (such as those currently in place), and therefore, this expectation is incorporated into the modeling analysis supporting the final rule. Safety trade-offs associated with mass reduction have occurred in the past, particularly before standards were attribute-based, because manufacturers chose, in response to standards, to build smaller and lighter vehicles; these smaller, lighter vehicles did not fare as well in crashes as larger, heavier vehicles, on average. Although NHTSA now uses attribute-based standards, in part to reduce or eliminate the incentive to downsize vehicles to comply with the standards, NHTSA is mindful of the possibility of related safety trade-offs. For this reason, NHTSA accounts for how the application of mass reduction to meet standards affects the safety of a specific vehicle given changes in CW.

For the final rule, the agency employed the modeling technique developed in the 2016 Puckett and Kindelberger report to analyze the updated crash and exposure data by examining the cross sections of the societal fatality rate per billion VMT by mass and footprint, while controlling for driver age, sex, and other factors, in separate logistic regressions for five vehicle groups and nine crash types. NHTSA utilized the findings from the study about the relationships between weight and safety, expressed as a percentage increase in fatalities per 100-pound weight reduction (which is how mass reduction is applied in the technology analysis; see Section II.D.5), to examine the changes in mass in response to standards across the regulatory scenarios. The effects of mass reduction on safety were estimated relative to the regulatory baseline in the analysis, across all vehicles for MY 2024 and beyond. The analysis of mass reduction includes two opposing impacts.

Research shows that mass reduction affects ''lighter'' and ''heavier'' vehicles differently across crash types. The 2016 Puckett and Kindelberger report found mass reduction concentrated among the heaviest vehicles is likely to have a beneficial effect on overall societal fatalities, while mass reduction concentrated among the lightest vehicles is likely to have a detrimental effect on occupant fatalities but a slight benefit to pedestrians and cyclists. This represents a relationship between the dispersion of mass across vehicles in the fleet and societal fatalities: decreasing dispersion is associated with a decrease in fatalities. For collisions with large mass disparities, mass reduction in heavier vehicles would be more beneficial to the occupants of lighter vehicles than it would be harmful to the occupants of heavier vehicles. Mass reduction in lighter vehicles is more harmful to the occupants of lighter vehicles than it is beneficial to the occupants of heavier vehicles.

To capture the differing effect on lighter and heavier vehicles accurately, NHTSA splits vehicles into lighter and heavier vehicle classifications. However, this poses a challenge to identifying statistically meaningful results. There is limited relevant crash data to use for the analysis. Each partition of the data reduces the number of observations per-vehicle classification and crash type and thus reduces the statistical robustness of the results. The methodology employed by NHTSA was designed to balance these competing forces as a trade-off to capture the impact of mass-reduction across vehicle CWs and crash types while preserving the potential to identify robust estimates.

Commenters noted that the estimates of fatality rate impacts of changes in vehicle mass by safety class are not statistically significant at the 95-percent confidence level, and that mass changes should not be modeled as having any impact on safety.[509] The mass-size-safety estimates are used as intermediate inputs in the CAFE Model. The body of engineering and research evidence suggests that there is indeed a mass-disparity safety effect. Using the best available data, NHTSA conducted a study to measure and bound this effect.

It is essential for NHTSA, as a safety agency, to consider potential safety impacts of its regulations using the best available estimates. As the agency believes that the point estimates still represent the best available data, NHTSA continues to include a measurement of mass-safety impacts in its analysis. In addition, because the resulting estimated net safety impact of mass changes in the Preferred Alternative is close to zero, assuming no

[509] Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 11; ICCT, Docket No. NHTSA–2025–0491–5240, at 9; ICCT, Docket No. NHTSA–2025–0491–5240, Appendix at 15–16; Attorneys General, Docket No. NHTSA–2025–0491–6064, at 97.

safety impact from mass reduction would have little effect in the CAFE analysis.

Although the agency does not attempt to model safety impacts on a vehicle model-level basis, resetting the standards as finalized will lessen the need to adopt mass reduction technologies broadly across the fleet and will allow manufacturers to incorporate mass reduction more thoughtfully within its fleet. In addition, the agency's finalized vehicle reclassification could incentivize manufacturers to adopt mass reduction technologies to larger vehicles, which would provide other road users tangible safety benefits.

NHTSA received comments on the treatment of the vehicle mix in the analysis, including trade-offs and incentives with respect to dimensions and mass across vehicle models. One commenter stated that ''larger, taller fronts increase risks for pedestrians and occupants of smaller vehicles'' and that ''a credible safety analysis should address how different standards affect vehicle mix and safety outcomes for all users.'' [510] Cleveland stated that the NPRM ''fails to deliver on its stated goals'' to improve safety outcomes, such as by incentivizing manufacturers to concentrate mass reduction among larger vehicles.[511] CPAC Foundation Center for Regulatory Freedom (CPAC–CRF) stated that the NPRM ''does not adequately examine the tradeoffs that arise when compliance is driven by vehicle downsizing and weight reduction'' and that ''safety outcomes cannot be assumed; they must be demonstrated through careful analysis that accounts for engineering constraints and real-world driving conditions.'' [512]

Effects of different standards on the vehicle mix and associated societal safety outcomes are central components of the analysis. NHTSA applies extensive engineering and economics-based modeling to compare impacts of potential standards and compliance paths (*e.g.,* mass reduction technologies) associated with those standards. The choice of Preferred Alternative involves optimizing with respect to many trade-offs among factors influencing benefits and costs rather than optimizing mass reduction in isolation. The analysis identifies an approximately neutral net effect of vehicle mass on safety across the alternatives considered.

Commenters stated that applying mass reduction can be associated with societal safety improvements, whether for individual vehicles or applying mass reduction across the full fleet.[513] NHTSA has acknowledged the potential for combinations of mass reduction to yield net societal safety benefits across its mass-size-safety analyses. For example, if mass reduction approached a proportional case, in which more absolute mass were reduced from larger vehicles, the estimated net safety impact could be a reduction in societal fatalities. Because the estimated coefficients for the lightest passenger cars and the heaviest LTVs are of opposite sign, the CAFE Model allows for mass reduction across safety classes to yield a net safety benefit if the concentration of mass reduction is sufficiently weighted towards heavier LTVs. This estimated relationship is consistent with a hypothesis that reducing dispersion in vehicle mass can reduce societal fatality risk.

ACC offered extensive feedback regarding vehicle design and its effect on safety outcomes. ACC commented that NHTSA should ''more fully acknowledge the limitations of the [George Washington University (GWU)] study in Section 7.3'' of the Final TSD and ''provide additional analysis and statistical review of the improvements in vehicle design and associated safety benefits that have emerged since the study was completed.'' [514] ACC also stated that the GWU study ''demonstrates that well-designed lightweighted vehicles may help improve occupant outcomes.'' [515] In a related comment CPAC–CRF acknowledged trade-offs between vehicle mass and crashworthiness, noting, ''although advances in materials and design have improved safety performance over time, there are physical limits to how much mass can be reduced without affecting occupant protection.'' [516] CPAC–CRF continued, ''the proposal assumes continued progress in reconciling these competing goals without sufficiently addressing the diminishing returns and structural tradeoffs involved.''

NHTSA agrees with ACC's assessment that ''vehicle design and material science has evolved over the last 20 years since the [GWU] study was completed.'' NHTSA maintains that the findings from the GWU study are valid in concert with the evolution of vehicle design and material science over the past 20 years, and that the crash data informing safety estimates associated with mass changes incorporate processes of improvement in design and materials that are consistent with the present.

NHTSA agrees with CPAC–CRF regarding decreasing returns to scale for the potential to mitigate safety risk from mass reduction through vehicle design and advanced materials. However, NHTSA disagrees with CPAC–CRF's assessment that NHTSA's analysis assumes continued progress in mitigating safety risk from mass reduction beyond what is observed in the data. The mass-size-safety estimates maintain a net safety decrement for reducing mass in the lightest vehicles (chiefly representing own-vehicle incremental risk) and a net safety improvement for reducing mass in the heaviest vehicles (chiefly representing risk reductions to other vehicles and persons) that is based on variability in vehicle mass for the crash records in the analysis.

ACC suggested that ''NHTSA should deepen its analysis of existing older studies to better reflect the data about the role of vehicle design in safety outcomes associated with vehicle mass reduction,'' [517] and recommended further recent studies focusing on safety improvements and the potential to incorporate those improvements while decreasing vehicle mass for NHTSA to include in its literature review regarding vehicle mass and safety.[518] ACC also discouraged NHTSA ''from associating vehicle mass disparity and societal fatality risk . . . without further discussion and analysis on the impact of these factors.'' [519] ICCT agreed with ACC in a comment, recommending that NHTSA ''report its findings from leading research, research from the literature, and automaker developments on how lightweighting designs that the auto industry is pursuing are positively impacting vehicle crash and crash avoidance properties.'' [520]

Studies cited by ACC from Section 7.3 of the Draft and Final TSD include the National Academies of Sciences, Engineering, and Medicine's (NASEM) 2021 report, the analysis discussed in Nolan's presentation at the 2013

[510] John K., Docket No. NHTSA–2025–0491–0084.

[511] Cleveland, Docket No. NHTSA–2025–0491–4840, at 12.

[512] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 6.

[513] ACC, Docket No. NHTSA–2025–0491–4733, at 2; ICCT, Docket No. NHTSA–2025–0491–5240, Appendix at 12.

[514] ACC, Docket No. NHTSA–2025–0491–4733, at 5.

[515] ACC, Docket No. NHTSA–2025–0491–4733, at 3.

[516] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 6.

[517] ACC, Docket No. NHTSA–2025–0491–4733, at 3.

[518] ACC, Docket No. NHTSA–2025–0491–4733, at 6.

[519] ACC, Docket No. NHTSA–2025–0491–4733, at 4.

[520] ICCT, Docket No. NHTSA–2025–0491–5240, Appendix at 12.

NHTSA Mass-Size-Safety Workshop,[521] NRC (2015), and Park *et al.* (2012). Recent studies suggested by the National Research Council (NRC) include Hollowell *et al.* (2023) and Gunti *et al.* (2017).[522]

NHTSA agrees with key points by Nolan (2013), including concerning the generally improving and narrowing safety trends across safety classes, the role of design improvements (notably, crash compatibility, side impact safety technology, and electronic stability control) in driving those trends, the potential for crash avoidance technologies to extend those trends, and the caveat that smaller and lighter vehicles may still face safety disadvantages regardless of vehicle design improvements. NHTSA likewise agrees with NASEM's position that new vehicle designs are part of an array of influences leading to potential changes in safety outcomes over time. Technological developments in vehicle safety are represented in the CAFE Model within the baseline, and changes in vehicle mass are accounted for relative to that baseline.

NHTSA agrees with key points by NRC (2015), including that mass disparity is a factor in fatality risk, albeit one subject to change as technologies and fleet composition overall evolve, and that the role of vehicle mass in societal safety should be evaluated in an effort to mitigate statistical biases that may be present in predominant modeling efforts. It is feasible to apply advanced materials science to mitigate at least some safety risk associated with mass reduction, per Park *et al.* (2012), through the use of plastics and polymers, especially for incremental technologies that would otherwise add net weight, such as advanced driver assistance systems.

NHTSA acknowledges the findings in Hollowell *et al.* (2023) and Gunti *et al.* (2017),[523] which confirm that advanced designs can incorporate new technologies while optimizing vehicle mass. NHTSA notes, however, that the role of automated driving systems is outside the scope of the mass-size-safety analysis. Furthermore, though it is feasible to reduce vehicle mass while adding safety technology, such capability would be distributed across the fleet and hence part of the baseline, while the mass-size-safety component of the analysis would center on differential changes in mass across models under different fuel economy standards.

Both NHTSA's safety baseline and the mass-size-safety model already reflect the ability to mitigate some detrimental effects of mass reduction on safety outcomes, in that extant mass reduction incorporates the technologies discussed in the literature. Optimized designs may help improve occupant safety, and improvements in vehicle design and changes in mass disparity could lead to distinct observed societal safety outcomes. However, NHTSA maintains that the estimated relationships are the best available estimate for this analysis.

Despite the technological advancements noted by commenters, mass still plays a critical role in determining safety outcomes when crashes do occur and therefore needs to be accounted for in the analysis. As noted earlier, NHTSA believes that the mass-size safety approach developed in the 2016 Puckett and Kindelberger report represents the most accurate methodology to examine to approximate, all else being equal, the changes to safety when isolating changes in mass.

A more detailed description of the mass-safety analysis can be found in Chapter 7.3 of the Final TSD.

2. Sales/Scrappage Impacts

As described in Section II.E.2, resetting CAFE standards would have important safety consequences because of the resulting increase in fleet turnover. Less stringent standards allow manufacturers to sell more vehicles demanded by consumers at cheaper prices, which increases the rate at which newer vehicles, and their associated safety improvements, enter the on-road population. The sales response also influences the mix of vehicles on the road based on the relative net price increases caused by CAFE standards. Setting less stringent standards removes distortionary effects that push consumers into vehicles with less preferred body styles that may have different intrinsic safety risks. Similarly, as the price of new vehicles decreases, fleet turnover increases compared to the baseline, meaning newer, safer vehicles would replace older, less safe vehicles on the road. These effects would reduce the safety risk not only for the occupants of newer vehicles but also for other road users who benefit from newer vehicles equipped with advanced driving assistance systems.

Any effect of sales and scrappage on fleet composition will affect the distribution of both ages and model years present in the on-road light-duty fleet. Because each of these vintages carries with it inherent rates of fatal crashes, and newer vintages are generally safer than older ones, changing that distribution will change the safety performance of the fleet, affecting the total number of on-road fatalities under each regulatory alternative. Similarly, the DFS model captures the changes in the light-duty fleet's composition of cars and light trucks. As cars and trucks have different fatality rates, differences in fleet composition across the alternatives will affect fatalities.

NHTSA received various comments on the modeling of safety effects related to sales and scrappage in the CAFE Model. IPI speculated that NHTSA fails to ''account for countervailing safety effects if lower prices increase VMT by young, male, riskier drivers.'' [524] IPI also argued that increasing the prices of new vehicles makes used vehicles less affordable for consumers and therefore improves safety. IPI speculated that lower used vehicle prices result in marginal consumers becoming drivers and that these drivers are disproportionately some of the riskiest drivers. However, IPI provided no evidence that such selective entry into driving or disparate changes in driving behavior occur in response to changes in used vehicle prices. In its argument, IPI disregarded the effect of higher used vehicle prices on the prevalence of older less safe vehicles in the fleet. Lower used vehicle prices also mean that more consumers can afford newer and safer used vehicles regardless of demographics. As explained elsewhere in the rule, NHTSA believes that the demand for driving is relatively inelastic, meaning that the final rule and the effects analyzed are focused, for the most part, on determining which vehicle will be driven rather than if the mile will be driven at all. Furthermore, IPI's claim contradicts another argument

[521] ACC, Docket No. NHTSA–2025–0491–4733, at 5.

[522] Hollowell, W. *et al.,* Evaluation of Different ADS Material Concepts using Various Safety Metrics, Presented at 27th International Technical Conference on the Enhanced Safety of Vehicles, April 3–6, 2023, Yokohama, Japan, NHTSA (2023); Gunti, R. *et al.,* An enhanced methodology for lightweighting a vehicle design considering front crashworthiness and pedestrian impact safety requirements, *Procedia Engineering,* Vol. 173(5): pp. 623–30 (2017), available at: *https://doi.org/10.1016/j.proeng.2016.12.118* (accessed: June 5, 2026).

[523] Hollowell, W. *et al.,* Evaluation of Different ADS Material Concepts using Various Safety Metrics, Presented at 27th International Technical Conference on the Enhanced Safety of Vehicles, April 3–6, 2023, Yokohama, Japan, NHTSA (2023); Gunti, R. *et al.,* An enhanced methodology for lightweighting a vehicle design considering front crashworthiness and pedestrian impact safety requirements, *Procedia Engineering,* Vol. 173(5): pp. 623–30 (2017), available at: *https://doi.org/10.1016/j.proeng.2016.12.118* (accessed: June 5, 2026).

[524] IPI, Docket No. NHTSA–2025–0491–6015, Appendix: Policy Integrity Comments at 7.C.

they make: that more stringent standards would have a minimal impact on new vehicle demand and thus minimal impact on the used vehicle fleet.[525]

At the highest level, NHTSA calculates the impact of the sales and scrappage effects by multiplying the VMT of a vehicle by the fatality risk of that vehicle. For the analysis, NHTSA uses the distribution of miles calculated in Chapter 4.3 of the Final TSD. The fatality risk measures the likelihood that a vehicle will be involved in a fatal accident per-mile driven. NHTSA calculates the fatality risk of a vehicle based on the vehicle's model year, age, and style, while controlling factors that are independent of the intrinsic nature of the vehicle, such as behavioral characteristics. Using this same approach, NHTSA designed separate models for fatalities, non-fatal injuries, and property damaged vehicles.

NHTSA received comments on the model used to estimate fatality risks for future fleets. ICCT commented on the use of a single fleetwide fatality rate in the safety analysis. ICCT argued that it would be more appropriate to model fatality rates based on vehicle class due to differences in vehicle safety characteristics.[526] IPI stated that ''NHTSA's model does not cleanly identify the impacts of vehicle age, model year, and time, leading to biased results.'' [527] NHTSA finds it unnecessary to disaggregate fatality rates by fleet because the CAFE compliance model does not substantially change the relative composition of vehicle body types in the on-road fleet between regulatory alternatives. As such a single fleetwide value for fatality rates is sufficient for NHTSA's analysis. While IPI listed a set of potential econometric concerns with the age-period-cohort fatality rate forecast, IPI did not explain how these potential econometric issues could materially affect the analysis. Without further details regarding the alleged error, the agency cannot evaluate the merit of the comment. For example, IPI failed to identify the direction or magnitude of the claimed bias. The agency also believes that the cohort methodology is designed to address IPI's concern that safety technologies are not applied uniformly in a singular model year. The fatality rate model is consistent with previous rulemaking and is still the best methodology to use in the analysis of CAFE standards.

The vehicle fatality risk described above captures the historical evolution of automotive safety. Given that modern technologies are proliferating faster than ever and offer greater safety benefits than traditional safety improvements through crash avoidance, NHTSA augmented the fatality risk projections with knowledge about forthcoming safety improvements. NHTSA applied estimates of the market uptake and improving effectiveness of crash avoidance technologies to estimate their effect on the fleetwide fatality rate, including incorporating both the direct effect of those technologies on the crash involvement rates of new vehicles equipped with them, as well as the ''spillover'' effect of those technologies on improving the safety of occupants of vehicles that are not equipped with these technologies.

NHTSA's approach to measuring these impacts derives effectiveness rates for these ADAS technologies from safety technology literature. NHTSA applies these effectiveness rates to specific crash target populations for which the crash avoidance technology is designed to mitigate, which are then adjusted to reflect the current pace of adoption of the technology, including any public commitment by manufacturers to install these technologies or recent regulatory actions. The product of these factors produces a fatality rate reduction percentage that is applied to the fatality rate trend model discussed above, which projects both vehicle and non-vehicle safety trends. The combined model produces a projection of impacts of changes in vehicle safety technology as well as behavioral and infrastructural trends. A much more detailed discussion of the methods and inputs used to make these projections of safety impacts from advanced technologies is provided in Chapter 7 of the Final TSD.

While ADAS features directly affect safety of the fleet over time, IPI asserted that ''NHTSA fails to account for the negative externalities to safety associated with horsepower and other attributes.'' [528] IPI also asserted that NHTSA does not measure an unaccounted for ''Peltzman Effect'' between vehicle size and driving behavior attributable to a ''positional goods treadmill.'' IPI speculated that changes in fuel economy standards induce indirect second order effects on consumers' preferences for vehicle characteristics and driving behavior.

IPI's concerns regarding potential horsepower-related and other attribute-related safety impacts are not applicable to the CAFE analysis due to the performance-neutrality modeling assumption. Adjustments in vehicle HP are not modeled as a compliance strategy. IPI states elsewhere in its comment that they believe fuel economy can be improved without adversely affecting performance and even argue that improvements in fuel economy might improve vehicle performance.[529] IPI's argument is largely based on industry press releases rather than applicable engineering studies. There is insufficient evidence to assert there is an omitted ''other attribute'' safety impact via fleet turnover, nor is there a pathway for such ''other attributes'' to affect fleet safety through the CAFE Model.

IPI's claim of an unaccounted for Peltzman Effect argues that the agency should assume that drivers are more careless when they drive larger vehicles because they feel safer.[530] IPI presented no material evidence supporting their conjecture that changes in CAFE standards result in second order changes in consumers' overall preferences for automobiles, automobile attributes, or driving behavior. The sales module captures the effect of reducing prices of larger vehicles through reductions in regulatory costs, in its forecast of future fleets under different regulatory approaches.

3. Rebound Effect Impacts

The additional VMT demanded due to the rebound effect is accompanied by more exposure to risk. However, rebound miles are not imposed on consumers by regulation. Rather, they are a freely chosen activity resulting from reduced vehicle operational costs. As such, NHTSA has long believed that a large portion of the safety risks associated with additional driving are offset by the benefits drivers gain from added driving. The level of risk internalized by drivers is uncertain. This analysis assumes that drivers internalize 90 percent of this risk, which mostly offsets the societal impact of added fatalities from this voluntary consumer choice. However, by resetting the standards, NHTSA would expect fewer rebound miles and therefore fewer

[525] IPI, Docket No. NHTSA–2025–0491–6015, Appendix: Policy Integrity Comments at 1.B.

[526] ICCT, Docket No. NHTSA–2025–0491–5243, at p. 12.

[527] IPI, Docket No. NHTSA–2025–0491–6015, Appendix: Policy Integrity Comments at 7.B.

[528] IPI, Docket No. NHTSA–2025–0491–6015, Appendix: Policy Integrity Comments at 7.D.

[529] IPI, Docket No. NHTSA–2025–0491–6015, Appendix: Policy Integrity Comments at 4.C.

[530] Chuang, E. *et al.,* Under the Hood: EPA and DOT's Models Overlook Hidden Attributes of Fuel Efficiency Improvements Policy Integrity, Institute for Policy Integrity, New York University School of Law: New York, NY (2026), available at: *https://policyintegrity.org/files/publications/Cars_Hidden_Externalities_Report.pdf* (accessed: May 28, 2026).

crashes, injuries, and fatalities. Additional discussion of internalized risk is contained in Chapter 7.5 of the Final TSD. NHTSA sought comment on this assumption. In particular, the agency asked commenters for any evidence that could be used to bolster a higher or lower estimate of how much consumers internalize the risk of driving an additional mile.

No commenters provided evidence to support either a higher or lower estimate for internalized risk of driving. Two commenters, NRDC *et al.* and Consumer Reports, opposed NHTSA's inclusion of the safety impacts of rebound driving in the analysis. NRDC *et al.* claimed that ''it is unreasonable for NHTSA to consider individuals' driving choices, which the Agency cannot control or regulate, as a safety impact of the 2024 rule.'' Consumer Reports commented that because behavioral responses to changes in fuel economy standards are ''voluntary,'' these responses are ''not imposed by regulation'' and that NHTSA should not measure the safety effects of rebound driving. Consumer Reports then claimed that ''NHTSA and DOT do not apply rebound driving safety impacts to other policies that influence consumer finances; applying it selectively here to justify lower fuel economy standards.'' [531]

Rebound driving results when improved fuel economy lowers the marginal cost of driving additional miles. The rebound effect is a long-standing finding from economic research on the effects of improving energy efficiency on consumer behavior. In the context of CAFE, rebound driving would not occur in the absence of regulatory action, and while the additional driving is a ''voluntary'' choice by drivers, it occurs in direct response to regulatory action. It is thus appropriate for NHTSA to measure the safety impacts of rebound driving resulting from changes in CAFE standards. Even if drivers internalize some of these safety costs, these costs are still affected by the change in standards and borne by members of society.

NRDC *et al.* stated that fatality rates, rather than total fatalities, are the proper metric for considering the safety effects of changes in fuel economy standards. In the SAFE II final rule, NHTSA responded to a similar comment by Environmental Defense Fund (EDF), noting that NHTSA must weigh the value of benefits from its regulatory actions against their costs. NHTSA stated, ''the fundamental metric for valuing loss of life is VSL. To apply this metric, [NHTSA] must first produce estimates of any change in the numbers of fatalities that result from regulatory action. Fatalities prevented, as well as other safety impacts such as non-fatal injuries prevented and property damage crashes avoided, are appropriate measures of the consequences of rules that affect vehicle safety.'' [532]

4. Value of Safety Impacts

Fatalities, non-fatal injuries, and property damage crashes are valued as a societal cost within the CAFE Model's cost and benefit accounting. Estimated fatality costs are based on the comprehensive value of a fatality, which includes lost quality of life and is quantified in the VSL, as well as economic costs related to medical and emergency care, insurance administrative costs, legal costs, and other economic impacts not captured in the VSL. These values were first derived from data in Blincoe *et al.* (2015), updated in Blincoe *et al.* (2023), adjusted to 2024 dollars, and updated to reflect DOT guidance on the VSL.[533]

Non-fatal injury costs, which differ by severity, were weighted according to the relative incidence of injuries across the Abbreviated Injury Scale. To determine this incidence, NHTSA applied a KABCO/Maximum AIS (MAIS) translator to CRSS KABCO based injury counts from 2017–2019. This produced the MAIS-based injury profile. This profile was used to weight non-fatal injury unit costs derived from Blincoe *et al.* (2023), adjusted to 2024 price and income levels and updated consistently with DOT guidance on the VSL. Property-damaged vehicle costs were also taken from Blincoe *et al.* (2023) and adjusted to 2024 dollars.

For the analysis, NHTSA assigns a societal value of $14.1 million for each fatality, $338,000 for each non-fatal injury, and $9,700 for each property damaged vehicle. As discussed in the previous section, NHTSA discounts 90 percent of the safety costs associated with the rebound effect. The remaining 10 percent of those safety costs are not considered to be internalized by drivers and appear as a cost of the standards that influence net benefits. Similarly, the effects on safety attributable to changes in mass and fleet turnover are not offset by additional benefits because manufacturers are responsible for deciding how to design and price vehicles. However, 90 percent of these costs are also treated as private costs because they are borne by owners of vehicles rather than society more broadly. The safety costs not internalized by drivers are equal to 10 percent of the sum of the mass-safety effects, fleet turnover effects, and rebound-related fatality and non-fatal injuries, plus the cost of any property damage.

III. Regulatory Alternatives Considered in This Final Rule

A. General Basis for Alternatives Considered

NHTSA considers regulatory alternatives in rulemaking analyses as a way of evaluating the comparative effects of different potential ways of accomplishing its desired goal, which in this case is to fulfill the statutory mandate to set maximum feasible CAFE standards. E.O. 12866 and E.O. 13563, as well as OMB Circular A–4, encourage agencies to evaluate regulatory alternatives in their rulemaking analyses.

In the proposed rule, NHTSA developed separate alternatives for two distinct periods of time (MYs 2022–2026 and MYs 2027–2031) and two distinct fleets (passenger cars (PC) and light trucks (LT)). Alternatives analysis begins with a ''No-Action'' Alternative, typically described as the ''baseline.'' [534] The baseline is the state that would occur in the absence of any regulatory action by the agency. Accordingly, NHTSA developed 16 total alternatives in the proposed rule: a No-Action and three action alternatives for PCs for MYs 2022–2026; a No-Action and three action alternatives for LTs for MYs 2022–2026; a No-Action and three action alternatives for PCs for MYs 2027–2031; and a No-Action and three action alternatives for LTs for MYs 2027–2031.

In the NPRM, NHTSA proposed changes to its classification system starting in MY 2028. To accommodate this change, NHTSA proposed using a different set of target function coefficients that better captured the relationship between vehicle footprint and fuel consumption in each class

[531] NRDC *et al.,* Docket No. NHTSA–2025–0491–5982, Appendix A, (''NHTSA lacks support for its finding that the existing standards are significantly degrading highway safety.''), p. 42.; Consumer Reports, Docket No. NHTSA–2025–0491–5926, at Section 5.3, p. 12.

[532] NHTSA and EPA, FRIA: The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Year 2021–2026 Passenger Cars and Light Trucks, p. 1078 (2020), available at: *https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/final_safe_fria_web_version_200701.pdf* (accessed: May 28, 2026).

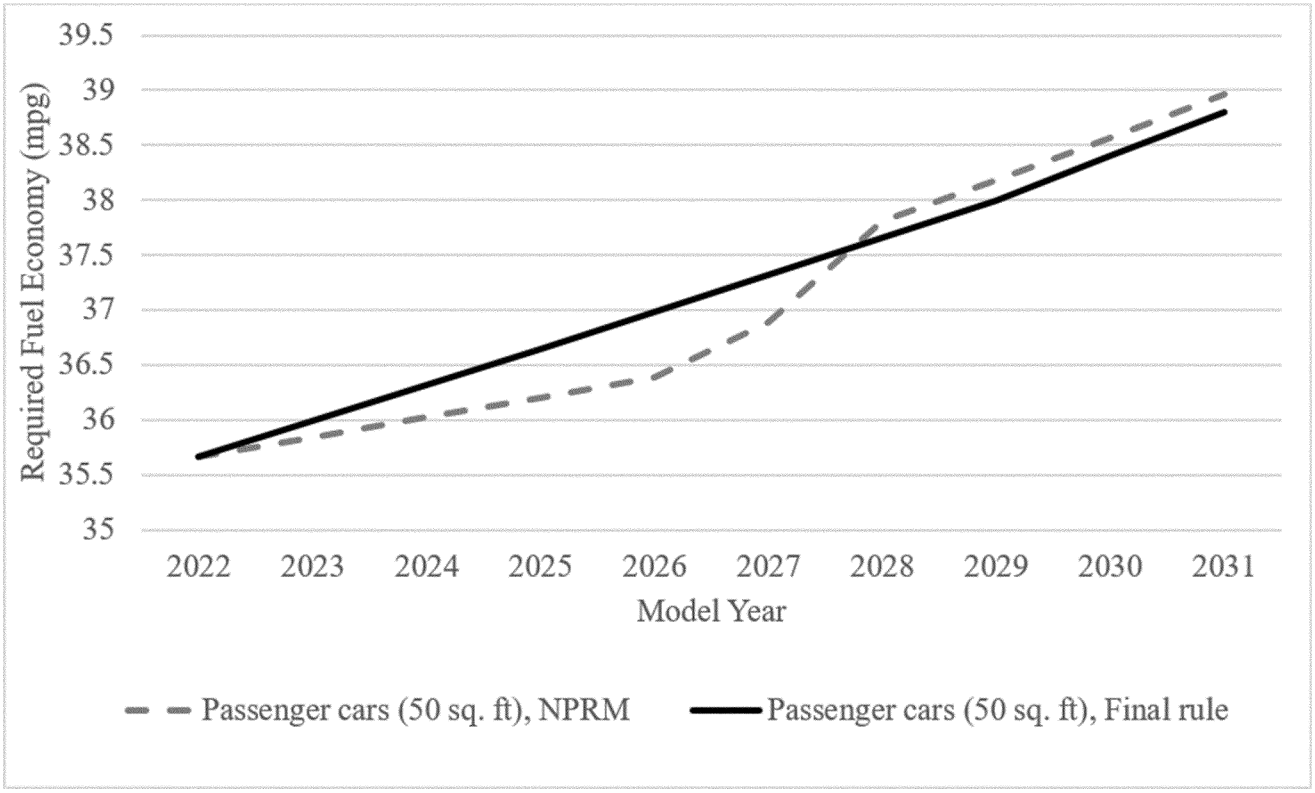
[533] DOT, Departmental Guidance on Valuation of a Statistical Life in Economic Analysis, available at: *https://www.transportation.gov/office-policy/transportation-policy/revised-departmental-guidance-on-valuation-of-a-statistical-life-in-economic-analysis* (accessed: May 22, 2026).

[534] Circular A–4, General Issues, 2. Developing a Baseline.

under the modified classification system. NHTSA also proposed a methodology for transitioning standards in the regulatory alternatives from MYs 2026–2028 to account for this change in the classification system. NHTSA described the methodology for developing these alternatives in the proposal and sought comment on the levels of stringency for each time period.

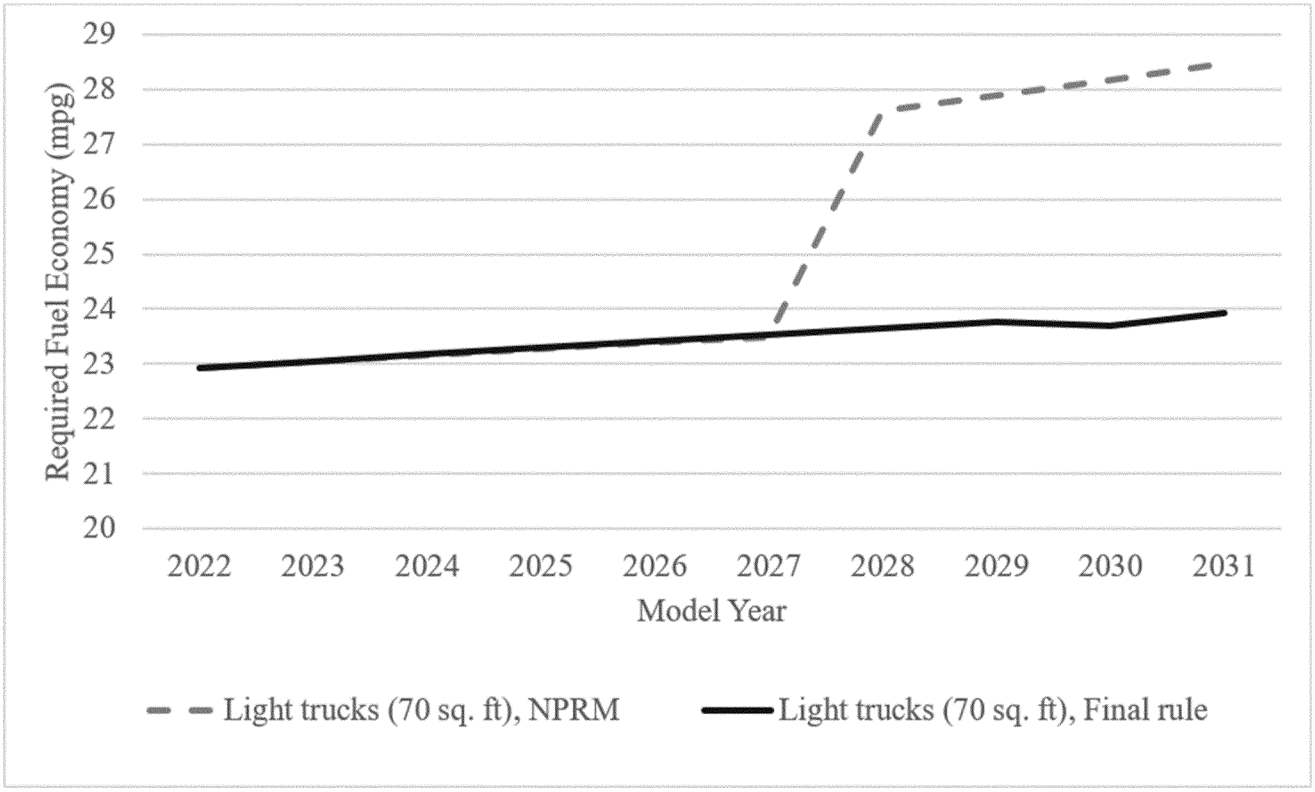
Although there have been updates since the NPRM, the overall curve methodology for the final rule has remained consistent with the NPRM approach. The changes that have taken place were based on updates to the reclassification start year and comments received on the NPRM analysis. The changes include the following: first, changing the year that reclassification takes effect (from MY 2028 in the NPRM to MY 2030 for the final rule); second, updating the target function transition analysis used to account for reclassification; and third, providing consistent year-to-year stringency increases for the rulemaking period using MY 2027–2031 stringency increases to project back to the MY 2022 selected standard, instead of having separate rates for MYs 2022–2026 and MYs 2028–2031 connected by a bridge year (MY 2027), as in the NPRM. The differences in required fuel economy between the proposal and this final rule for Alternative 3 are summarized in Figure III–1 and Figure III–2 for both PCs and LTs, for example vehicles with footprint sizes of 50 and 70 square feet. Together, the changes from the proposal to this final rule have a material impact on required fuel economy for some vehicles, like full-sized pickup trucks. These changes were made in response to comments as described in this section and are meant to smooth the overall rate of increase over time for both classes of vehicles during the transition between vehicle classification systems.

Figure III-1: Required Values for Passenger Cars, Alternative 3, MYs 2022-2031[535]



[535] For the NPRM, the vehicle reclassification occurred in MY 2028; where for the final rule the reclassification occurs in MY 2030.

Figure III-2: Required Values for Light Trucks, Alternative 3, MYs 2022-2031[536]



AmFree and the Illinois, Missouri, and National Corn Growers Associations (AmFree and Corn Growers Associations) and PMI commented that NHTSA should set the stringency increase to zero percent.[537] AmFree and Corn Growers Associations commented that while NHTSA's proposed stringency increases of 0.5 and 0.25 percent are an improvement upon the previous standards, they are based on flawed theories regarding consumer behavior. They also commented that the logic of the agency's safety analysis supports a zero percent increase in stringency, which will maximize economic practicability in addition to maximizing safety. PMI commented that NHTSA failing to consider the most natural result of its energy security, affordability, and technological feasibility findings—zero percent increase in stringency—is arbitrary. They commented that NHTSA's analyses concluded that fuel-efficient technologies are expensive, vehicle affordability is low, and American energy security is high, which demand standards that flatline or decrease.

MEMA commented, ''from a supplier perspective, the differences among the proposed alternatives are not merely differences in aggregate fuel economy outcomes, but differences in technology deployment signals, investment recoverability, and supply chain continuity.'' [538] MEMA stated that ''the usability of credits under each alternative, including whether credits remain available, transferable, or durable over the investment cycle for technologies that suppliers are expected to develop and scale'' [539] is also an important factor. MEMA also commented that ''alternatives that reduce uncertainty around deployment volumes, preserve credit usability, and maintain a stable and predictable compliance trajectory'' [540] are more feasible for suppliers than ''alternatives that achieve similar nominal stringency through sharper curve inflections, credit removals, or late-cycle compliance compression.'' [541] While MEMA expressed support for year-over-year increases in the stringency of the standards for MYs 2022–2031, it did not support the No-Action Alternative, Alternative 1, or Alternative 2 as proposed in the NPRM. MEMA did not support Alternative 1 because its ''reduced stringency would slow demand for fuel-savings technologies that are already in the advanced stages of development.'' [542] MEMA expressed concern with the stringency levels of the No-Action Alternative, specifically highlighting its concerns with the level of infrastructure deployment required to support the transition to AFVs. MEMA commented that Alternative 2 would ''weaken the market signal needed to sustain supplier investment in efficiency technologies.'' [543] MEMA expressed support for Alternative 3, stating that Alternative 3 would ''better preserve continuity with prior planning assumptions[,] . . . provide a clearer demand signal for suppliers across powertrain systems[, and] . . . align more closely with current investment cycles.'' [544] MEMA also encouraged

[536] For the NPRM, vehicle reclassification occurred in MY 2028. For the final rule, reclassification occurs in MY 2030.

[537] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 2; PMI, Docket No. NHTSA–2025–0491–5001–A1, at 3.

[538] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8.

[539] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8.

[540] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8.

[541] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8.

[542] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8.

[543] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 8–9.

[544] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 9.

NHTSA to consider developing a modified version of Alternative 3 that ''maintains the overall stringency trajectory while incorporating targeted flexibility mechanisms.'' [545] MEMA stated its belief that such an alternative could ''achieve a better balance between economic practicality and continued progress.'' [546]

NRDC and the UCS commented that the alternatives that NHTSA considered in its proposal are all very similar and do not constitute a reasonable range of alternatives.[547] Similarly, NRDC commented that NHTSA did not provide reasonable explanation for its change from the No-Action Alternative and failed to explain its reasoning for rejecting the most stringent alternative it did consider.[548]

CPAC–CRF commented ''NEPA also requires agencies to rigorously explore and objectively evaluate reasonable alternatives. The Draft SEIS does not adequately examine alternative regulatory approaches that could achieve efficiency gains with fewer environmental and security tradeoffs, such as more gradual standard increases, technology-neutral pathways, or policies that better align with infrastructure readiness. The absence of a meaningful alternatives analysis limits the usefulness of the environmental review.'' [549] NRDC also provided a similar comment that NHTSA, as part of the NEPA process, must provide a reasonable range of alternatives.[550] Two individuals provided comments that generally opposed the proposed actions.[551]

Regarding AmFree and the Corn Growers Associations and PMI's suggestions about a zero percent stringency increase, NHTSA is significantly resetting standards starting with MY 2022 because that is the earliest year that the agency has not administratively closed out, and which allows for proposer assessment of ICE only vehicles. To do this, NHTSA examined the degree to which manufacturers' gas-powered vehicles were able to comply with standards. For setting standards in MYs 2023–2031, NHTSA considered a wide range of rates of increase so that its analysis could consider the exact costs to which these commenters referred. NHTSA included alternatives that provide significant cost savings relative to prior standards. NHTSA also quantified the beneficial effects of lowering the price of new vehicles for the overall safety of the on-road fleet. Ultimately, after balancing four key factors: technological feasibility, economic practicability, the need of the United States to conserve energy, and the effect of other Federal regulations on fuel economy, NHTSA determined that the Preferred Alternative is the maximum feasible level that vehicle manufacturers can achieve in each model year.[552] This is discussed more detail in Section V.

NHTSA appreciates MEMA's assessment of the alternatives presented in the proposal. As discussed in additional detail in Section V, NHTSA agrees with MEMA's assessment about the Alternative 3 standards.

In response to comments about the range of alternatives considered, for this final rule, NHTSA added two action alternatives to its analysis for each period of standard-setting years for both the passenger and non-passenger fleets. These new alternatives—referred to as Alternatives 4 and 5—fall between Alternative 3 and the No-Action Alternative. These Alternatives have stringency levels that are high enough above Alternative 3 to produce different effects and societal costs and benefits. With these additional alternatives, and the No-Action Alternative, NHTSA's analysis for this final rule provides detailed coverage of a wide range of potential stringency options.

In sum, as with the NPRM, NHTSA analyzes separate alternatives for two distinct time periods (MYs 2022–2026 and MYs 2027–2031) and two distinct fleets (passenger and non-passenger automobiles) in this final rule. The final rule also continues using the No-Action Alternative as the baseline. In response to comments received and in further consideration of the issues, NHTSA revised certain aspects of the alternatives considered in this final rule. As explained above, the final rule analyzes two additional alternatives for each period of standard-setting years for both the passenger and non-passenger fleets. NHTSA is also finalizing changes to the mathematical functions, or curves, that define the standards, based on comments and based on changing the effective year for the vehicle reclassification change from MY 2028 to MY 2030. The details of comments and responses regarding vehicle reclassification and the final decision are discussed in Section VI. The details of all the alternatives, in addition to comments and responses, are discussed below. NHTSA's decision to finalize Alternative 3 as the Preferred Alternative is discussed in more detail in Section V.

The finalized standards may, in places, be referred to as the ''Preferred Alternative(s),'' but NHTSA intends ''final standards,'' ''finalized standards,'' and ''Preferred Alternative(s)'' to be used interchangeably for purposes of this document. The Preferred Alternative(s) represent the maximum feasible fuel economy standards for each model year under consideration when viewed in context of the finalized structural changes (*i.e.,* reclassification, elimination of FCIVs, and elimination of credit trading) and in light of statutory constraints (*i.e.,* not considering dedicated vehicles, non-petroleum performance of dual-fueled vehicles, or the availability of regulatory credits).

Each action alternative sets fuel economy stringency levels for each model year that can be defined in terms of percentage changes in stringency from one model year to the next—with the exception of the transition between MY 2029 and MY 2030 standards, discussed in more detail below—which may be different for PCs and LTs.[553] Although the stringency levels can be defined in terms of percentage changes in stringency from one model year to the next for ease of understanding, pursuant to the statute, they are actually defined as coefficients that define the following mathematical functions that relate fuel economy to footprint levels.

For PCs, NHTSA is defining final fuel economy targets as shown in Equation III–1.

[545] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 9.

[546] MEMA, Docket No. NHTSA–2025–0491–5989–A1, at 9.

[547] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 9; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 49–50.

[548] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 14–19 and –A2, at 50–51.

[549] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 9.

[550] NRDC, Docket No. NHTSA–2025–0490–0038, at 6–7.

[551] Terrence Meier, Docket No. NHTSA–2025–0491–5650.

[552] 49 U.S.C. 32902(a) and (f).

[553] Note that the percentage changes from one year to the next are applied to the footprint functions that define the standards, rather than to an average or summary mpg value corresponding to a given footprint function. The PC and LT target curve function coefficients are defined in Equation III–1 and Equation III–2, respectively. See Final TSD Chapter 1.2.1 for a complete discussion of the footprint curve functions and how they are calculated.

Equation III-1: Passenger Car Fuel Economy Footprint Target Curve

$$TARGET_{FE} = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}$$

Where:

$TARGET_{FE}$ is the fuel economy target (in mpg) applicable to a specific vehicle model type with a unique footprint combination, and

a is a maximum fuel economy target (in mpg),

b is a minimum fuel economy target (in mpg),

c is the slope (in gallons per mile per square foot, or gpm per square foot), of a line relating fuel consumption (the inverse of fuel economy) to footprint, and

d is an intercept (in gpm) of the same line.

Here, MIN and MAX are functions that take the minimum and maximum values, respectively, of the set of included values. For example, MIN[40, 35] = 35 and MAX(40, 25) = 40, such that MIN[MAX(40, 25), 35] = 35.

The resulting functional form is depicted in graphs displaying the PC target function in each model year for each regulatory alternative in Sections III.B.1 and III.B.3 below.

For LTs, NHTSA is defining fuel economy targets as shown in Equation III–2.

Equation III–2: Light Truck Fuel Economy Footprint Target Curve

$$TARGET_{FE} = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}$$

Where:

$TARGET_{FE}$ is the fuel economy target (in mpg) applicable to a specific vehicle model type with a unique footprint combination, and

a, b, c, and d are as for PCs, but taking values specific to LTs.

For this final rule, NHTSA applies individual rates of change to the PC and the LT fleet standards in different model years in some of the action alternatives. NHTSA has discretion to set CAFE standards that increase at different rates for PCs and LTs because NHTSA, by law, must set maximum feasible CAFE standards separately for PCs and LTs.

1. MYs 2022–2026

NHTSA's analysis resets the passenger and non-passenger automobile fuel economy target functions in MY 2022 and increases them through MY 2026 at levels consistent with the available data for that timeframe and the context for those years, as discussed in more detail in Section V. Unlike past rules that set CAFE standards, in which the last model year for which standards are currently set serves as the base year for describing the regulatory alternatives considered in terms of annual percentage increases in standards, NHTSA analyzed reset standards using MY 2022 as the base year, consistent with the Secretary's memorandum titled ''Fixing the CAFE Program'' (Jan. 28, 2025).[554] NHTSA considered several potential approaches for analyzing regulatory alternatives for that model year within a reasonable range of feasible average fuel economy standards.

For the proposal, the agency relied in large part on the observed capabilities of the gasoline- and diesel-powered vehicle fleets over the model years covered by the standards. Although NHTSA always examines manufacturer capabilities (also referred to as ''achieved'' fuel economy values for each manufacturer's fleet in each model year) relative to the standards under consideration as part of its evaluation of maximum feasible standards, this analysis is unique in that the data-based projections that NHTSA would generally rely on to estimate manufacturer behavior are not necessary because NHTSA can rely on observed data for MYs 2022–2026. That said, as discussed in Section V, NHTSA believes the appropriate qualitative context exists for giving meaning to the section 32902(f) factors related to manufacturer compliance for model years that have already passed or are currently underway.

NHTSA defined a potential standards range using the mean fit curve and the mean fit curve minus one standard deviation,[555] and then selected three levels of standards that the agency believed represented reasonable low-, medium-, and high-level resetting functions for the MY 2022 PC and LT fleets, respectively. NHTSA then applied a 0.5 percent year-to-year rate of growth for the stringency of the standards for MYs 2023–2026. These three functions represented different ways that NHTSA could consider the available data for MY 2022, accounting for the removal of subsection 32902(h) technologies and compliance credits, and consistent with the agency's balancing of the four factors as described in more detail in Section V.

The lowest level function for MY 2022 that NHTSA considered represented standards that weighed economic practicability most heavily. The lowest level function did this by recognizing that the prior standards for MY 2022 were infeasible for the gasoline- and diesel-powered vehicle fleets (from the perspective of manufacturers reasonably being able to apply technology during the rulemaking timeframe). This function also recognized that prior standards were infeasible based on the fleet-average performance having been below the fleet-average standards for several years. A less stringent standard, in compliance with the statute, represents an opportunity for vehicle manufacturers to meet a standard that influences their obligations to improve fleet fuel economy without distorting typical design cycles or technology application

[554] See DOT, Fixing the CAFE Program, Memorandum (2025), available at: *https://www.transportation.gov/briefing-room/memorandum-fixing-cafe-program* (accessed: June 11, 2026).

[555] Mean fit level here refers to standards developed based on the relationship between fuel consumption and footprint using ordinary least-squares without any further adjustment. NHTSA examined fleetwide compliance and found that around half of the vehicles produced in the MY 2022 fleet complied with these standards. For the mean fit minus standard deviation, NHTSA reasoned that focusing on the central mass of the distribution of vehicles' fuel economy values would seem to be a good indicator that the finalized level was technologically feasible and economically practicable.

in a manner inconsistent with NHTSA's statutory authority.[556] Under these standards, about 80 percent of PCs and LTs would have met or exceeded their target function values for MY 2022.

At the time of the proposal, Alternative 3 was the high-level function considered for MY 2022. That alternative represented a balancing that weighed economic practicability but recognized that some manufacturers had been able to apply technology that improved the fuel economy levels of their gasoline- and diesel-powered fleets at a cadence that, if applicable to the rest of the fleet had the model year not already passed, would have pushed the fleet to higher average fuel economy levels. NHTSA tentatively concluded in the proposal that the fact that a number of manufacturers' gasoline- and diesel-based fleets could not comply with that standard is evidence that the baseline standard is beyond maximum feasible for the gasoline- and diesel-powered passenger and non-passenger automobile fleets for MY 2022. Under these standards, about 30 percent of PCs and 50 percent of LTs, by sales volume, failed to meet their target function values for MY 2022.

In the proposal, NHTSA presented Alternative 2, which utilized mid-level target functions for MY 2022, as its Preferred Alternative because the agency tentatively concluded it represented the maximum feasible average fuel economy. The agency explained that this alternative provided an appropriate, reformed starting point for future stringency increases by properly balancing the statutory maximum feasibility factors and excluding prohibited elements—namely, the consideration of EVs and compliance credits—to reflect the actual, measured performance of the gasoline- and diesel-based fleet. Under this proposed alternative, approximately 75 percent of PCs and 70 percent of LTs by sales volume would have successfully met or exceeded the requirements.

NHTSA also examined for the proposal real-world data to evaluate the capacity of gasoline- and diesel-powered fleets to achieve consistent efficiency improvements, excluding prohibited elements like alternative-fueled vehicles from the analysis. The agency observed that, while technologies to improve internal combustion engine efficiency exist, much of that technology has already been applied extensively over the past 15 years in response to increasing the stringency of standards. Data from the EPA's Automotive Trends Reports and input from Auto Innovators, demonstrated that average fuel consumption for non-electric vehicles generally improved by roughly one to two percent annually between MYs 2010 and 2022, but these improvements slowed to an average of just 0.7 percent for MYs 2020–2023, and remained relatively flat into MY 2024. The agency highlighted in the NPRM that the market had already seen a sharp decrease in basic naturally aspirated engines—dropping from 37.9 percent of the fleet in MY 2022 to just 22.0 percent by MY 2024—while advanced, costly technologies like turbochargers and mild and strong hybrids correspondingly increased.

Based on this data NHTSA tentatively concluded that expecting manufacturers to apply advanced technologies continually across all vehicle types to meet aggressive standards using only gasoline- and diesel-based powertrain improvements would not be maximum feasible and would be unreasonable. Ultimately, in the proposal the agency determined that adopting the proposed rates of annual increase would better reflect these physical capabilities and allow fuel-saving technology to propagate across the fleet in a cost-effective manner.

As discussed above, NHTSA reevaluated its alternatives for this final rule and added two new alternatives, Alternatives 4 and 5, in response to additional analysis and comments. In MYs 2022–2026, Alternatives 1 and 2 increase at a rate close to 0.5 percent per year from each alternative's MY 2022 starting point. Alternative 3 increases at a rate of 0.9 percent per year for PCs and 0.51 percent for LTs. Alternative 4 increases at a rate of 1.32 percent per year for PCs and 1.5 percent for LTs. The highest action alternative, Alternative 5, increases at a rate of 2.81 percent per year for PCs and 3.03 percent for LTs.

NHTSA's determination to apply vehicle reclassification, starting in MY 2030 rather than MY 2028, required corresponding changes to the NPRM's alternatives. The final rule's revised Alternatives 1, 2, and 3 are generally consistent with the stringency of those proposed in the NPRM but also are compatible with maintaining the existing vehicle classification criteria for MYs 2028 and 2029 in the final rule. NHTSA applied a uniform rate of increase in the stringency of standards for MYs 2022–2029 to mirror changes in the overall stringency of the fleets used in the proposal over this time period. Because this time period includes MYs 2027–2029, the growth rates that are used in this final rule differ from those used for MYs 2022–2026 in the NPRM.[557]

Alternatives 4 and 5 were added to the analysis for this final rule. NHTSA analyzed CAFE Model simulations over a range of stringencies falling between Alternative 3 and the No-Action Alternative to determine ranges over which technology adoption substantially changed in each fleet in the later years in its analysis. NHTSA determined the stringencies for these simulations by evaluating different uniform growth rates from MYs 2022–2029. Alternatives 4 and 5 represent two levels of stringency that produced distinct solutions across a variety of manufacturers in each class, and thus significant variation in achieved compliance, and the costs and benefits to society. As a result, NHTSA chose to use these rates of increase for MYs 2022–2026 as additional alternatives which it evaluated in this final rule.

Accordingly, NHTSA has considered a range of stringency options that allowed the agency to analyze and select an alternative within that range. The range of alternatives represents different ways that the agency could balance the section 32902(f) factors for MYs 2022–2026. In addition, this final range of alternatives is responsive to comments about the range and space between alternatives.

2. MYs 2027–2031

Consistent with NHTSA's approach for MYs 2022–2026, the agency endeavored to reset future model years' standards at levels that reflect the technological and economic capabilities of the gasoline- and diesel-powered vehicle fleets, but also in a manner that reflects how finalized compliance provisions (discussed in more detail in Section VI) would impact manufacturers' ability to comply. NHTSA performed an analysis, similar to its analysis of feasible per-year rates of stringency increase for gasoline- or diesel-powered vehicle improvements for MYs 2022–2026 discussed above to establish a range of regulatory alternatives that encompassed the ways the agency believes manufacturers could improve their fleet fuel economies year-over-year.

For the proposal, the agency began by using MY 2024 market data as a starting point for characterizing the technology and compliance levels of the vehicle

[556] See ''Resetting the Corporate Average Fuel Economy Program,'' 90 FR 24518 (June 11, 2025).

[557] To compensate for stringency changes associated with vehicle reclassification, NHTSA assumed in the NPRM different growth rates for the alternative standards for MYs 2027–2029.

fleet, and then relied on the CAFE Model to simulate the fleet's expected evolution under the current regulatory fleet classifications in future years in the No-Action Alternative and using the proposed alternative classification regulations starting in MY 2028 in the action alternatives. In the proposal, NHTSA designed the standards through MY 2028 by projecting an average required fuel economy level using a particular growth rate (or as in the case of Alternative 2, pair of growth rates). For MYs 2028–2031, NHTSA then assumed that the stringency of standards would grow at a constant rate.

In the proposal NHTSA developed alternatives to produce class average target function values that reflected different rates of growth from MYs 2022–2028, with MY 2027 acting as a ''bridge'' year between MY 2026 and MY 2028, when NHTSA proposed to modify vehicle classification. NHTSA accounted for changes in the cutpoints, slope, and intercept in MY 2028, after the proposed updated classifications by rescaling coefficients such that their average level was equal to the level it would have been for MY 2028 without a change in classification. Because of changes in the slope of the standards after reclassification, this approach produced significant increases in required fuel economy levels for some vehicles even when they remained in the same class.

NHTSA described in the proposal that the projected levels of fuel economy under each of the three regulatory alternatives for MYs 2027–2031 continually push manufacturers to improve real-world fuel economy, and even the least stringent option would exceed fuel efficiency merely driven by market demand.[558] NHTSA treated market demand for fuel-economy improvements as a floor for determining action alternatives by rescaling its estimates such that they produced standards achievable for manufacturers when only market demanded technology was applied. Any standard less stringent than this floor would not be projected to change manufacturers' technology adoption decisions from those they would make in the absence of standards. In accordance with the purpose of the statutory scheme to increase fleet fuel economy of gasoline- and diesel-powered vehicles, NHTSA chose alternatives for the proposal above this floor.

NHTSA also recognized in the proposal that the process for creating regulatory alternatives for this set of standards was different in some ways from how the agency had created regulatory alternatives in past rules; however, the process used was necessary to bring the CAFE program into compliance with the law and to implement a significant reclassification of the PC and LT fleets to reflect better the intent of the CAFE program established by Congress. Previously, NHTSA evaluated regulatory alternatives based on varying levels of stringency increases from the last year of the previously established standards. Since NHTSA considered the fuel efficiency of EVs in establishing those previous standards, in contravention of the law, a stringency increase from the last year of those standards is on its face higher than the maximum feasible standards NHTSA could establish if only considering gasoline- and diesel-fueled vehicles. NHTSA also discussed that the agency was setting standards lower in MY 2022 than MY 2021, in part, because actual compliance data clearly demonstrated that manufacturers were unable to achieve the MY 2022 standards with their gasoline- and diesel-powered vehicle fleets.

In the proposal, for MYs 2027–2031, NHTSA designed standards using the proposed MY 2026 standards as a starting point for each alternative. In the proposal, NHTSA increased the stringency of Alternative 1, its lowest stringency alternative, at a rate of 0.1 percent for PCs and 0.8 percent for LTs in MY 2027. In MY 2028, when the classification system changed, NHTSA adjusted its coefficients and set standards such that the average required fuel economy in the PC fleet increased by 0.3 percent for PCs and 0.6 percent for LTs from MY 2027 averages. For MYs 2029–2031, the Alternative 1 standards increased at a rate of 0.25 percent per year. In Alternative 2, the proposed standards, NHTSA increased stringency at a rate of 0.35 percent for PCs and 0.7 percent for LTs in MY 2027. For MYs 2027–2028, the standards were set such that the average fleetwide required value for each class increased at a rate of 0.25 percent. For MYs 2029–2031, the Alternative 2 standards increased in stringency at a rate of 0.25 percent per year. Finally in Alternative 3, the most stringent alternative in the proposal, the standards increased at a rate of 1.4 percent for PCs and 0.4 percent for LTs in MY 2027. In MY 2028, the standards were set such that the average required fuel economy increased by 1.5 percent for PCs and 0.2 percent for LTs. For MYs 2029–2031, standards increased at a rate of 1 percent per year for both classes. NHTSA sought comment on the range of alternatives presented, in addition to any other alternatives that the agency should consider.

In addition to the general comments on the alternatives, discussed above, NHTSA also received comments regarding how the form of the standards accounted for the vehicle reclassification proposal. The Alliance noted that, for vehicles remaining in the LT fleet, stringency increased substantially in the proposal from MYs 2028–2029.[559] The Alliance urged NHTSA to reconsider its methodology for the transition between these years. Ford commented that it supported Alternative 2 for MYs 2022–2031 as proposed in the NPRM. However, Ford expressed concern regarding the sharp increase between the MY 2027 and MY 2028 average fuel economy standards for LTs; specifically for vehicles with larger footprints. Ford urged NHTSA to re-examine its methodology for MYs 2027 and 2028 and adjust the stringency between those two model years to be consistent with other year-over-year changes in the NPRM. Stellantis expressed support for the overall direction of the proposed Preferred Alternative but recommended a delay in implementation of reclassification to MY 2030.

In response to the Alliance and Ford's concerns about the increase in stringency for LTs between MY 2027 and MY 2028, and Stellantis's concerns about the year of reclassification, NHTSA reconsidered its approach to transitioning standards to account for vehicle reclassification. First, NHTSA has determined that the update to classification will be applied beginning with MY 2030 rather than MY 2028. The agency recognizes that reclassification represents a dramatic change to the CAFE program, and, given product design and market planning lead times, a MY 2028 transition as MY 2027 approaches does not allow manufacturers a significant opportunity to reconsider their compliance strategies. This decision provides an additional two years for manufacturers to plan and make any necessary changes to their production plans. Second, NHTSA changed the rate of stringency increase for the MYs 2022–2029 to a single consistent value in each alternative. This makes the path to the MY 2030 standards and reclassification

[558] As discussed in more detail in Section II, NHTSA's assumptions about market-driven fuel economy improvements in the absence of regulatory requirements involve manufacturer application of technology that pays for itself within 36 months. This assumption is based on manufacturer statements over successive CAFE rulemakings and is supported by the relevant literature.

[559] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 11.

smoother overall. Third, NHTSA changed its methodology for shifting from footprint curves designed for the years before reclassification to curves designed for the updated vehicle classification.

For this final rule, NHTSA developed standards for each alternative reflecting different rates of growth from MYs 2022–2029, and MYs 2029–2031, with MY 2030 adjusted so that one of its constraints (low-footprint constraint for PCs and high-footprint constraint for LTs) was unchanged after adjusting the standards to account for different footprint cutpoints, and estimates of the footprint curve slope and intercept obtained using the updated classification. NHTSA's updated approach minimizes changes to the standards introduced as a result of reclassification at regions of the footprint curve where classification had less effect on the fleet. Changes to the functions governing the standards are appropriate because the achievable level of fuel efficiency at a given footprint level has changed as a result of changes to the composition of vehicles in a regulatory class at that footprint level. NHTSA's methodology in the proposal limited the effect of reclassification at the production-weighted average footprint in each fleet (around 48 and 61 sq. ft. for PCs and LTs respectively). Vehicles that changed regulatory classes are heavily concentrated at footprint levels of approximately 50 sq. ft. This means that the fleet of PCs up to 46 sq. ft. and the fleet of LTs larger than 74 sq. ft. are relatively unchanged, making these cutpoints more suitable locations for the finalized curves to be unaffected by reclassification. This change ensures that vehicles that are not reclassified will be required to meet standards that rise at a steady rate over time without the unintended and unreasonably sharp stringency increase identified by Ford.

NHTSA's updated approach is shown for Alternative 3 for both regulatory classes in Figure III–10 and Figure III–11. The dashed line represents a one percent increase in stringency from MY 2029 to MY 2030, while maintaining the same curve shape and cutpoints as the MY 2029 standards. The solid gray line adjusts these standards to maintain the same sales-weighted average standard value for each class but using the updated curve shape parameters and cutpoints, which is the methodology used in the NPRM. The solid black line shows NHTSA's approach for this final rule, which uses the updated curve shape parameters and cutpoints, and maintains upper or lower constraint value that would have existed without reclassification.

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Figure III-3: NHTSA's Updated Methodology for Developing the MY 2030 Alternative 3 Standards – Passenger Cars

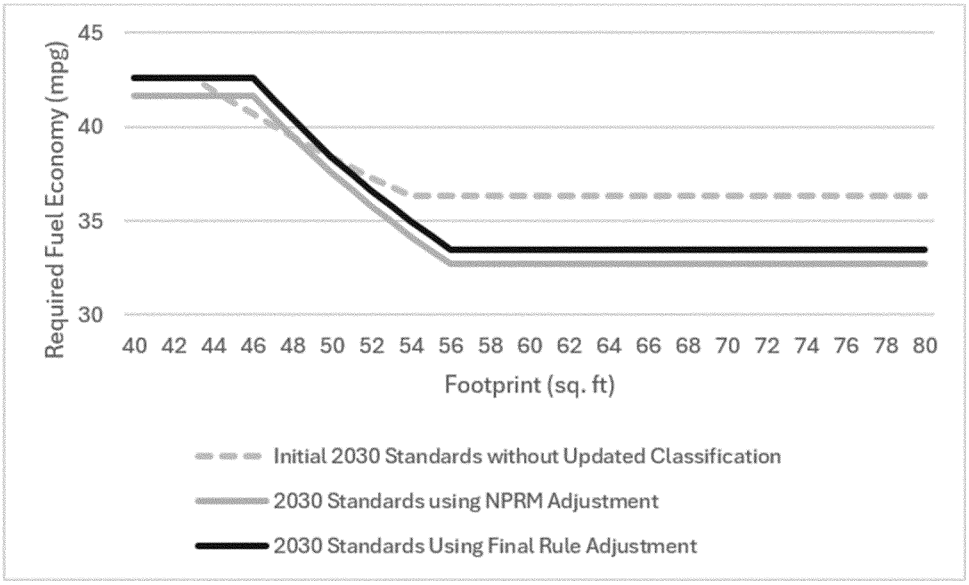
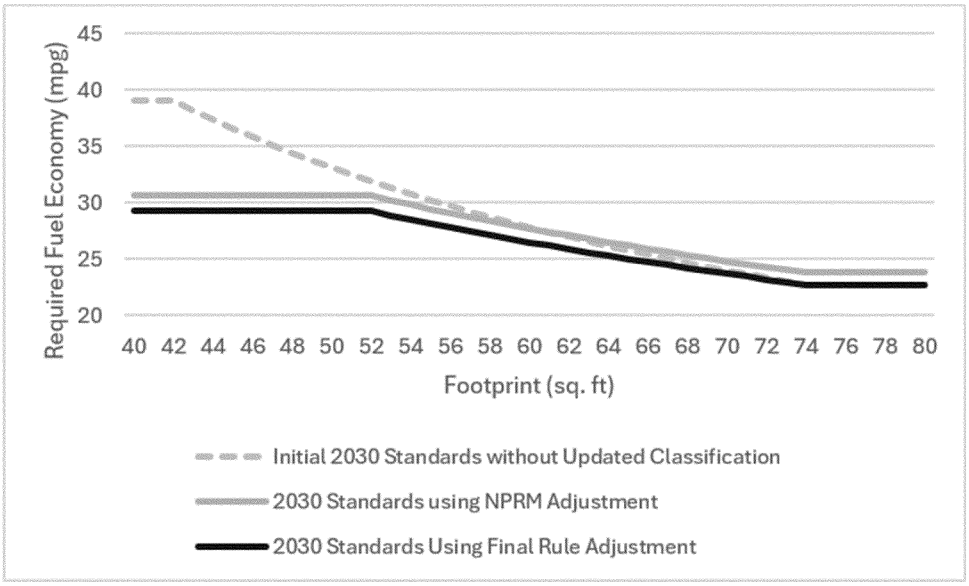


Figure III-4: NHTSA's Updated Methodology for Developing the MY 2030 Alternative 3 Standards – Light Trucks



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NHTSA performed additional analysis to define the target functions for the years where the fleet transitions regulatory classification definitions. Because NHTSA is using a different set of initial footprint curve parameters (*i.e.,* slope, intercept, and cutpoints) for each fleet starting in MY 2030, the change in stringency from MYs 2029–2030 cannot be defined using multiplication by a common factor. Instead, NHTSA first applied a year-over-year stringency adjustment to each finalized alternative for each regulatory class ''m'' in MY 2029 to generate initial target function parameters for MY 2030. NHTSA then determined the required level of fuel economy for these initial target functions at the upper and lower constraints (coefficients ''a'' and ''b'' respectively).

Equation III–3: Scaling Equations for Initial MY 2030 Target Function Parameters

$$a^{m}_{2030,0}=\frac{1}{k_1}\times a^{m}_{2029}$$

$$b^{m}_{2030,0}=\frac{1}{k_1}\times b^{m}_{2030}$$

$$k_1=1-\Delta_{2030}$$

Here ''Δ_{2030}'' equals the percentage year-to-year change in stringency from MYs 2029–2030 in a given alternative. Here ''$a^{m}_{2030,0}$'' and ''$b^{m}_{2028,0}$'' denote the initial upper and lower constraint values for class *m* in MY 2030. For PCs, NHTSA rescaled its coefficient estimates for the updated PC fleet to be consistent with its initial value for coefficient a, and the cutpoint footprint levels it determined were appropriate for the updated PC fleet. Similarly for LTs, NHTSA then rescaled its coefficient estimates for the updated LT fleet to be consistent with this initial value for coefficient b, and the cutpoint footprint levels it determined were appropriate for the updated LT fleet. These calculations are shown in Equation III–4 and Equation III–5.

Equation III–4: Determination of Final MY 2030 Coefficient Values for Passenger Cars

$$a^{m}_{2030}=a^{m}_{2030,0}$$

$$\boldsymbol{b^{m}_{2030}=\frac{a^{m}_{2030,0}}{a^{m}_{2030,A}}\times b^{m}_{2030,A}}$$

$$\boldsymbol{c^{m}_{2030}=\frac{a^{m}_{2030,A}}{m_{2030,0}}\times c^{m}_{2030,A}}$$

$$\boldsymbol{d^{m}_{2030}=\frac{a^{m}_{2030,A}}{a^{m}_{2030,0}}\times d^{m}_{2030,A}}$$

Equation III–5: Determination of Final MY 2030 Coefficient Values for Light Truck

$$b^{m}_{2030}=b^{m}_{2030,0}$$

$$\boldsymbol{a^{m}_{2030}=\frac{b^{m}_{2030,0}}{b^{m}_{2030,A}}\times a^{m}_{2030,A}}$$

$$\boldsymbol{c^{m}_{2030}=\frac{b^{m}_{2030,A}}{b^{m}_{2030,0}}\times c^{m}_{2030,A}}$$

$$\boldsymbol{d^{m}_{2030}=\frac{b^{m}_{2030,A}}{b^{m}_{2030,0}}\times d^{m}_{2030,A}}$$

Here ''$a^{m}_{2030,A}$''denotes the value of the upper constraint obtained using the updated coefficient estimates and footprint cutpoints for class *m* without any rescaling. ''$b^{m}_{2030,A}$''likewise denotes the value of the lower constraint obtained using the updated coefficient estimates and footprint cutpoints for class *m* without any rescaling. ''$c^{m}_{2030,A}$'' and ''$d^{m}_{2030,A}$''denote the updated estimates of slope and intercept for the mathematical functions.

Accordingly, for the final rule, the standards are defined as follows:

For Alternative 1, NHTSA assessed the standards for 2027–2029 by increasing stringency at a rate of 0.44 percent per year for PCs, and 0.54 percent per year for LTs. These rates of

increase were also used to consider the 2030 standards using the methodology described in Equation III–3 and Equation III–4. The regulatory class average standard value for PCs decreases by 1.1 percent from MY 2029 to MY 2030, while the average decreases by 15.1 percent for LTs. The standards for both classes increase in MY 2031 by 0.25 percent.

In Alternative 2 NHTSA assessed the standards for MYs 2027–2029 by increasing stringency at a rate of 0.47 percent per year for PCs, and 0.46 percent per year for LTs. While the rate of increase for LTs is slightly lower than in Alternative 1, since Alternative 2 starts from a higher initial level in MY 2022, the standards for LTs in MY 2027 are higher in Alternative 2. These rates of increase were also used to consider the 2030 standards using the methodology described in Equation III–3 and Equation III–4. The regulatory class average standard value for PCs decreases by 1.3 percent from MY 2029 to MY 2030, while the average decreases by 15.1 percent for LTs. The standards for both classes increase by 0.25 percent in MY 2031.

For Alternative 3, NHTSA assessed the standards for MYs 2027–2029 by increasing stringency at a rate of 0.9 percent per year for PCs, and 0.51 percent per year for LTs. These rates of increase were also used to consider the MY 2030 standards using the methodology described in Equation III–3 and Equation III–4. The regulatory class average standard value for PCs decreases by 0.5 percent from MYs 2029 to 2030, while the average decreases by 14.4 percent for LTs. The standards for both classes increase by one percent in 2031.

For Alternative 4, NHTSA assessed the standards for MYs 2027–2029 by increasing stringency at a rate of 1.32 percent per year for PCs, and 1.5 percent per year for LTs. These rates of increase were also used to consider the MY 2030 standards using the methodology described in Equation III–3 and Equation III–4. The regulatory class average standard value for PCs decreases by 0.7 percent from MY 2029 to MY 2030, while the average decreases by 14.9 percent for LTs. The standards for both classes increase in MY 2031 by 0.5 percent.

For Alternative 5, NHTSA assessed the standards for MYs 2027–2029 by increasing stringency at a rate of 2.81 percent per year for PCs, and 3.03 percent per year for LTs. These rates of increase were also used to consider the MY 2030 standards using the methodology described in Equation III–3 and Equation III–4. The regulatory class average standard value for PCs decreases by 0.8 percent from MY 2029 to MY 2030, while the average decreases by 14.7 percent for LTs. The standards for PCs and LTs increase in MY 2031 by 0.5 percent.

3. Minimum Domestic Passenger Car Standard Analysis Update

EPCA, requires that any manufacturer's domestically manufactured PC fleet must meet the greater of either 27.5 mpg on average or 92 percent of the average fuel economy projected by the Secretary for the combined domestic and non-domestic passenger automobile fleets manufactured for sale in the United States by all manufacturers in the model year. Along with calculating each regulatory alternative, NHTSA must calculate a minimum standard for domestically manufactured passenger automobiles in accordance with 49 U.S.C. 32902(b)(4)(B). Since the 2020 final rule, NHTSA has calculated the ''minimum domestic passenger car standard'' (MDPCS) using an offset to account for the fact that the agency's model cannot predict any shift in vehicle designs (as opposed to technology application) that manufacturers might make in response to CAFE standards. Additional information about the origin of the MDPCS and the related offset calculation can be found in Section V.

In its 2020 final rule, NHTSA developed the MDPCS offset, a scalar that accounts for differences between the PC standards the agency forecasts in its rulemaking analyses and the actual PC standards EPA calculates for CAFE final compliance in accordance with 49 U.S.C. 32904(a). NHTSA used forecasted data from its 2009, 2010, and 2012 final rule analyses and actual CAFE final compliance data for MYs 2011–2018 to develop the initial MDPCS offset of −1.9 percent. NHTSA developed the original offset value for use in its 2020 final rule; however, the agency continued to use that same offset value in its 2022 and 2024 final rules without updating the underlying analysis. In addition to promulgating two final rules since it developed the initial MDPCS offset, NHTSA has also collected five additional model years of final compliance data—with two of those model years having been verified by EPA in accordance with 49 U.S.C. 32904(a).

For the NPRM, NHTSA updated the analysis it uses to calculate the MDPCS by supplementing the original analysis with additional data, such as estimated PC standards from subsequent rulemaking analyses and calculated PC standards from more recent CAFE compliance data. NHTSA began with the Market Data Input File containing the MY 2017 baseline fleet, which the agency used in the 2020 final rule analysis, covering MYs 2021–2026. The agency then identified and removed all the model types of dedicated AFVs from the Market Data Input File, consistent with the section 49 U.S.C. 32902(h) prohibition on considering the fuel economy of dedicated and dual-fueled vehicles when setting maximum feasible standards. Next, NHTSA ran the 2020 final rule version of the CAFE Model with the modified Market Data Input File to produce an analysis devoid of dedicated AFVs. The agency then extracted the PC standard from the resulting Compliance Output Report for MYs 2017–2050.

Next, NHTSA added the following CAFE compliance data for additional model years to the analysis: MYs 2012–2021, which have been verified by EPA in accordance with 49 U.S.C. 32904(a), and MYs 2022–2023, which have yet to be verified. As a proxy for individual model types of dedicated AFVs, NHTSA identified and removed the manufacturers that produce only dedicated AFVs from the compliance data and calculated the PC standard for MYs 2012–2023.[560]

Next, NHTSA modified the methodology it uses to calculate the offset. In the original offset analysis, NHTSA included comparisons between actual PC standards calculated from final model year compliance data to PC standards projected in proposed rules, in addition to those projected in final rules. For CAFE compliance, manufacturers are required to meet only those standards estimated and published in final rules, not those estimated and published in proposed rules. Consequently, NHTSA included comparisons to PC standards forecasted only in final rules in the updated analysis.

NHTSA compared the MDPCSs estimated from CAFE Model outputs from MYs 2017–2050 to the MDPCSs calculated from actual compliance data from MYs 2012–2023 and calculated the relative change (in percent) between them for each model year. NHTSA then calculated the offset by taking the average of the relative changes in

[560] Because NHTSA does not receive final model year data in the same format from EPA as manufacturers submit their pre-model year data and final model year data to the agency, NHTSA cannot simply remove Excel rows with dedicated vehicles as the agency did to create its MY 2022 and MY 2024 Market Data Input Files. For purposes of this analysis, NHTSA believes that final model year data are the appropriate source to use.

MDPCS for MYs 2017–2023, which are those model years where the CAFE Model outputs (excluding all individual model types of dedicated AFVs) overlapped with CAFE compliance data that excluded manufacturers that produced only dedicated AFVs. The updated MDPCS offset analysis shows that the PC standards projected with the MY 2017 baseline fleet and the 2020 final rule version of the CAFE Model were more stringent than the actual PC standards calculated for CAFE final compliance by an average of −0.7 percent, less than half of the offset calculated previously.

In the NPRM, NHTSA proposed to use the new −0.7 percent offset to adjust the MYs 2027–2031 MDPCSs. NHTSA stated that the basis for the offset, which is tied to the agency's inability to project the precise mix of vehicles sold in the future, is inapplicable to the MYs 2022–2026 MDPCSs because they are based on average fuel economy standards that incorporate the most up-to-date data available to the agency for vehicle sales volume and footprint sizes in MY 2022. The agency proposed to use the new −0.7 percent offset to adjust the MDPCSs for MYs 2027–2031 to ensure that they are reflective of industry capabilities.

Several manufacturers, advocacy groups, and a government entity commented on NHTSA's use of an MDPCS offset. The Alliance, Hyundai, and Kia Corporation (Kia) supported NHTSA's continued use of an MDPCS offset. The Alliance and Stellantis supported NHTSA factoring the impact of changes to vehicle classification into the MDPCS offset calculation methodology.[561] Specifically, Stellantis recommended that the MDPCS offset methodology should reflect the uncertainties associated with the contents of the rule, including the significant change in the PC fleet composition due to the vehicle classification changes.

Regarding the level of the offset, the Alliance, Ford, Kia, Nissan, and Stellantis commented in support of NHTSA's continued use of the existing −1.9 percent MDPCS offset. The Alliance recommended NHTSA retain its current −1.9 percent offset and defer amending the offset as a bulwark against unforeseen changes in the makeup of the fleet resulting from changes to vehicle classification.[562] Ford requested that NHTSA retain its current −1.9 percent offset to provide flexibility against unforeseen changes in the makeup of the fleet resulting from changes to vehicle classification.[563] Kia supported NHTSA's retention of its current −1.9 percent offset as protection against unintended consequences that may result from changes to vehicle classification.[564] Kia argued that implementing the −0.7 percent offset in conjunction with changes to vehicle classification could penalize domestic passenger automobiles and ultimately discourage domestic manufacturing, increase costs, and reduce consumer choice. Nissan recommended that NHTSA retain its current −1.9 percent offset to account for differences between forecasted and real-world PC footprints.[565] Stellantis stated that NHTSA should retain its current −1.9 percent offset to account for the uncertainty regarding changes to vehicle classification.[566] Stellantis also stated that NHTSA should delay amending the offset until the impact of changing vehicle classification is better understood and no earlier than MY 2030.

Conversely, UCS and Attorneys General [567] opposed NHTSA's use of an MDPCS offset. UCS stated that NHTSA's use of an MDPCS offset is arbitrary and inconsistent with its legal authority, and suggested that NHTSA to use a set of projections to establish the CAFE standards, but then state that those same set of projections are not sufficient when setting the MDPCS in the same rulemaking. UCS concluded that NHTSA should finalize a MDPCS without an offset that is inconsistent with its legal authority. The States and Cities similarly stated that the statute does not make any provision for an MDPCS offset to account for shifts in vehicle mix. They stated that NHTSA's use of an offset is arbitrary and contrary to statute.

UCS commented that the MDPCS offset is based on an ad hoc calculation methodology that lacks any underlying scientific or technical basis and confuses correlation with causation.[568] UCS stated that NHTSA's central analysis takes into consideration many of the factors that NHTSA identifies as responsible for a potential shift in fleet mix,[569] and further commented that, if NHTSA does not think its model is good enough at projecting the fleet, it must say so as part of that central analysis and should seek to remedy such concerns by correcting that underlying model. In addition, UCS commented that NHTSA used incorrect assumptions for its fleet projections when it calculated the MDPCS offset.[570] UCS stated that NHTSA incorrectly assumed that its fleet projections can only be wrong in one direction, which is responsive to manufacturer compliance strategy. UCS further commented that part of NHTSA's reason for the offset stems from concerns about fuel prices that could alter the market; however, NHTSA's primary analysis includes a steady increase in fuel prices. In addition, UCS stated that the EIA has predicted that proposed policy changes would lead to higher gasoline prices, if finalized. UCS further stated that higher oil prices could shift consumer demand away from crossovers and towards PCs.

NHTSA disagrees with the Alliance, Ford, Kia, and Stellantis that it should continue to use the −1.9 percent offset until the impact of changes to vehicle classification and other uncertainties are better understood. The MDPCS offset is not a forward-looking value; it is based on comparing the projected average fuel economy standard as absolute MPG in prior rulemakings to the final compliance data of model years that have been completed. The analysis that NHTSA used to calculate the new −0.7 percent offset is based on the most recent and complete data available to the agency. Furthermore, the −0.7 percent offset compared to the −1.9 percent offset is a reduction of 1.2 percent, demonstrating NHTSA's efforts to minimize uncertainty in its projection of future CAFE standards. NHTSA disagrees with commenters requesting that NHTSA maintain the −1.9 percent offset because of uncertainty in vehicle reclassification. As previously mentioned in Sections II.A, II.B and III, the impact of the changes to vehicle classification in this final rulemaking has been accounted for in the final average fuel economy standards for the combined domestic and non-domestic passenger automobile fleet in both the curve fitting analysis and the Alternatives themselves.

NHTSA also disagrees with the Alliance and Stellantis that the agency should modify its MDPCS offset calculation methodology to incorporate impacts from the vehicle classification

[561] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at 38; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 10–11.

[562] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at 38.

[563] Ford, Docket No. NHTSA–2025–0491–5821–A1, at 3.

[564] Kia, Docket No. NHTSA–2025–0491–5123–A1, at 3–4.

[565] Nissan, Docket No. NHTSA–2025–0491–5857–A1, at 4.

[566] Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 10–11.

[567] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 53–54; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 101–103.

[568] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 55–56.

[569] *Id.*

[570] *Id.*

changes that have been finalized in this rulemaking. Significant modifications to improve and clarify vehicle reclassification, like replacing gross combined weight rating (GCWR) with Trailer Weight Rating (TWR) and delaying the implementation date from MY 2028 to MY 2030, have mitigated most of the uncertainties raised by the Alliance and other manufacturers. As stated earlier, the projected MDPCSs in the analysis have accounted for much of the concerns raised by manufacturers, such as vehicles moving from the non-passenger automobile to the passenger automobile regulatory class. The MDPCSs are based on average fuel economy standards that have been developed from footprint curves and estimated during compliance simulations in the CAFE Model. The vehicle classification changes will cause some vehicle models from the non-passenger automobile compliance fleet to move to the passenger automobile compliance fleet for MY 2030 and beyond. These changes were captured in the Market Data Input File and synthesized in the CAFE Model during its compliance simulation. In addition, for this final rule, NHTSA is finalizing adjustments to the footprint curves that define CAFE standards for MYs 2027–2031. In addition to other modifications, these adjustments incorporate the aforementioned changes to vehicle classification. While the effects of the changes to vehicle classification will not be factored into the MDPCS offset calculation methodology, they are adequately represented in the projected average fuel economy standards and consequently the MDPCSs themselves. As such, there is no need to further modify the MDPCS offset calculation methodology to account for changes to vehicle classification.

NHTSA does not agree with UCS and the States and Cities' assertion that NHTSA's use of an offset is arbitrary and inconsistent with its legal authority. This is discussed in more detail in Section V.

NHTSA also disagrees with UCS' assertion that the agency assumes its fleet projections can only be wrong in one direction. The agency does not presume or predict how the final compliance standards will compare to the predicted standards. As discussed above, the methodology that NHTSA uses to calculate the final MDPCS offset is a simple percentage change equation that can produce a positive or negative offset. In establishing the MDPCS, the agency is simply acknowledging the difference between the historic projected and achieved fuel economy, which is a function of vehicle footprints and sales volumes. Based on both MDPCS offset analyses, the offset shows that NHTSA has over predicted the static MPG of the MDPCS. However, NHTSA has improved the analysis that projects the MDPCS, which is reflected in this final rule.

NHTSA also disagrees with UCS' assertion that the MDPCS offset is based on an ad hoc calculation methodology that lacks any underlying scientific or technical basis. As previously discussed, NHTSA developed the offset to account retroactively for the differences between projected and achieved domestic and non-domestic passenger automobile fuel economy, which is a static MPG value. NHTSA uses a simple percentage change equation to determine the value of the offset to show this offset based on actual final CAFE compliance data. NHTSA also does not agree with UCS' assertion that, in establishing the offset, the agency is confusing causation with correlation. NHTSA has identified some potential causes of the historic differences but has not proclaimed an exact cause. The CAFE standards are coefficients that define a curve based on vehicle footprint, which accounts for variability in the vehicle offerings within a manufacturer's fleet; however, the MDPCS by statute is a static MPG, which does not account for the same variability. In addition, NHTSA does not agree with UCS's comment that NHTSA must modify the CAFE model in response to the historic differences between the projected and actual fuel economy standards. During compliance modeling, the CAFE model maintains a vehicle's initial footprint and does not adjust it when the platform component is upgraded. However, NHTSA does update the inputs and the CAFE model to continuously improve its projections. The decrease in the offset from −1.9 percent to −0.7 percent is indicative of this. As such, it is reasonable for projected standards to differ from those standards established during final compliance.

NHTSA also received comments on its use of the fleet average fuel economy standard rather than the fleet average fuel economy performance to develop the MDPCS and its application of the 49 U.S.C. 32902(h) restrictions to its MDPCS and MDPCS offset calculation methodologies, which the agency addresses in Section V.

B. Regulatory Alternatives Considered

For this final rule, NHTSA developed separate alternatives for two distinct periods of time (MYs 2022–2026 and MYs 2027–2031) and two distinct fleets (PCs and LTs). NHTSA developed a No-Action and five action alternatives for PCs for MYs 2022–2026; a No-Action and five action alternatives for LTs for MYs 2022–2026; a No-Action and five action alternatives for PCs for MYs 2027–2031; and a No-Action and five action alternatives for LTs for MYs 2027–2031. In total NHTSA developed twenty-four separate alternatives. The final standards may, in places, be referred to as the ''Preferred Alternative(s),'' but NHTSA intends ''final standards'' and ''Preferred Alternative(s)'' to be used interchangeably for purposes of this document.

Table III–1 below shows the specific change year over year for each of the 24 alternatives NHTSA analyzed for this final rule. Each row in the table contains four alternatives, one for each time period and regulatory class. For example, Alternative 3 consists of PC stringencies for MYs 2022–2026, PCs stringencies for MYs 2027–2031, LT stringencies for MYs 2022–2026, and LT stringencies for MYs 2027–2031. Throughout the analysis NHTSA refers to this group of alternatives collectively as ''Alternative 3'' for simplicity.

The regulatory alternatives considered by the agency in this final rule are presented in Table III–1 as percentage changes in stringency over the preceding model year. In the sections that follow, NHTSA presents the coefficients that define the standards in each model year for each alternative that corresponds to these percentage rates.

Table III-1: Regulatory Alternatives Under Consideration for MYs 2022-2031 Passenger Cars and Light Trucks

Name of Alternative	Passenger Car Stringency Changes	Light Truck Stringency Changes
No-Action Alternative	1.5% for MY 2023 8% per year for MYs 2024-2025 10% for MY 2026 2% per year for MYs 2027-2031	1.5% for MY 2023 8% per year for MYs 2024-2025 10% for MY 2026 0% per year for MYs 2027-2028 2% per year for MYs 2029-2031
Alternative 1	80% compliance share* MY 2022 0.44% per year for MYs 2023-2029 -1.1% for MY 2030** 0.25% for MY 2031	80% compliance share* MY 2022 0.54% per year for MYs 2023-2029 -15.1% for MY 2030** 0.25% for MY 2031
Alternative 2	75% compliance share* MY 2022 0.47% per year for MYs 2023-2029 -1.1% for MY 2030** 0.25% for MY 2031	70% compliance share* MY 2022 0.46% per year for MYs 2023-2029 -15.1% for MY 2030** 0.25% for MY 2031
Alternative 3 (Final)	70% compliance share* MY 2022 0.90% per year for MYs 2023-2029 -0.3% for MY 2030** 1% for MY 2031	50% compliance share* MY 2022 0.51% per year for MYs 2023-2029 -14.4% for MY 2030** 1% for MY 2031
Alternative 4	55% compliance share* MY 2022 1.32% per year for MYs 2023-2029 -0.7% for MY 2030** 0.5% for MY 2031	40% compliance share* MY 2022 1.5% per year for MYs 2023-2029 -14.9% for MY 2030** 0.5% for MY 2031
Alternative 5	55% compliance share* MY 2022 2.81% per year for MYs 2023-2029 -0.8% for MY 2030** 0.5% for MY 2031	40% compliance share* MY 2022 3.03% per year for MYs 2023-2029 -14.7% for MY 2030** 0.5% for MY 2031
* Compliance shares were determined based on the production-weighted share of vehicles that met or exceeded their target function value for each regulatory alternative in MY 2022. ** Stringency change reflects the growth rate in class average standard value from MYs 2029-2030.		

The following subchapters define the regulatory alternatives (including the No-Action Alternative) by time period and provide details on how NHTSA developed them.

1. No-Action Alternatives for PCs and LTs

a. No-Action Alternative for the MYs 2022–2026 Amendment

The analysis of the No-Action Alternative assumes that the following CAFE standards remain in place: the CAFE standards for MYs 2022–2023 that were finalized in the 2020 final rule,[571] and the CAFE standards for MYs 2024–2026 that were finalized in the 2022 final rule.[572] The analysis also applies the statutory limitations in 49 U.S.C. 32902(h) in all model years in the analysis; specifically, the fuel economy of dedicated automobiles is not considered, dual-fueled automobiles are considered only when operated on gasoline or diesel fuel, and the trading, transferring, or availability of credits is not considered.

The No-Action Alternative standards for the existing MYs 2022–2026 PC and LT fleets are defined by the following coefficients:

[571] 85 FR 24174 (Apr. 30, 2020).

[572] 87 FR 25710 (May 2, 2022).

Table III-2: Passenger Car CAFE Target Function Coefficients for the No-Action Alternative for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	50.24	51.00	55.44	60.26	66.95
b (mpg)	37.59	38.16	41.48	45.08	50.09
c (gpm per s.f)	0.00044662	0.00043992	0.00040473	0.00037235	0.00033512
d (gpm)	0.00159413	0.00157022	0.00144460	0.00132903	0.00119613

Table III-3: Light Truck CAFE Target Function Coefficients for the No-Action Alternative for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	40.31	40.93	44.48	48.35	53.73
b (mpg)	26.02	26.42	26.74	29.07	32.30
c (gpm per s.f)	0.00049869	0.00049121	0.00045191	0.00041576	0.00037418
d (gpm)	0.00436016	0.00429476	0.00395118	0.00363509	0.00327158

These equations are represented graphically below, where the x-axis represents vehicle footprint and the y-axis represents fuel economy.

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Figure III-5: No-Action Alternative, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

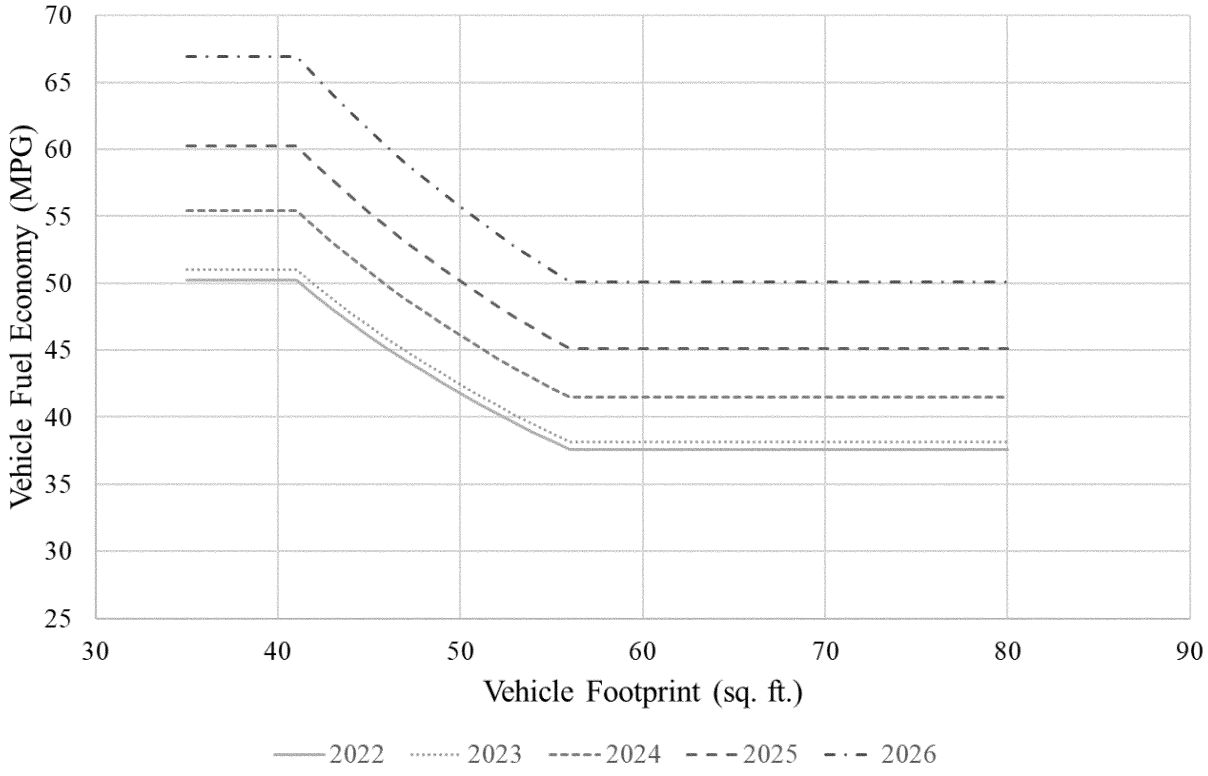
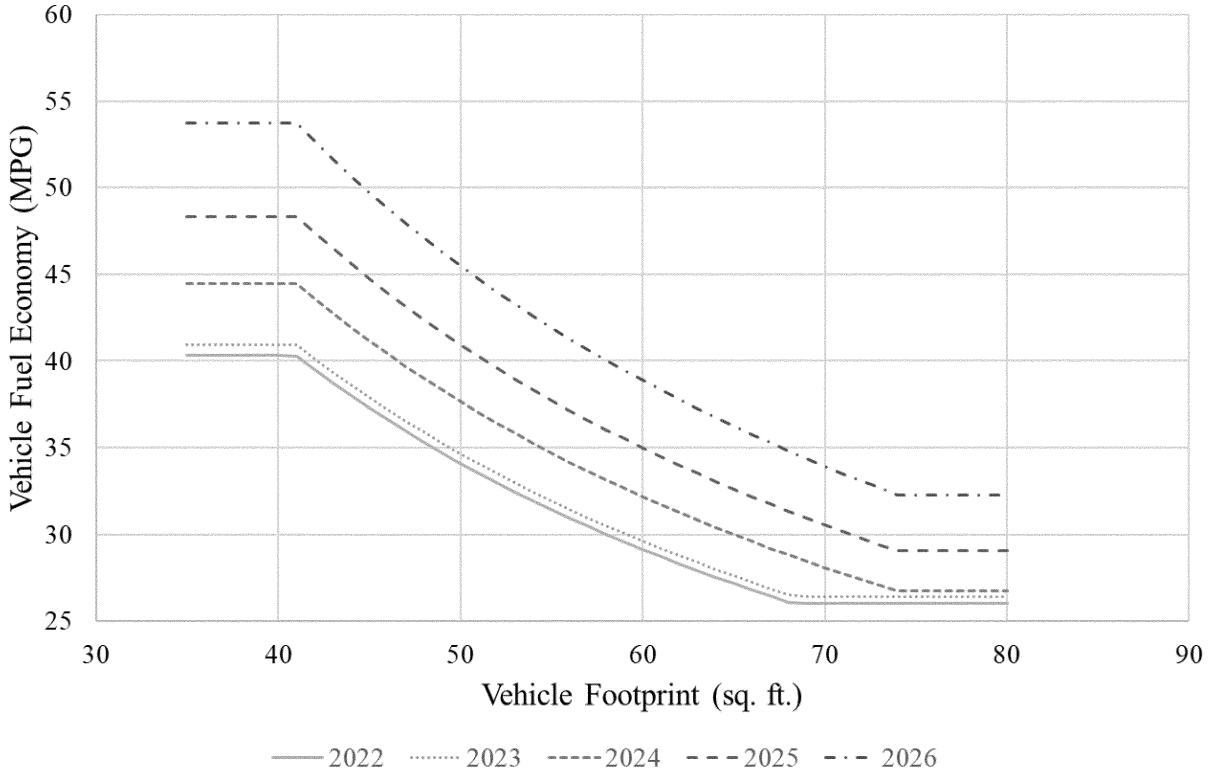


Figure III-6: No-Action Alternative, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



For the No-Action Alternative for MYs 2022–2026, the MDPCS is applied as it was established in the 2020 and 2022 final rules, including the offset originally calculated in those rules to account for recent projection errors as part of estimating the total PC fleet fuel economy standard.

Table III-4: No-Action Alternative – MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
40.6	41.1	44.3	48.1	53.5

b. No-Action Alternative for the MYs 2027–2031 Amendment

The analysis of the No-Action Alternative assumes the following CAFE standards remain in place: the CAFE standards for MYs 2024–2026 that were finalized in the 2022 final rule [573] and the CAFE standards for MYs 2027–2031 that were finalized in the 2024 final rule.[574] The analysis also applies the statutory limitations in 49 U.S.C. 32902(h) in all model years in the analysis; specifically, the fuel economy of dedicated automobiles is not considered, dual-fueled automobiles are considered only as operated on gasoline or diesel fuel, and the trading, transferring, or availability of credits is not considered.

The No-Action Alternative standards for the existing MYs 2027–2031 PC and LT fleets are defined by the following coefficients, which (for the purposes of this analysis) are assumed to persist without change in subsequent model years:

[573] 87 FR 25710 (May 2, 2022).

[574] 89 FR 52540 (June 24, 2024).

Table III-5: Passenger Car CAFE Target Function Coefficients for the No-Action Alternative for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	68.32	69.71	71.14	72.59	74.07
b (mpg)	51.12	52.16	53.22	54.31	55.42
c (gpm per s.f)	0.00032841	0.00032184	0.00031541	0.00030910	0.00030292
d (gpm)	0.00117220	0.00114876	0.00112579	0.00110327	0.00108120

Table III-6: Light Truck CAFE Target Function Coefficients for the No-Action Alternative for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	53.73	53.73	54.82	55.94	57.08
b (mpg)	32.30	32.30	32.96	33.63	34.32
c (gpm per s.f)	0.00037418	0.00037418	0.00036670	0.00035936	0.00035218
d (gpm)	0.00327158	0.00327158	0.00320615	0.00314202	0.00307918

Figure III-7: No-Action Alternative, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

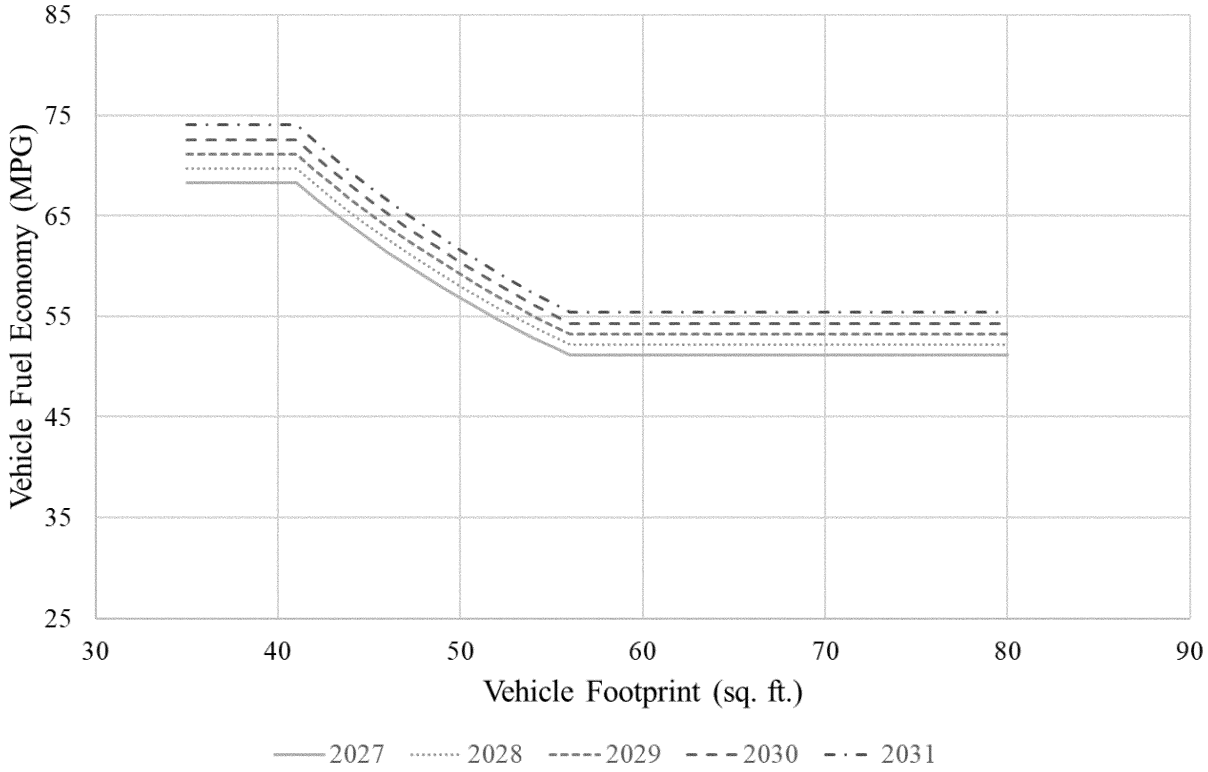
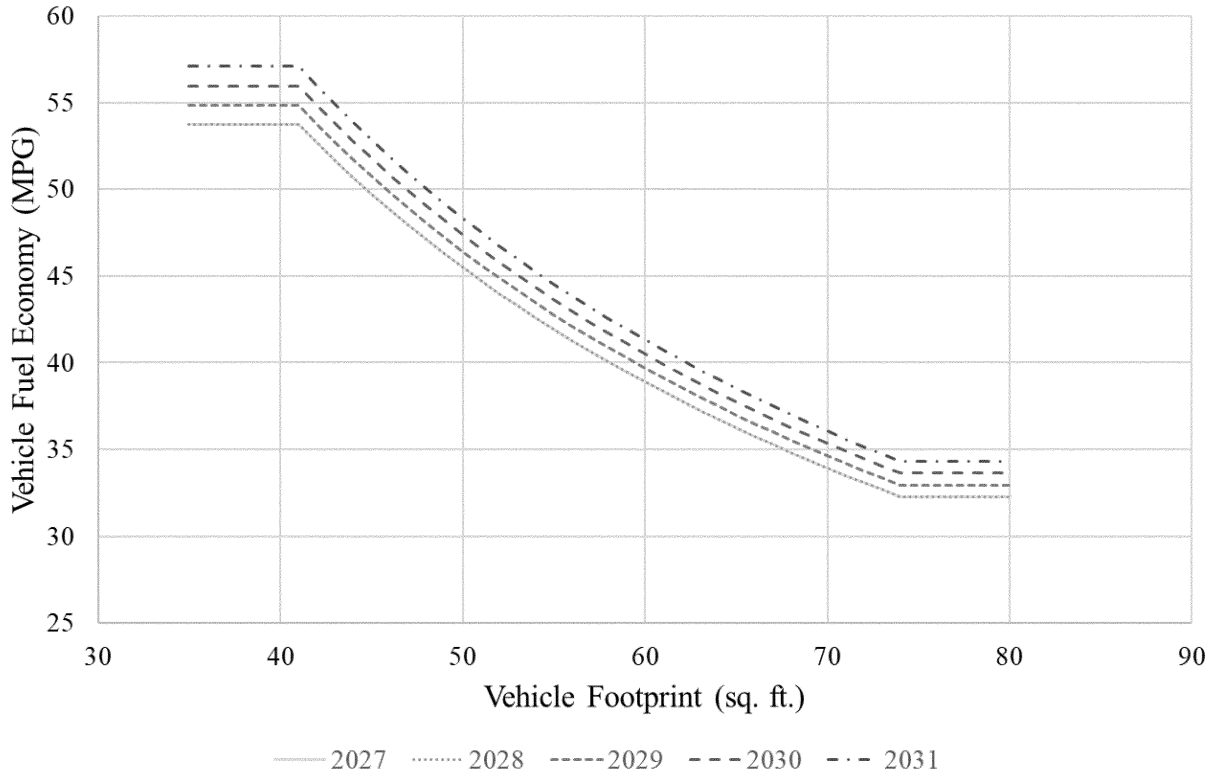


Figure III-8: No-Action Alternative, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment[575]



For the No-Action Alternative for MYs 2027–2031, the MDPCS is applied as it was established in the 2024 final rule.

Table III-7: No-Action Alternative –MDPCS (mpg) for the MYs 2027-2031 Amendment

2027	2028	2029	2030	2031
54.2	55.5	56.4	57.5	58.7

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2. Action Alternatives for Passenger Cars and Light Trucks

In addition to the No-Action Alternative, NHTSA has considered five action alternatives for PCs and LTs. These action alternatives are specified below and demonstrate different possible approaches to balancing the statutory factors applicable for setting fuel economy standards for PCs and LTs, as discussed in more detail in Section V.

a. Action Alternatives for MYs 2022–2026 Amendment

(1) Alternative 1

Alternative 1 begins with a MY 2022 set of target function parameters with which 80 percent of the PC fleet complied in MY 2022, and with which 80 percent of LTs complied in MY 2022. From there, Alternative 1 would increase CAFE stringency by 0.44 percent per year for MYs 2022–2026 for PCs and by 0.54 percent per year for MYs 2022–2026 for LTs.

[575] The LT CAFE target function coefficients established in the 2024 final rule are identical for MY 2027 and MY 2028. As a result, the MY 2027 and MY 2028 lines overlap with each other.

Table III-8: Passenger Car CAFE Target Function Coefficients for Alternative 1 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	37.10	37.26	37.42	37.59	37.76
b (mpg)	31.62	31.76	31.90	32.04	32.18
c (gpm per s.f)	0.00042463	0.00042276	0.00042090	0.00041905	0.00041721
d (gpm)	0.00869688	0.00865861	0.00862051	0.00858258	0.00854482

Table III-9: Light Truck CAFE Target Function Coefficients for Alternative 1 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	33.96	34.14	34.33	34.52	34.71
b (mpg)	19.78	19.89	20.00	20.11	20.22
c (gpm per s.f)	0.00065929	0.00065573	0.00065219	0.00064867	0.00064517
d (gpm)	0.00176047	0.00175096	0.00174150	0.00173210	0.00172275

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These equations are represented graphically below:

Figure III-9: Alternative 1, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

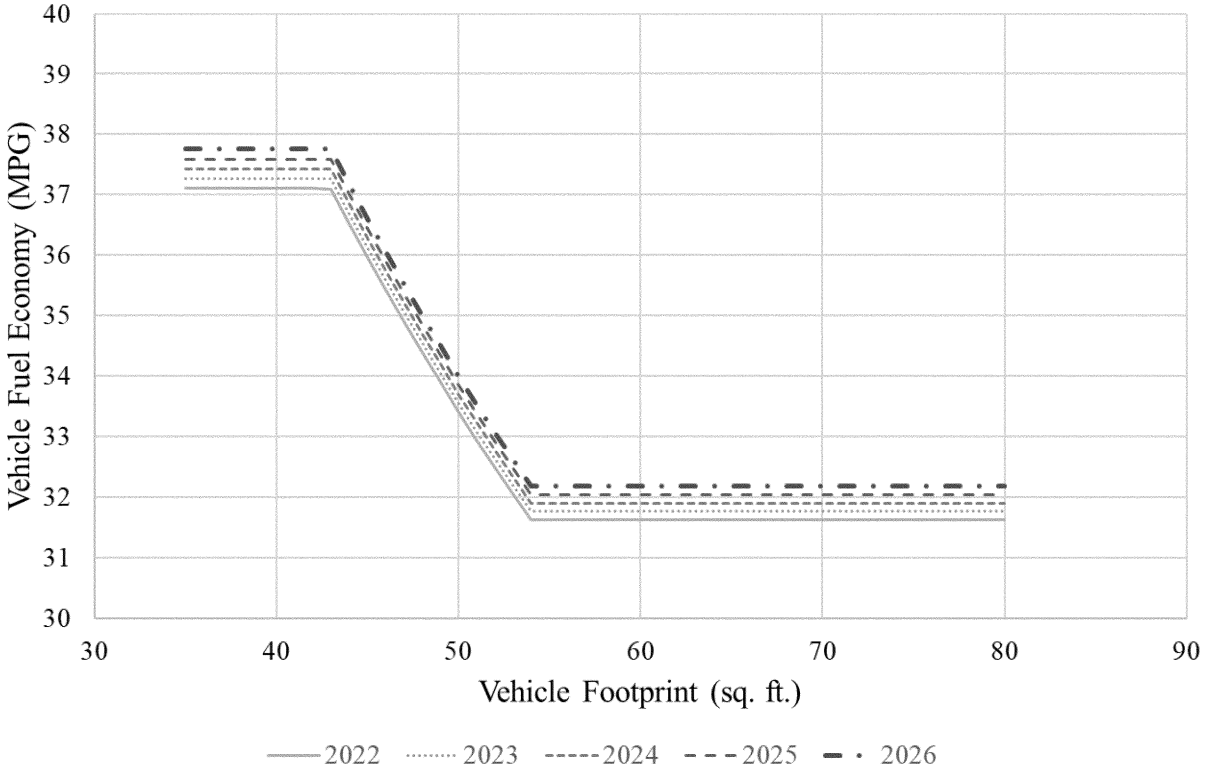
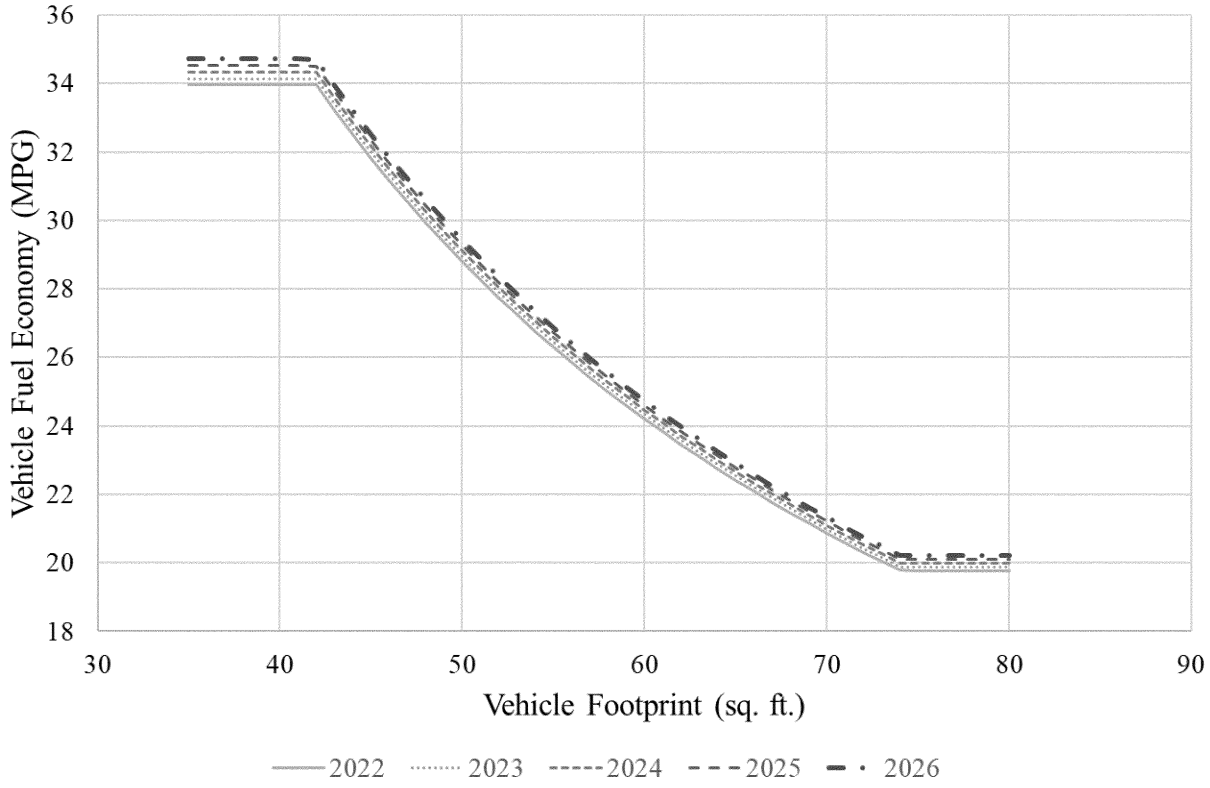


Figure III-10: Alternative 1, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



Under this alternative, the MDPCS is as follows:

Table III-10: Alternative 1 –MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
32.2	32.2	32.6	32.7	32.9

(2) Alternative 2

Alternative 2 begins with a MY 2022 set of target function parameters with which 75 percent of the PC fleet complied in MY 2022, and with which 70 percent of LTs complied in MY 2022. From there, Alternative 2 would increase CAFE stringency by 0.47 percent per year for MYs 2022–2026 for PCs and by 0.46 percent per year for MYs 2022–2026 for LTs.

Table III-11: Passenger Car CAFE Target Function Coefficients for Alternative 2 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	38.14	38.32	38.50	38.68	38.86
b (mpg)	32.51	32.66	32.81	32.96	33.12
c (gpm per s.f)	0.00041302	0.00041108	0.00040915	0.00040723	0.00040532
d (gpm)	0.00845926	0.00841950	0.00837993	0.00834054	0.00830134

Table III-12: Light Truck CAFE Target Function Coefficients for Alternative 2 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	34.89	35.05	35.21	35.37	35.53
b (mpg)	20.33	20.42	20.51	20.60	20.70
c (gpm per s.f)	0.00064166	0.00063871	0.00063577	0.00063285	0.00062994
d (gpm)	0.00171340	0.00170552	0.00169767	0.00168986	0.00168209

These equations are represented graphically below:

Figure III-11: Alternative 2, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

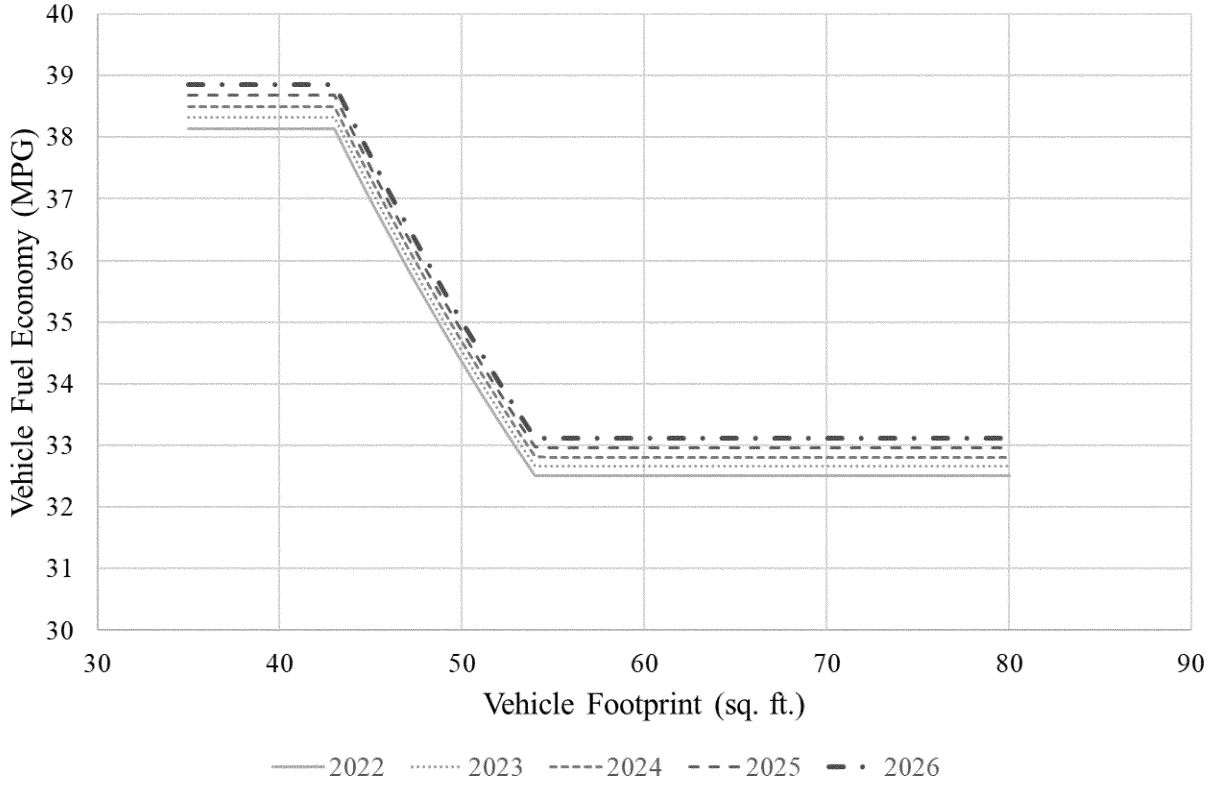
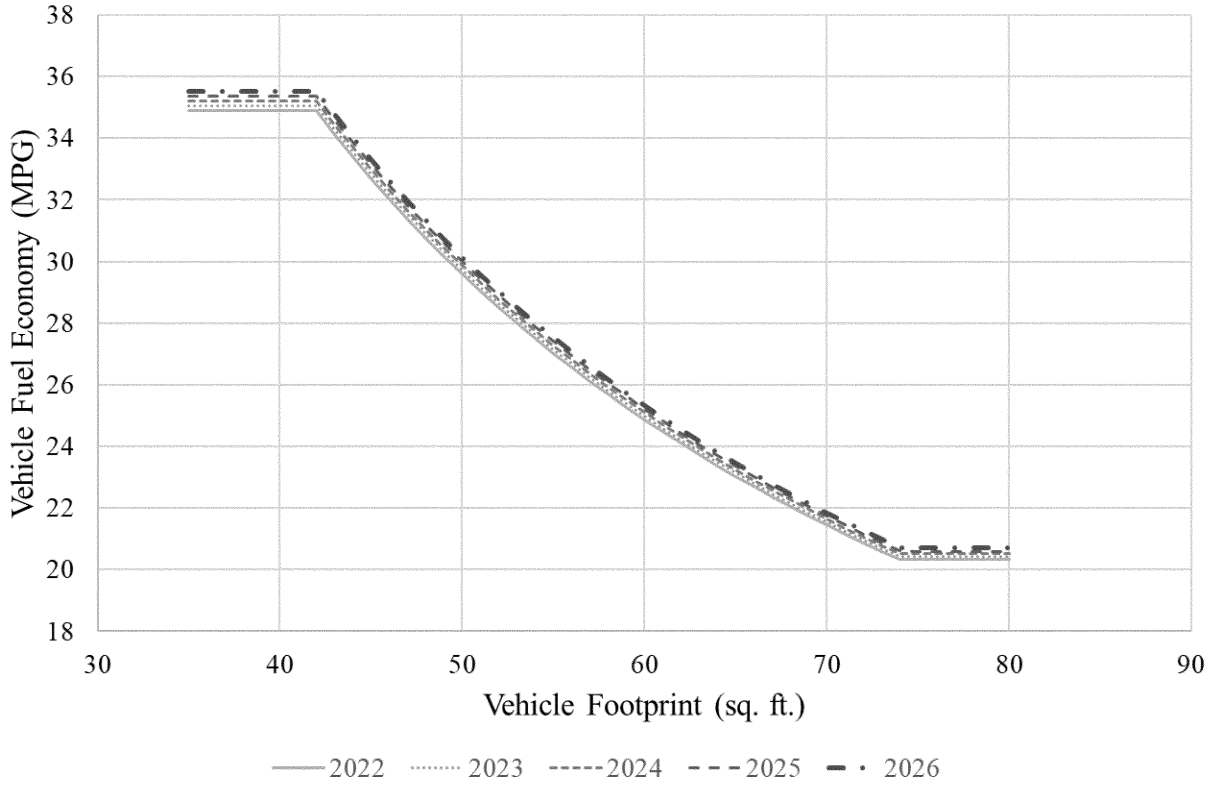


Figure III-12: Alternative 2, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



Under this alternative, the MDPCS is as follows:

Table III-13: Alternative 2 –MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
33.1	33.1	33.5	33.7	33.8

(3) Alternative 3—Preferred Alternative

The Preferred Alternative begins with a MY 2022 set of target function parameters with which 70 percent of the PC fleet complied in MY 2022, and with which 50 percent of LTs complied in MY 2022. From there, Alternative 3 would increase CAFE stringency by 0.90 percent per year for MYs 2022–2026 for PCs and by 0.51 percent per year for MYs 2022–2026 for LTs.

Table III-14: Passenger Car CAFE Target Function Coefficients for Alternative 3 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	39.60	39.96	40.32	40.69	41.06
b (mpg)	33.75	34.06	34.37	34.68	34.99
c (gpm per s.f)	0.00039781	0.00039423	0.00039068	0.00038716	0.00038368
d (gpm)	0.00814761	0.00807428	0.00800161	0.00792960	0.00785823

Table III-15: Light Truck CAFE Target Function Coefficients for Alternative 3 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	37.31	37.50	37.69	37.88	38.07
b (mpg)	21.74	21.85	21.96	22.07	22.18
c (gpm per s.f)	0.00059995	0.00059689	0.00059385	0.00059082	0.00058781
d (gpm)	0.00160203	0.00159386	0.00158573	0.00157764	0.00156959

These equations are represented graphically below:

Figure III-13: Alternative 3, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

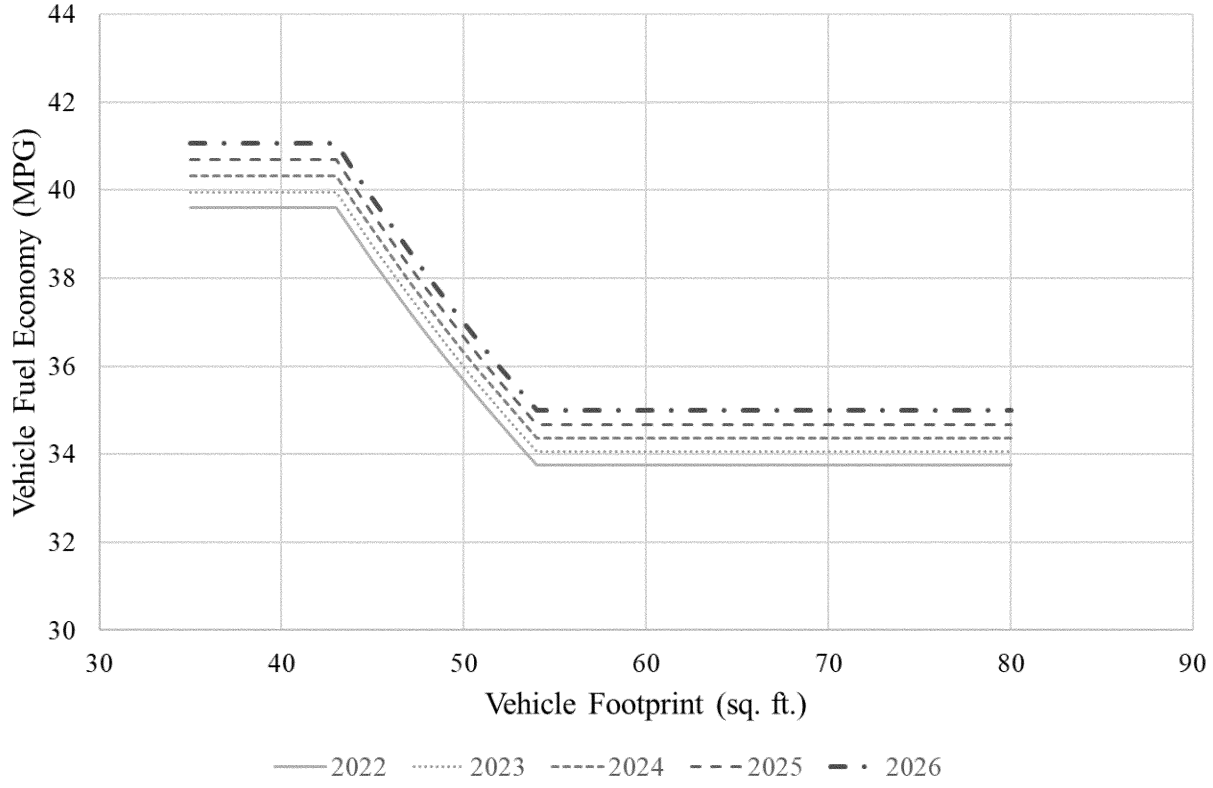
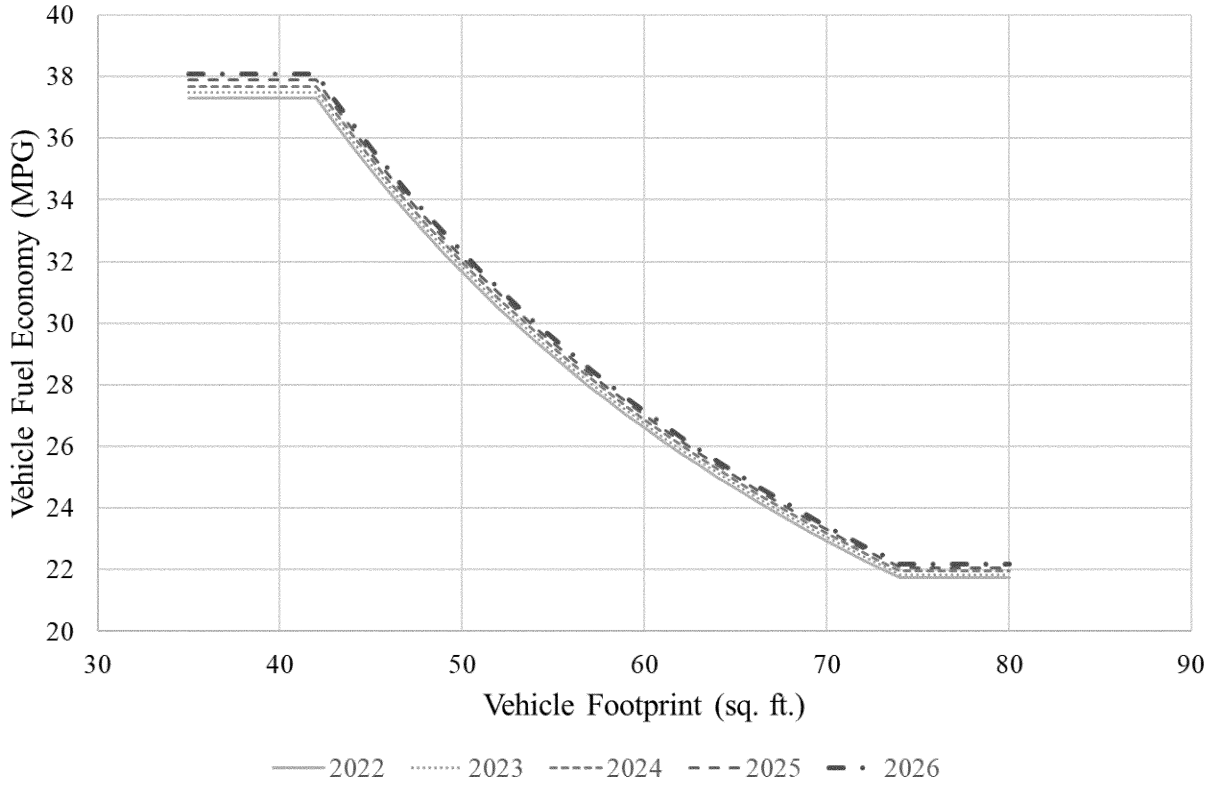


Figure III-14: Alternative 3, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



Under this alternative, the MDPCS is as follows:

Table III-16: Alternative 3 –MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
34.4	34.5	35.1	35.4	35.7

(4) Alternative 4

Alternative 4 begins with a MY 2022 set of target function parameters with which 55 percent of the PC fleet complied in MY 2022, and with which 40 percent of LTs complied in MY 2022. From there, Alternative 4 would increase CAFE stringency by 1.32 percent per year for MYs 2022–2026 for PCs and by 1.50 percent per year for MYs 2022–2026 for LTs.

Table III-17: Passenger Car CAFE Target Function Coefficients for Alternative 4 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	43.35	43.93	44.52	45.12	45.72
b (mpg)	36.95	37.44	37.94	38.45	38.96
c (gpm per s.f)	0.00036340	0.00035860	0.00035387	0.00034920	0.00034459
d (gpm)	0.00744284	0.00734460	0.00724765	0.00715198	0.00705757

Table III-18: Light Truck CAFE Target Function Coefficients for Alternative 4 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	38.88	39.47	40.07	40.68	41.30
b (mpg)	22.65	23.00	23.35	23.71	24.07
c (gpm per s.f)	0.00057580	0.00056716	0.00055865	0.00055027	0.00054202
d (gpm)	0.00153753	0.00151447	0.00149175	0.00146937	0.00144733

These equations are represented graphically below:

Figure III-15: Alternative 4, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

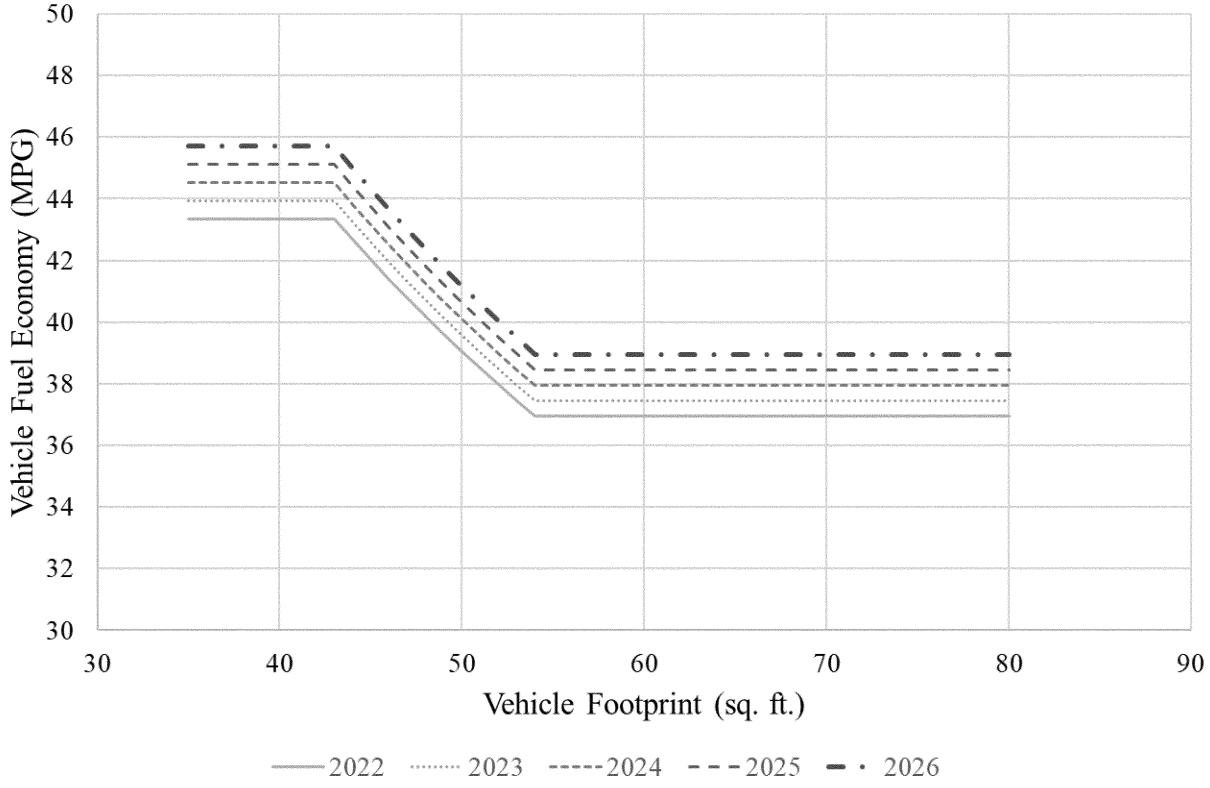
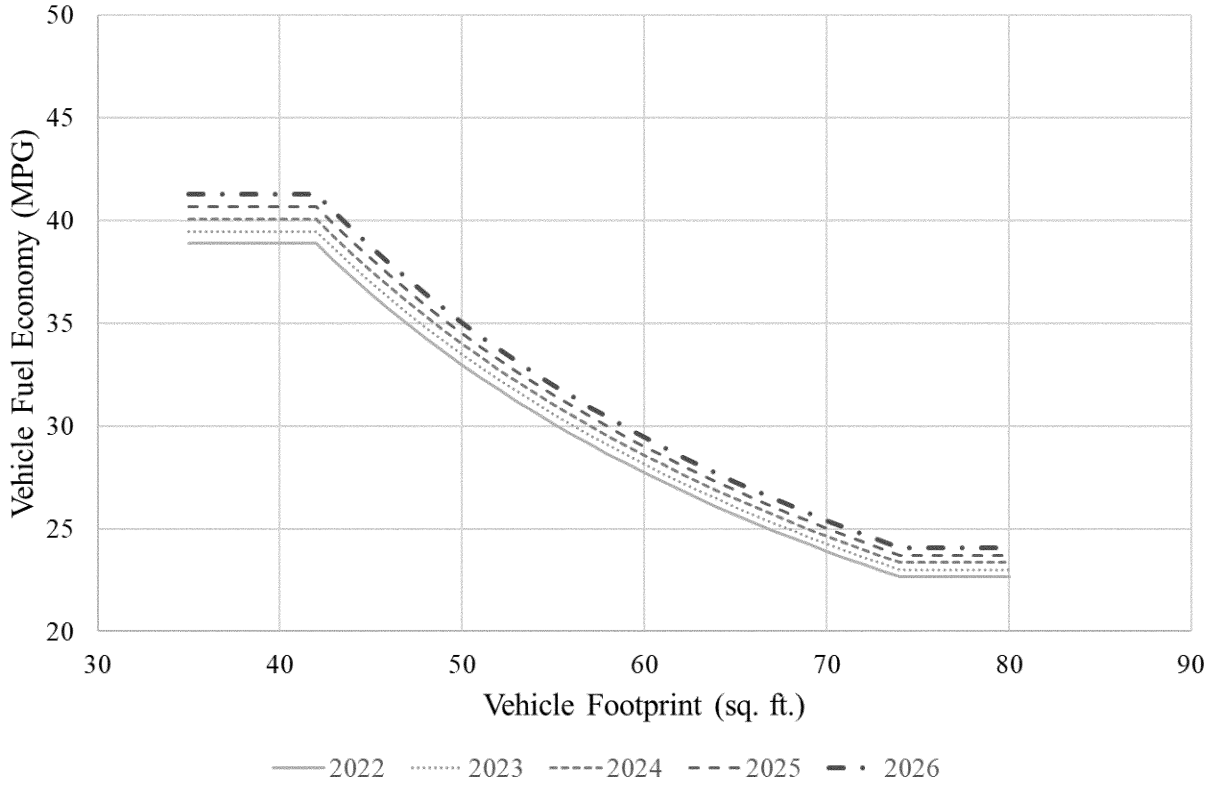


Figure III-16: Alternative 4, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



Under this alternative, the MDPCS is as follows:

Table III-19: Alternative 4 –MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
37.6	37.9	38.7	39.3	39.8

(5) Alternative 5

Alternative 5 begins with a MY 2022 set of target function parameters with which 55 percent of the PC fleet complied in MY 2022, and with which 40 percent of LTs complied in MY 2022. From there, Alternative 5 would increase CAFE stringency by 2.81 percent per year for MYs 2022–2026 for PCs and by 3.03 percent per year for MYs 2022–2026 for LTs.

Table III-20: Passenger Car CAFE Target Function Coefficients for Alternative 5 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	43.35	44.60	45.89	47.22	48.59
b (mpg)	36.95	38.01	39.11	40.24	41.40
c (gpm per s.f)	0.00036340	0.00035319	0.00034327	0.00033362	0.00032425
d (gpm)	0.00744284	0.00723370	0.00703043	0.00683287	0.00664087

Table III-21: Light Truck CAFE Target Function Coefficients for Alternative 5 for the MYs 2022-2026 Amendment

	2022	2023	2024	2025	2026
a (mpg)	38.88	40.09	41.34	42.63	43.96
b (mpg)	22.65	23.36	24.09	24.84	25.62
c (gpm per s.f)	0.00057580	0.00055835	0.00054143	0.00052502	0.00050911
d (gpm)	0.00153753	0.00149095	0.00144577	0.00140196	0.00135948

These equations are represented graphically below:

Figure III-17: Alternative 5, Passenger Car Fuel Economy, Target Curves for the MYs 2022-2026 Amendment

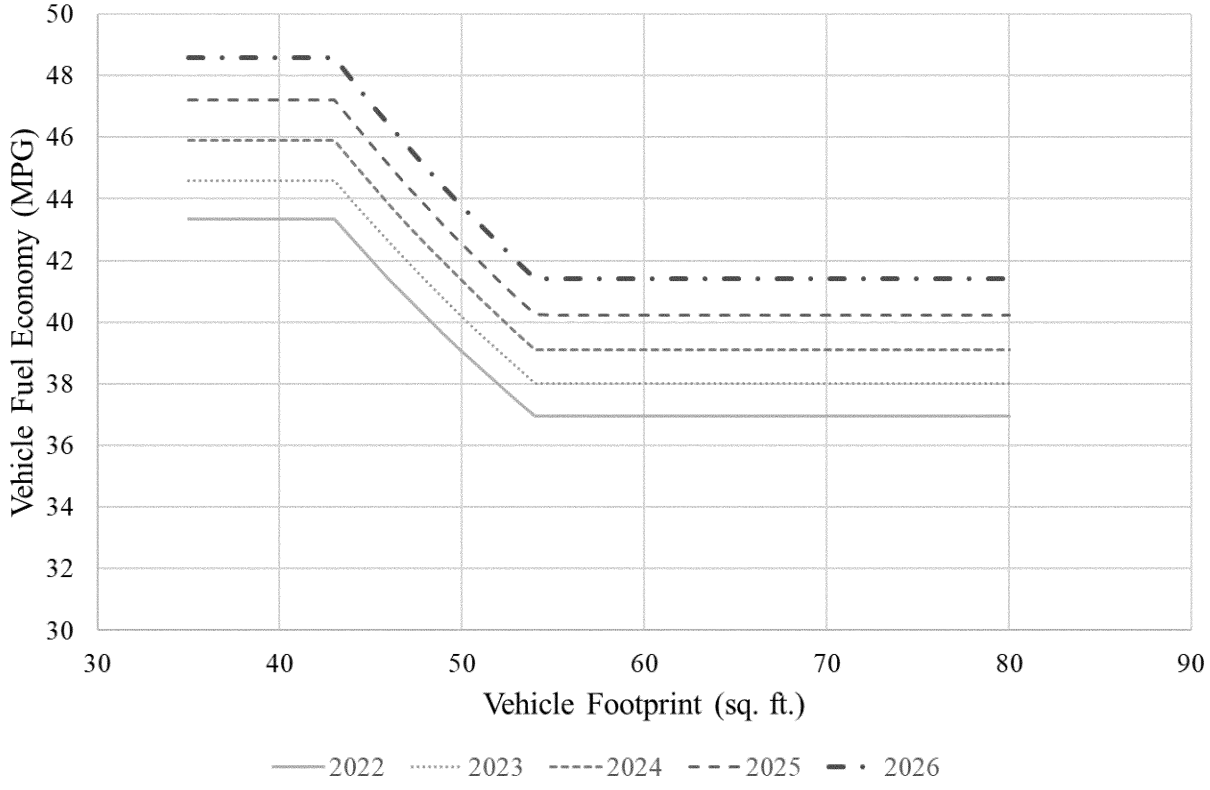
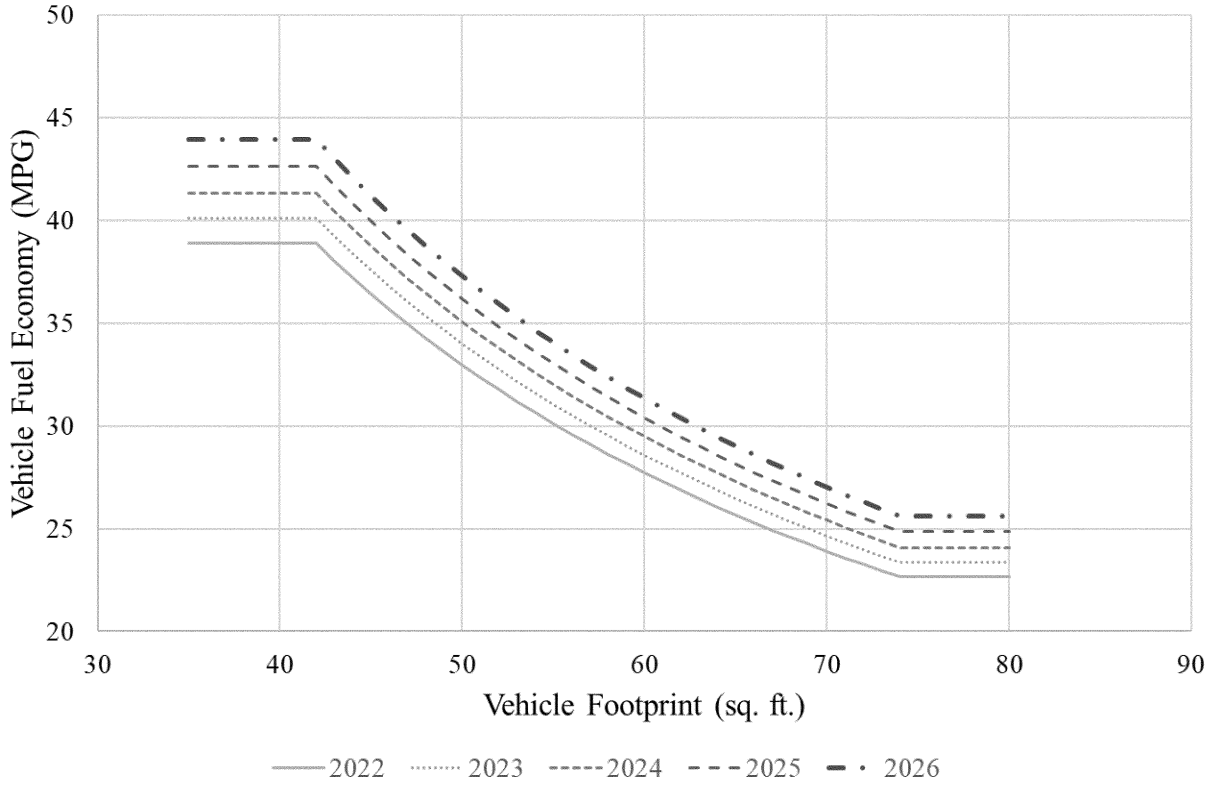


Figure III-18: Alternative 5, Light Truck Fuel Economy, Target Curves for the MYs 2022-2026 Amendment



Under this alternative, the MDPCS is as follows:

Table III-22: Alternative 5 –MDPCS (mpg) for the MYs 2022-2026 Amendment

2022	2023	2024	2025	2026
37.6	38.5	39.9	41.1	42.3

b. Action Alternatives for MYs 2027–2031 Amendment

(1) Alternative 1

Alternative 1 would increase CAFE stringency for PCs by 0.44 percent per year from MYs 2026–2029, change by −1.1 percent from MYs 2029–2030, and by 0.25 percent for MYs 2030–2031. Alternative 1 would increase CAFE stringency for LTs by 0.54 percent per year from MYs 2026–2029, change by −15.10 percent from MYs 2029–2030, and by 0.25 percent for MYs 2030–2031.

Table III-23: Passenger Car CAFE Target Function Coefficients for Alternative 1 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	37.93	38.10	38.27	38.37	38.47
b (mpg)	32.32	32.46	32.60	30.11	30.19
c (gpm per s.f)	0.00041537	0.00041354	0.00041172	0.00071446	0.00071268
d (gpm)	0.00850722	0.00846979	0.00843252	-0.00680322	-0.00678621

Table III-24: Light Truck CAFE Target Function Coefficients for Alternative 1 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	34.90	35.09	35.28	26.50	26.57
b (mpg)	20.33	20.44	20.55	20.60	20.65
c (gpm per s.f)	0.00064169	0.00063822	0.00063477	0.00049117	0.00048994
d (gpm)	0.00171345	0.00170420	0.00169500	0.01219747	0.01216698

These equations are represented graphically below. Note that the shapes of the curves for MYs 2027–2029 are also different from the shapes of the curves for MYs 2030–2031 due to the finalized reclassification in MY 2030.

Figure III-19: Alternative 1, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

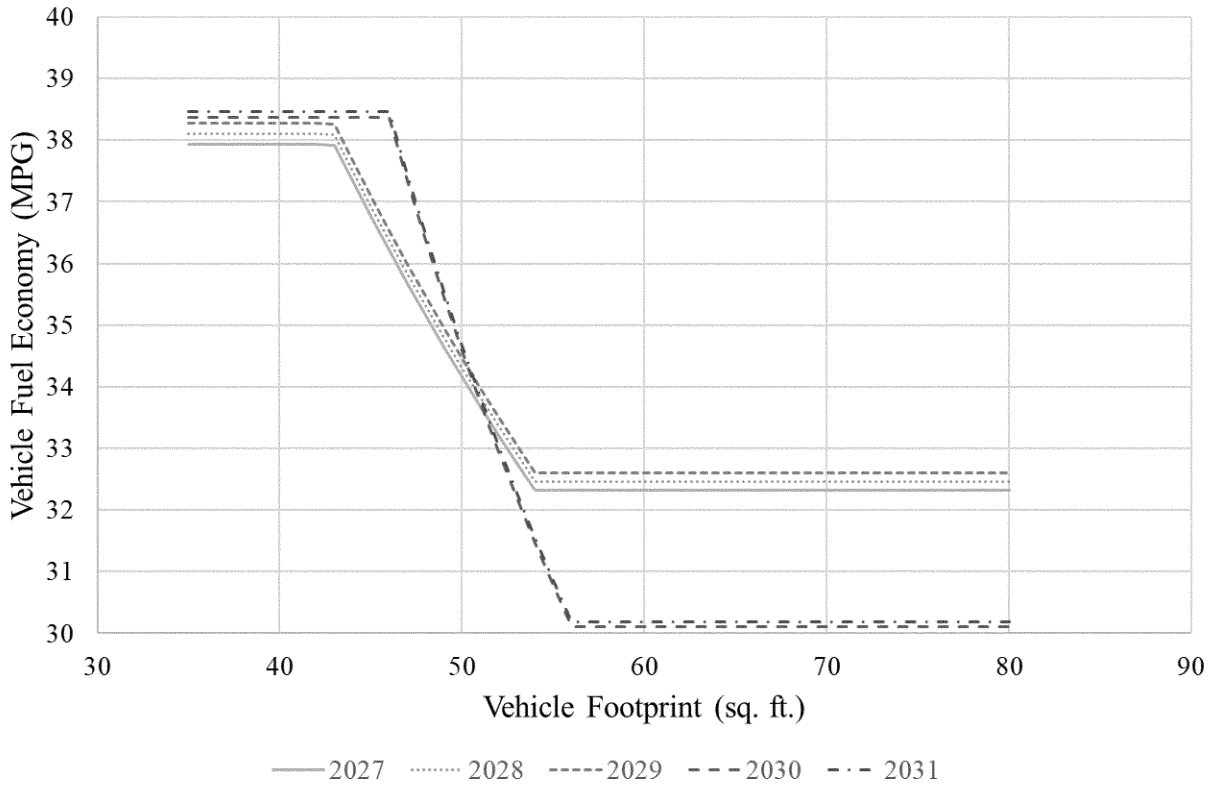
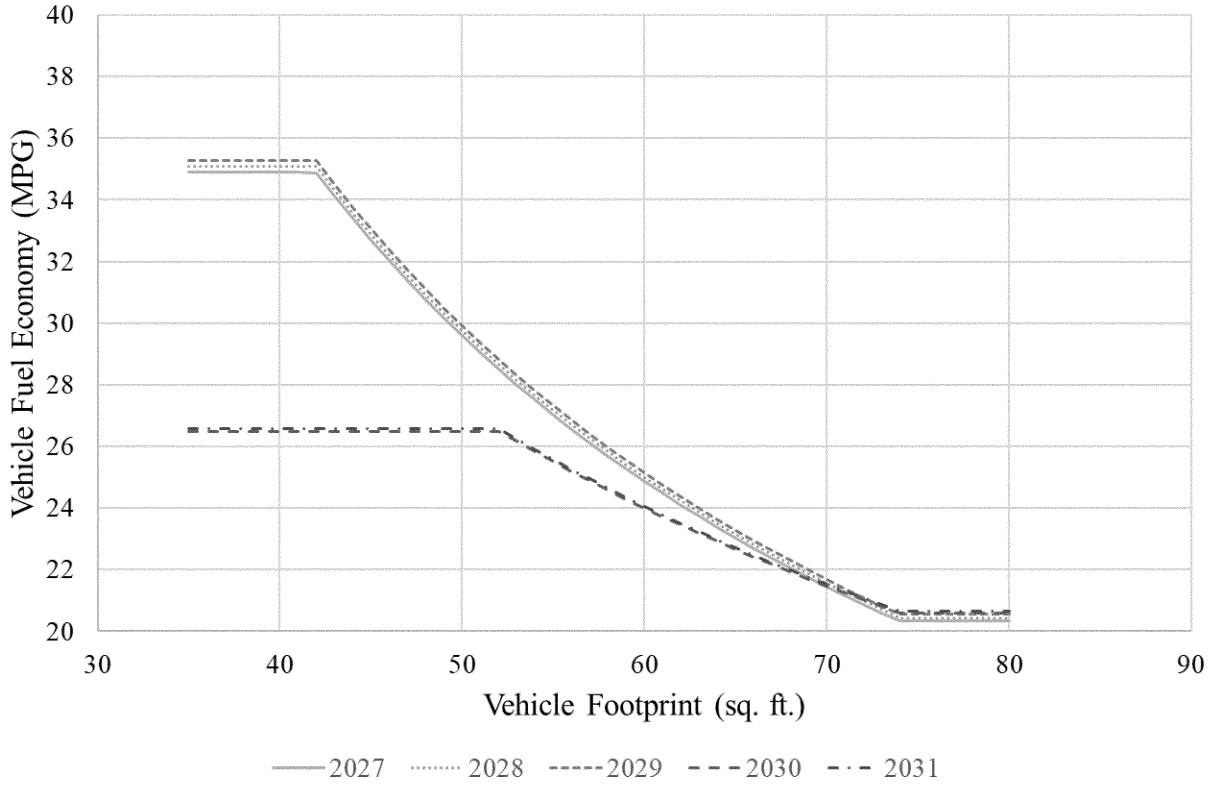


Figure III-20: Alternative 1, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment



For this rulemaking, NHTSA has updated the analysis it uses to estimate the offset and calculated an offset of 0.7 percent, which will be applicable to the MDPCS for each action alternative in MYs 2027–2031. Under this alternative, the MDPCS is as follows:

Table III-25: Alternative 1 – Non-Offset Calculated Values for MDPCS (mpg) for the MYs 2027-2031 Amendment

2027	2028	2029	2030	2031
33.0	33.2	33.3	32.9	33.0

(2) Alternative 2

Alternative 2 would increase CAFE stringency for PCs by 0.47 percent per year from MYs 2026–2029, change by −1.1 percent from MYs 2029–2030, and by 0.25 percent for MYs 2030–2031. Alternative 2 would increase CAFE stringency for LTs by 0.46 percent per year from MYs 2026–2029, change by −15.1 percent from MYs 2029–2030, and by 0.25 percent for MYs 2030–2031.

Table III-26: Passenger Car CAFE Target Function Coefficients for Alternative 2 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	39.04	39.22	39.41	39.51	39.61
b (mpg)	33.28	33.44	33.60	31.01	31.09
c (gpm per s.f)	0.00040341	0.00040151	0.00039962	0.00069385	0.00069211
d (gpm)	0.00826232	0.00822349	0.00818484	-0.00660692	-0.00659041

Table III-27: Light Truck CAFE Target Function Coefficients for Alternative 2 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	35.69	35.85	36.02	27.08	27.15
b (mpg)	20.80	20.90	21.00	21.05	21.10
c (gpm per s.f)	0.00062704	0.00062416	0.00062129	0.00048067	0.00047946
d (gpm)	0.00167435	0.00166665	0.00165898	0.01193672	0.01190687

These equations are represented graphically below. Note that the shapes of the curves for MYs 2027–2029 are also different from the shapes of the curves for MYs 2030–2031 due to the finalized reclassification in MY 2030.

Figure III-21: Alternative 2, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

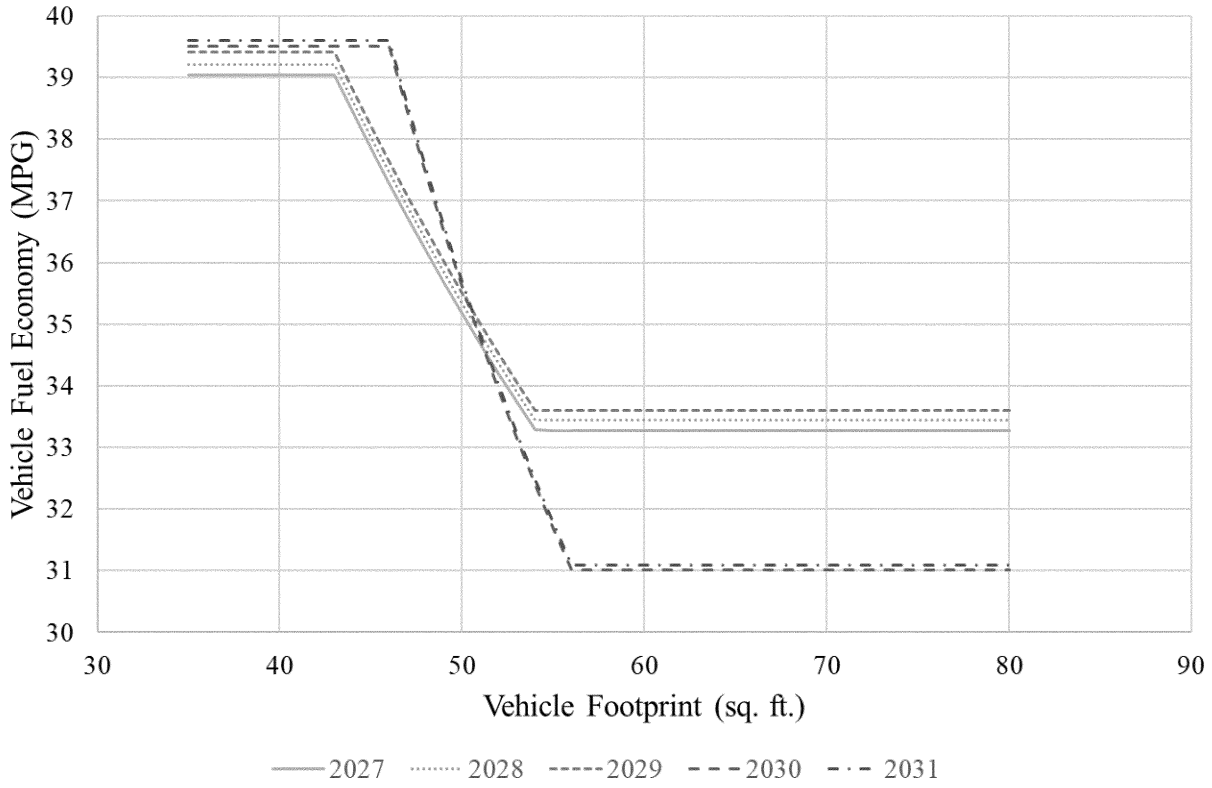
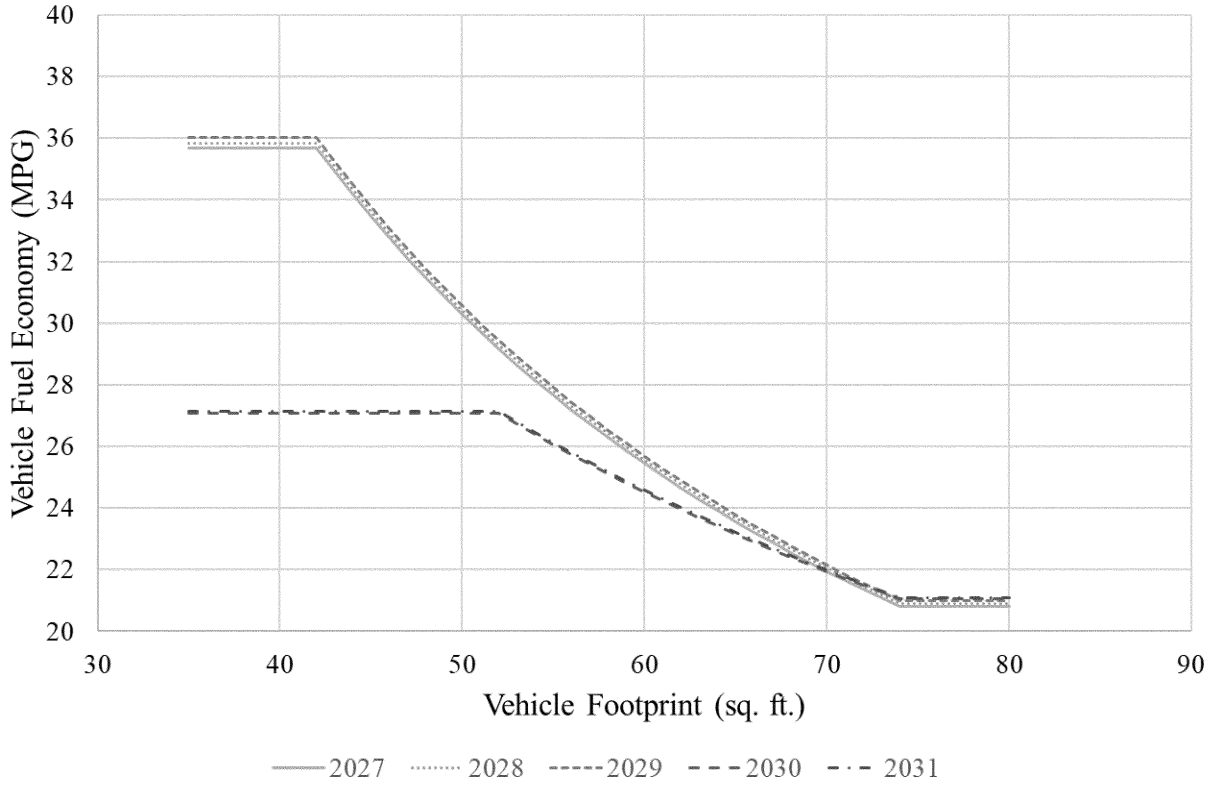


Figure III-22: Alternative 2, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment



For this rulemaking, NHTSA has updated the analysis it uses to estimate the offset applied to the MDPCS, which is now calculated at 0.7 percent and is applied to each action alternative in MYs 2027–2031. Under this alternative, the MDPCS is as follows:

Table III-28: Alternative 2 – Non-Offset Calculated Values for MDPCS (mpg) for the MYs 2027-2031 Amendment

2027	2028	2029	2030	2031
34.0	34.1	34.3	33.9	34.0

(3) Alternative 3—Preferred Alternative

The Preferred Alternative would increase CAFE stringency for PCs by 0.90 percent per year from MYs 2026–2029, change by −0.3 percent from MYs 2029–2030, and by 1.0 percent for MYs 2030–2031. The Preferred Alternative would increase CAFE stringency for LTs by 0.51 percent per year from MYs 2026–2029, change by −14.4 percent from MYs 2029–2030, and by 1.0 percent for MYs 2030–2031.

Table III-29: Passenger Car CAFE Target Function Coefficients for Alternative 3 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	41.43	41.81	42.19	42.62	43.05
b (mpg)	35.31	35.63	35.95	33.45	33.79
c (gpm per s.f)	0.00038023	0.00037681	0.00037342	0.00064322	0.00063678
d (gpm)	0.00778751	0.00771742	0.00764796	-0.00612481	-0.00606357

Table III-30: Light Truck CAFE Target Function Coefficients for Alternative 3 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	38.27	38.47	38.67	29.25	29.55
b (mpg)	22.29	22.40	22.51	22.74	22.97
c (gpm per s.f)	0.00058481	0.00058183	0.00057886	0.00044494	0.00044049
d (gpm)	0.00156159	0.00155363	0.00154571	0.01104960	0.01093910

These equations are represented graphically below. Note that the shapes of the curves for MYs 2027–2029 are also different from the shapes of the curves for MYs 2030–2031 due to the finalized reclassification in MY 2030.

Figure III-23: Alternative 3, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

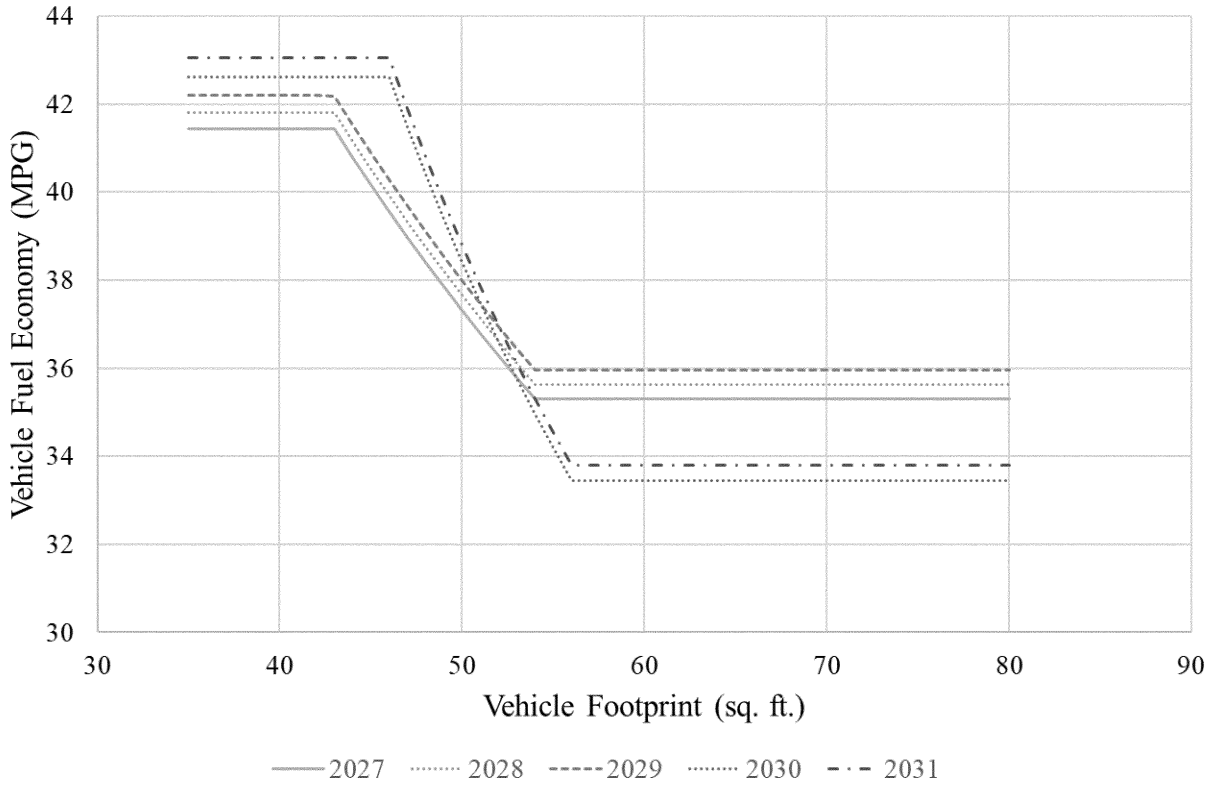
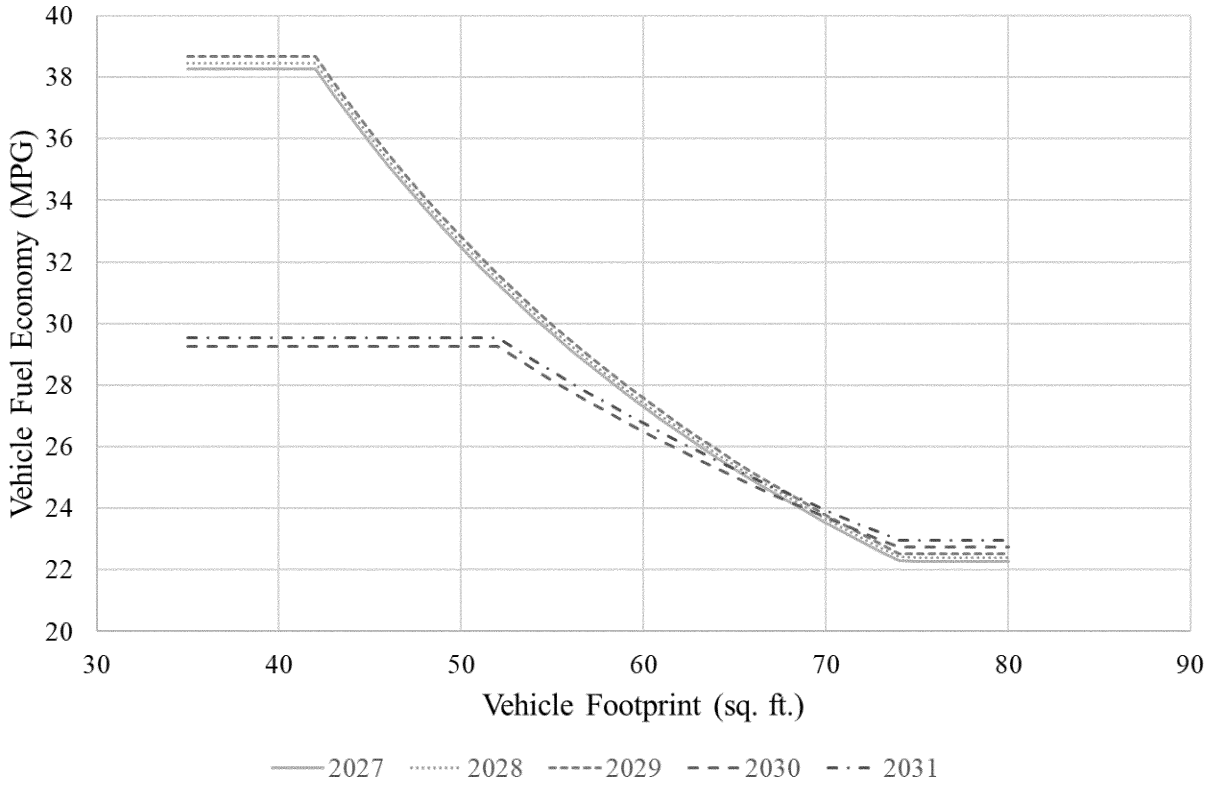


Figure III-24: Alternative 3, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment



Under this alternative, the MDPCS is as follows:

Table III-31: Alternative 3 – Non-Offset Calculated Values for MDPCS (mpg) for the MYs 2027-2031 Amendment[576]

2027	2028	2029	2030	2031
36.1	36.4	36.7	36.6	36.9

(4) Alternative 4

Alternative 4 would increase CAFE stringency for PCs by 1.32 percent per year from MYs 2026–2029, change by −0.7 percent from MYs 2029–2030, and by 0.5 percent for MYs 2030–2031. Alternative 4 would increase CAFE stringency for LTs by 1.5 percent per year from MYs 2026–2029, change by −14.9 percent from MYs 2029–2030, and by 0.5 percent for MYs 2030–2031.

[576] The final offset values for the MDPCS are presented in the regulatory text update for part 531 below.

Table III-32: Passenger Car CAFE Target Function Coefficients for Alternative 4 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	46.33	46.95	47.58	47.82	48.06
b (mpg)	39.48	40.01	40.55	37.53	37.72
c (gpm per s.f)	0.00034004	0.00033555	0.00033112	0.00057327	0.00057041
d (gpm)	0.00696441	0.00687248	0.00678176	-0.00545879	-0.00543150

Table III-33: Light Truck CAFE Target Function Coefficients for Alternative 4 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	41.93	42.57	43.22	32.57	32.73
b (mpg)	24.44	24.81	25.19	25.32	25.45
c (gpm per s.f)	0.00053389	0.00052588	0.00051799	0.00039961	0.00039761
d (gpm)	0.00142562	0.00140424	0.00138318	0.00992369	0.00987407

These equations are represented graphically below. Note that the shapes of the curves for MYs 2027–2029 are also different from the shapes of the curves for MYs 2030–2031 due to the finalized reclassification in MY 2030.

Figure III-25: Alternative 4, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

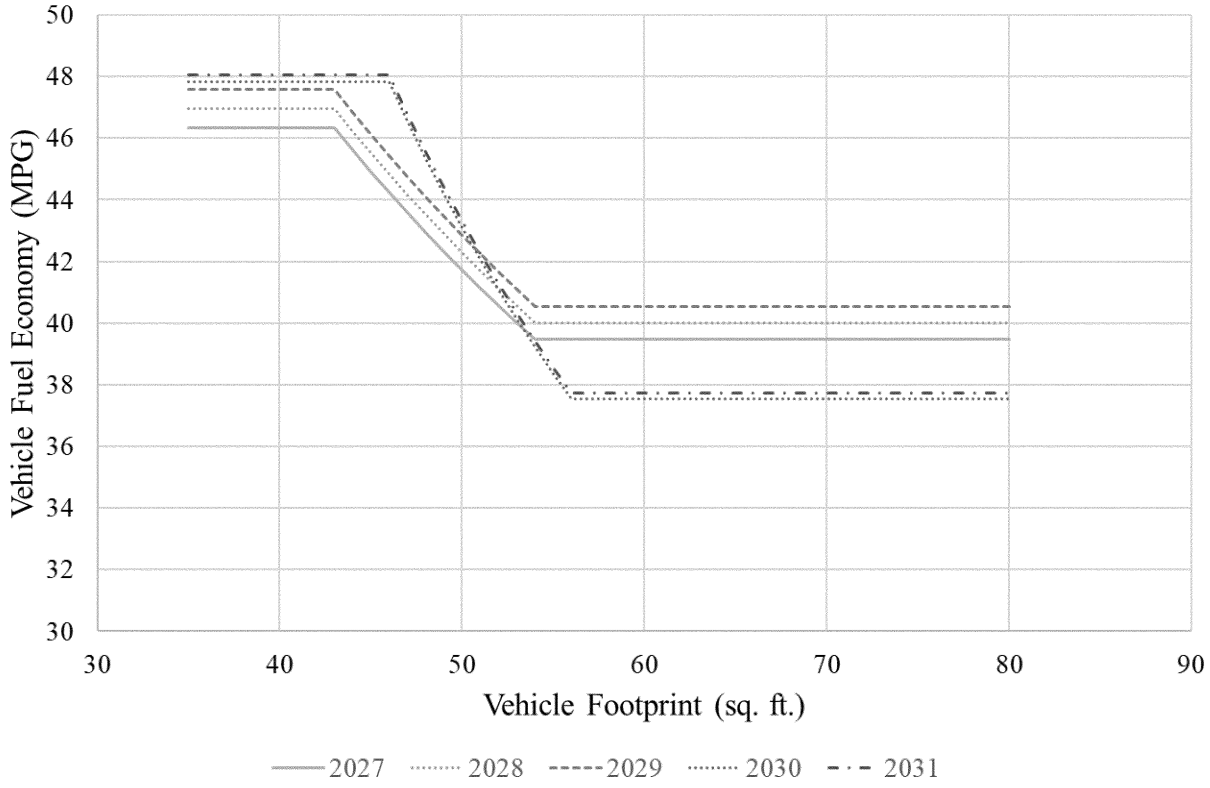
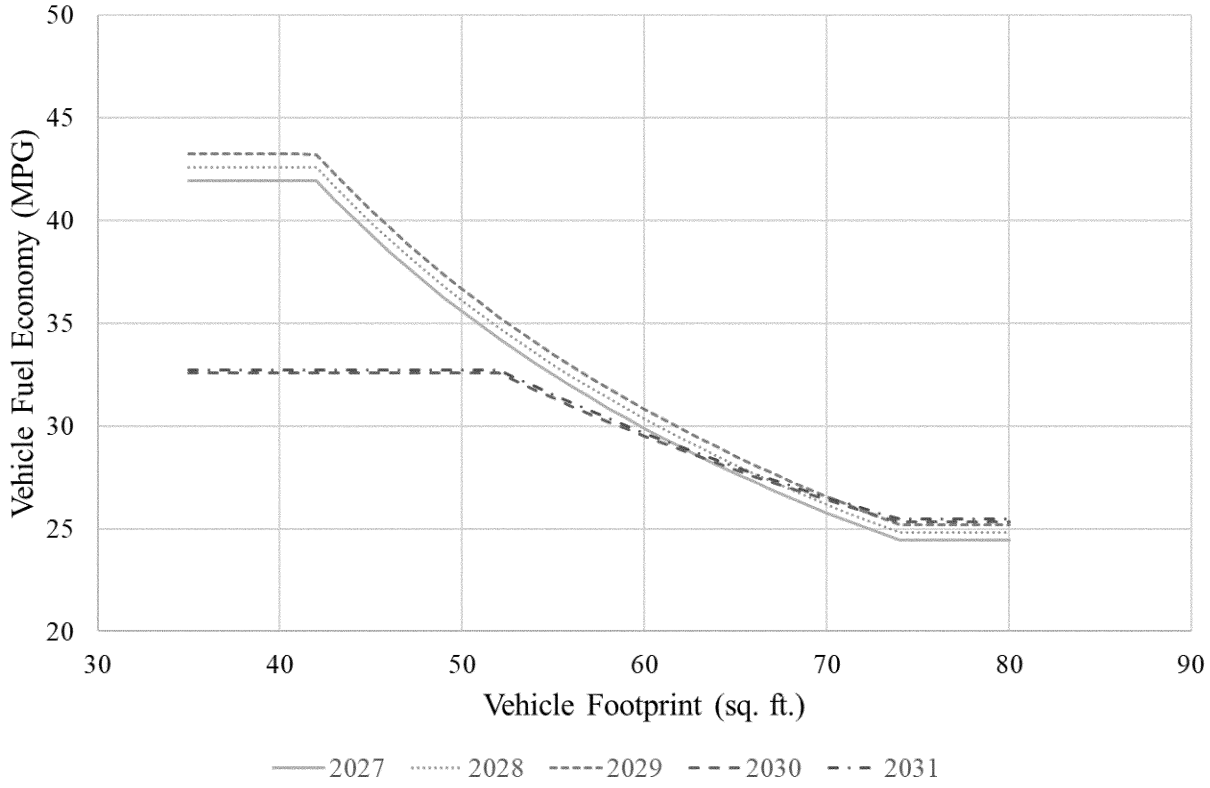


Figure III-26: Alternative 4, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment



For this rulemaking, NHTSA has updated the analysis it uses to estimate the offset and calculated an offset of 0.7 percent, which will be applicable to the MDPCS for each action alternative in MYs 2027–2031. Under this alternative, the MDPCS is as follows:

Table III-34: Alternative 4 – Non-Offset Calculated Values for MDPCS (mpg) for the MYs 2027-2031 Amendment

2027	2028	2029	2030	2031
40.3	40.9	41.4	41.0	41.2

(5) Alternative 5

Alternative 5 would increase CAFE stringency for PCs by 2.81 percent per year from MYs 2026–2029, change by −0.8 percent from MYs 2029–2030, and by 0.5 percent for MYs 2030–2031. Alternative 5 would increase CAFE stringency for LTs by 3.03 percent per year from MYs 2026–2029, change by −14.7 percent from MYs 2029–2030, and by 0.5 percent for MYs 2030–2031.

Table III-35: Passenger Car CAFE Target Function Coefficients for Alternative 5 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	49.99	51.44	52.93	53.20	53.47
b (mpg)	42.60	43.83	45.10	41.75	41.96
c (gpm per s.f)	0.00031514	0.00030628	0.00029767	0.00051530	0.00051272
d (gpm)	0.00645426	0.00627290	0.00609663	-0.00490676	-0.00488222

Table III-36: Light Truck CAFE Target Function Coefficients for Alternative 5 for the MYs 2027-2031 Amendment

	2027	2028	2029	2030	2031
a (mpg)	45.33	46.75	48.21	36.33	36.51
b (mpg)	26.42	27.25	28.10	28.24	28.38
c (gpm per s.f)	0.00049368	0.00047872	0.00046421	0.00035829	0.00035649
d (gpm)	0.00131829	0.00127835	0.00123962	0.00889759	0.00885310

These equations are represented graphically below. Note that the shapes of the curves for MYs 2027–2029 are also different from the shapes of the curves for MYs 2030–2031 due to the finalized reclassification in MY 2030.

Figure III-27: Alternative 5, Passenger Car Fuel Economy, Target Curves for the MYs 2027-2031 Amendment

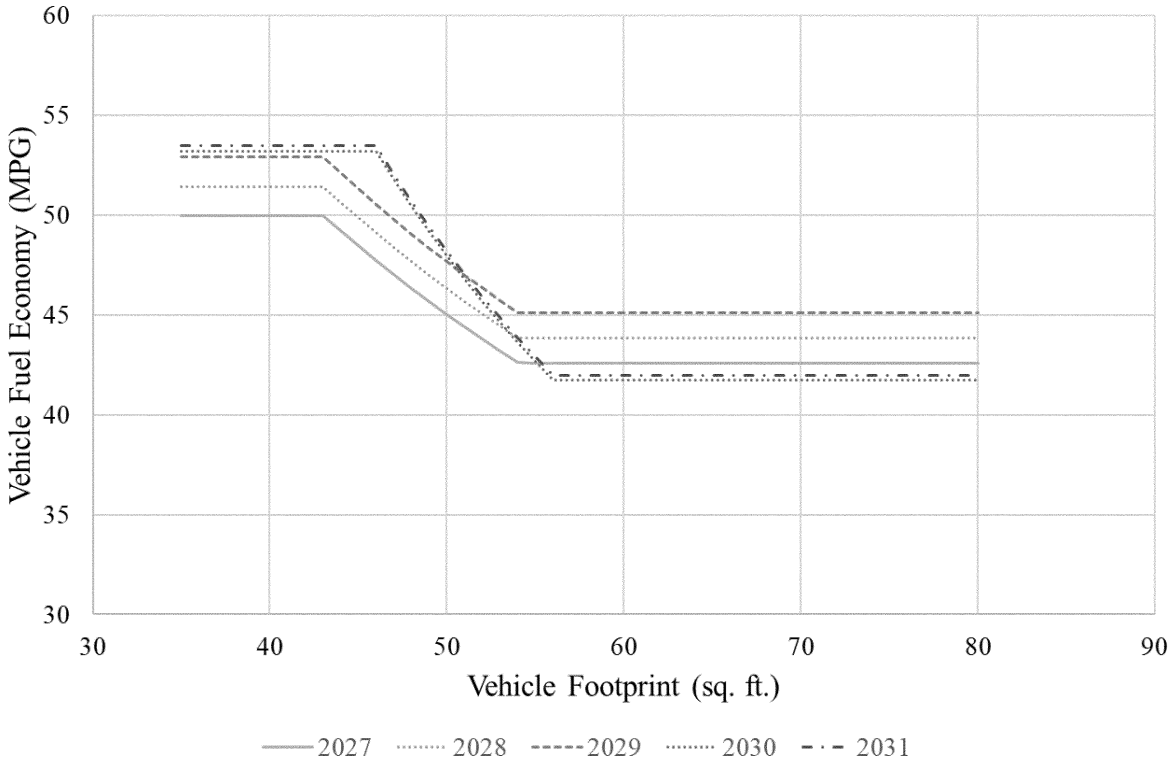
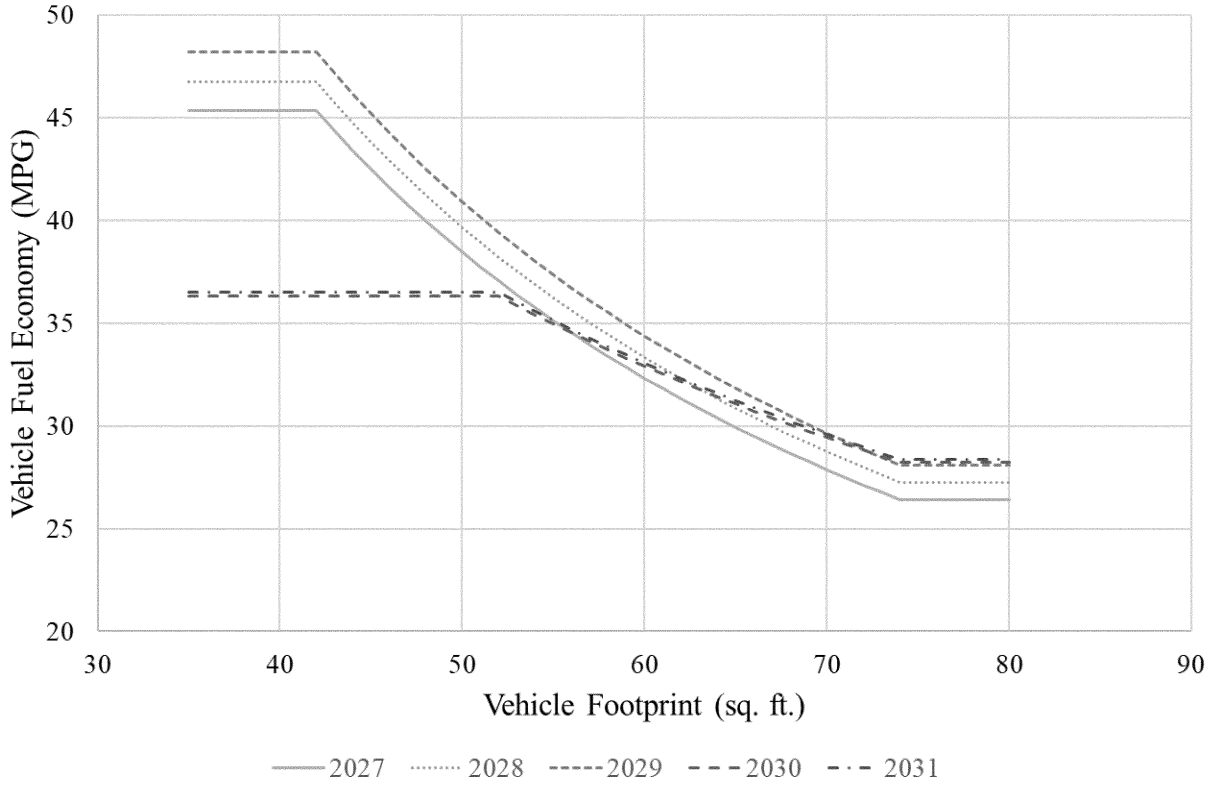


Figure III-28: Alternative 5, Light Truck Fuel Economy, Target Curves for the MYs 2027-2031 Amendment



For this rulemaking, NHTSA has updated the analysis it uses to estimate the offset and calculated an offset of 0.7 percent, which will be applicable to the MDPCS for each action alternative in MYs 2027–2031. Under this alternative, the MDPCS is as follows:

Table III-37: Alternative 5 – Non-Offset Calculated Values for MDPCS (mpg) for the MYs 2027-2031 Amendment

2027	2028	2029	2030	2031
43.5	44.8	46.1	45.6	45.9

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IV. Effects of the Regulatory Alternatives

A. Effects of the Regulatory Alternatives for MYs 2022–2026

NHTSA does not estimate any impacts from changes to the MY 2022–2026 standards other than the difference between the estimated achieved compliance value and the finalized standard for each manufacturer's fleet. At the time of the final rule, manufacturers have already produced fleets for MYs 2022–2026, either partially or completely. As a result, NHTSA's finalized standards are expected to have no impact on manufacturers' production decisions. Similarly, new vehicles produced for MYs 2022–2025 have already been purchased, as have, at the time of this final rule, most new vehicles produced for MY 2026.

Table IV–1 through Table IV–9 present compliance gaps for domestic passenger cars, imported passenger cars, and non-passenger automobile fleets for MYs 2022–2024, comparing the fuel economy levels that have been achieved to those that would have been achieved under the standards contemplated by NHTSA.

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[577] Domestic passenger car standard equals the larger of two values: the value computed based on the manufacturer's domestic passenger car fleet, and the minimum domestic passenger car standard for the model year. The minimum domestic passenger car standard is set equal to 92 percent of the average fuel economy for the entire passenger car fleet in the model year as projected by NHTSA when the standards are promulgated.

[578] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

Table IV-1: Manufacturer Compliance Positions, Domestic Passenger Car, MY 2022[577]

Manufacturer	Achieved Fuel Economy (mpg)[578]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Ford	34.6	44.2	34.8	35.8	37.2	40.7	40.7
GM*	35.7	44.0	34.7	35.7	37.1	40.6	40.6
Honda	43.4	44.7	35.2	36.2	37.5	41.1	41.1
Hyundai	50.7	48.7	37.1	38.1	39.6	43.3	43.3
Karma	32.8	40.9	32.2	33.1	34.4	37.6	37.6
Kia	45.0	45.8	35.8	36.8	38.2	41.9	41.9
Nissan	41.7	44.5	35.0	36.0	37.4	40.9	40.9
Stellantis	27.8	41.4	33.2	34.1	35.4	38.7	38.7
Toyota	41.0	43.1	34.2	35.1	36.5	39.9	39.9
Volvo	39.3	42.3	33.7	34.7	36.0	39.4	39.4
VWA**	32.8	41.4	33.3	34.3	35.6	39.0	39.0
Industry	39.1	44.1	34.8	35.8	37.1	40.6	40.6
* General Motors (GM) ** Volkswagen Group of America (VWA)							

Table IV-2: Manufacturer Compliance Positions, Imported Passenger Car, MY 2022

Manufacturer	Achieved Fuel Economy (mpg)[579]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	33.9	43.2	34.3	35.2	36.6	40.0	40.0
GM	41.1	47.1	36.4	37.4	38.9	42.5	42.5
Honda	29.4	44.9	35.3	36.3	37.6	41.2	41.2
Hyundai	40.8	44.3	34.9	35.8	37.2	40.7	40.7
JLR	29.4	43.2	34.2	35.2	36.5	40.0	40.0
Kia	40.5	44.5	35.0	36.0	37.4	40.9	40.9
Mazda	39.5	46.1	35.7	36.7	38.1	41.7	41.7
Mercedes-Benz	32.7	41.9	33.6	34.5	35.8	39.2	39.2
Mitsubishi	41.0	47.0	36.1	37.1	38.5	42.2	42.2
Nissan	41.9	45.1	35.4	36.4	37.8	41.4	41.4
Stellantis	32.2	44.9	35.3	36.2	37.6	41.2	41.2
Subaru	37.0	46.0	35.9	36.9	38.3	41.9	41.9
Toyota	44.8	45.3	35.5	36.5	37.9	41.5	41.5
Volvo	34.5	41.5	33.2	34.2	35.5	38.8	38.8
VWA	35.9	45.8	35.7	36.7	38.1	41.7	41.7
Industry	40.0	44.9	35.2	36.2	37.6	41.1	41.1

Table IV-3: Manufacturer Compliance Positions, Non-Passenger Automobile, MY 2022

Manufacturer	Achieved Fuel Economy (mpg)[580]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	28.8	32.5	27.3	28.1	30.0	31.3	31.3
Ford	27.7	30.4	25.1	25.8	27.6	28.8	28.8
GM	26.8	29.8	24.5	25.2	26.9	28.0	28.0
Honda	32.8	34.0	28.7	29.5	31.5	32.8	32.8
Hyundai	33.9	34.0	28.6	29.4	31.5	32.8	32.8
JLR	27.2	32.7	27.4	28.2	30.1	31.4	31.4
Kia	32.3	34.0	28.7	29.5	31.5	32.8	32.8
Mazda	34.3	36.0	30.6	31.4	33.6	35.0	35.0
Mercedes-Benz	29.4	32.9	27.7	28.4	30.4	31.7	31.7
Mitsubishi	35.6	37.0	31.5	32.4	34.6	36.1	36.1
Nissan	30.9	32.9	27.7	28.4	30.4	31.7	31.7
Stellantis	26.8	30.7	25.6	26.3	28.1	29.3	29.3
Subaru	36.6	36.5	31.0	31.9	34.1	35.5	35.5
Toyota	32.5	33.0	27.6	28.4	30.3	31.6	31.6
Volvo	32.1	33.4	28.1	28.9	30.9	32.2	32.2
VWA	29.7	34.0	28.6	29.4	31.5	32.8	32.8
Industry	29.7	32.1	26.8	27.5	29.4	30.7	30.7

[579] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

[580] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

[581] Domestic passenger car standard equals the larger of two values: the value computed based on the manufacturer's domestic passenger car fleet, and the minimum domestic passenger car standard for the model year. The minimum domestic passenger car standard is set equal to 92 percent of the average fuel economy for the entire passenger car fleet in the model year as projected by NHTSA when the standards are promulgated.

[582] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

[583] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

Table IV-4: Manufacturer Compliance Positions, Domestic Passenger Car, MY 2023[581]

Manufacturer	Achieved Fuel Economy (mpg)[582]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Ford	35.6	44.8	34.9	35.9	37.5	41.2	41.8
GM	33.5	44.3	34.7	35.7	37.2	40.9	41.5
Honda	44.5	45.0	35.1	36.1	37.6	41.4	42.0
Mazda	41.6	45.7	35.5	36.5	38.0	41.8	42.5
Nissan	41.5	45.2	35.2	36.2	37.8	41.5	42.1
Stellantis	26.1	41.3	32.2	33.2	34.6	38.0	38.6
Toyota	41.9	43.9	34.4	35.4	36.9	40.6	41.2
Volvo	39.8	42.9	33.8	34.8	36.3	39.9	40.5
VWA	28.3	41.3	32.2	33.1	34.5	37.9	38.5
Industry	38.0	44.2	34.6	35.6	37.1	40.8	41.4

Table IV-5: Manufacturer Compliance Positions, Imported Passenger Car, MY 2023

Manufacturer	Achieved Fuel Economy (mpg)[583]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	33.7	43.9	34.4	35.4	36.9	40.6	41.2
GM	40.3	47.0	36.3	37.3	38.9	42.7	43.4
Hyundai	40.5	44.8	35.0	35.9	37.5	41.2	41.8
JLR	26.0	45.4	35.3	36.3	37.9	41.6	42.3
Kia	42.0	45.6	35.4	36.4	38.0	41.8	42.4
Mazda	39.5	47.8	36.2	37.2	38.8	42.7	43.3
Mercedes-Benz	32.8	42.7	33.9	34.8	36.3	39.9	40.5
Mitsubishi	53.0	50.9	37.2	38.3	39.9	43.9	44.6
Nissan	45.2	45.6	35.5	36.5	38.0	41.8	42.4
Stellantis	29.8	42.8	33.8	34.8	36.3	39.9	40.5
Subaru	36.7	46.6	36.0	37.0	38.6	42.4	43.1
Toyota	45.1	45.6	35.4	36.5	38.0	41.8	42.4
Volvo	35.2	42.1	33.4	34.3	35.8	39.4	40.0
VWA	35.7	46.0	35.6	36.6	38.2	42.0	42.7
Industry	40.2	45.3	35.3	36.3	37.8	41.6	42.2

Table IV-6: Manufacturer Compliance Positions, Non-Passenger Automobile, MY 2023

Manufacturer	Achieved Fuel Economy (mpg)[584]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	29.3	33.5	27.8	28.6	30.6	32.2	32.7
Ford	28.2	30.9	25.3	26.0	27.8	29.3	29.7
GM	26.4	30.2	24.6	25.3	27.1	28.5	28.9
Honda	31.9	33.6	27.9	28.7	30.7	32.3	32.8
Hyundai	32.0	34.4	28.7	29.5	31.5	33.2	33.7
JLR	26.2	32.7	27.1	27.9	29.8	31.4	31.9
Kia	33.4	34.6	28.9	29.7	31.8	33.4	33.9
Mazda	35.0	36.4	30.6	31.4	33.6	35.4	35.9
Mercedes-Benz	27.5	33.3	27.7	28.4	30.4	32.0	32.5
Mitsubishi	35.9	37.4	31.6	32.4	34.7	36.5	37.1
Nissan	33.1	34.3	28.6	29.4	31.4	33.1	33.6
Stellantis	28.0	31.6	26.1	26.8	28.7	30.2	30.7
Subaru	35.9	37.0	31.2	32.0	34.2	36.0	36.6
Toyota	32.0	33.5	27.8	28.5	30.5	32.1	32.6
Volvo	33.0	33.9	28.3	29.0	31.1	32.7	33.2
VWA	30.0	34.4	28.7	29.5	31.5	33.2	33.7
Industry	29.9	32.7	27.1	27.8	29.7	31.3	31.8

Table IV-7: Manufacturer Compliance Positions, Domestic Passenger Car, MY 2024[585]

Manufacturer	Achieved Fuel Economy (mpg)[586]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Ford	32.8	48.8	35.2	36.2	37.9	41.8	43.1
GM	35.3	48.4	35.0	36.0	37.7	41.6	42.9
Honda	45.2	49.1	35.3	36.3	38.1	42.0	43.3
Kia	44.3	50.6	36.1	37.2	38.9	43.0	44.3
Nissan	44.6	49.6	35.6	36.6	38.3	42.3	43.6
Toyota	42.3	47.7	34.6	35.6	37.2	41.1	42.4
Volvo	39.5	46.6	34.0	35.0	36.6	40.4	41.7
VWA	29.7	45.3	32.6	33.5	35.1	38.7	39.9
Industry	41.3	48.9	35.2	36.3	38.0	41.9	43.2

[584] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

[585] Domestic passenger car standard equals the larger of two values: the value computed based on the manufacturer's domestic passenger car fleet, and the minimum domestic passenger car standard for the model year. The minimum domestic passenger car standard is set equal to 92 percent of the average fuel economy for the entire passenger car fleet in the model year as projected by NHTSA when the standards are promulgated.

[586] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

[587] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

Table IV-8: Manufacturer Compliance Positions, Imported Passenger Car, MY 2024

Manufacturer	Achieved Fuel Economy (mpg)[587]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	34.2	47.6	34.5	35.5	37.1	41.0	42.3
GM	42.0	50.6	36.2	37.2	39.0	43.0	44.3
Hyundai	41.1	48.6	35.0	36.0	37.7	41.7	43.0
JLR	28.4	47.4	34.4	35.4	37.1	40.9	42.2
Kia	41.8	49.2	35.4	36.4	38.1	42.1	43.4
Mazda	39.9	50.7	36.0	37.0	38.7	42.8	44.1
Mercedes-Benz	34.0	46.1	33.8	34.8	36.4	40.2	41.5
Mitsubishi	53.9	55.4	37.4	38.5	40.3	44.5	45.9
Nissan	41.9	49.6	35.6	36.6	38.4	42.4	43.7
Stellantis	38.7	50.5	36.1	37.1	38.9	42.9	44.3
Subaru	36.3	50.5	36.1	37.1	38.9	42.9	44.2
Toyota	46.5	49.7	35.7	36.7	38.4	42.4	43.7
Volvo	30.5	47.8	34.6	35.6	37.3	41.2	42.4
VWA	36.7	50.7	36.1	37.1	38.9	42.9	44.3
Industry	41.2	49.6	35.5	36.6	38.3	42.3	43.6

Table IV-9: Manufacturer Compliance Positions, Non-Passenger Automobile, MY 2024

Manufacturer	Achieved Fuel Economy (mpg)[588]	Standard (mpg)					
		No-Action Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
BMW	31.0	36.4	28.0	28.7	30.8	32.7	33.7
Ford	28.9	33.4	25.5	26.1	28.0	29.8	30.7
GM	26.5	32.1	24.4	25.0	26.8	28.5	29.4
Honda	34.7	37.4	28.9	29.7	31.7	33.7	34.8
Hyundai	33.1	37.4	28.9	29.7	31.8	33.8	34.8
JLR	26.9	35.3	27.1	27.8	29.8	31.6	32.6
Kia	31.4	37.0	28.6	29.3	31.4	33.4	34.4
Mazda	34.7	38.5	29.8	30.6	32.7	34.8	35.9
Mercedes-Benz	27.4	35.8	27.5	28.2	30.2	32.1	33.1
Mitsubishi	35.9	40.8	31.8	32.6	34.9	37.1	38.3
Nissan	30.7	36.2	27.9	28.6	30.6	32.5	33.6
Stellantis	27.3	34.5	26.4	27.1	29.0	30.8	31.8
Subaru	36.1	40.4	31.4	32.3	34.5	36.7	37.9
Toyota	34.4	35.7	27.4	28.1	30.1	32.0	33.0
Volvo	33.6	37.0	28.5	29.2	31.3	33.3	34.3
VWA	30.7	37.8	29.3	30.0	32.1	34.2	35.2
Industry	30.5	35.4	27.1	27.8	29.8	31.7	32.7

Unlike MYs 2022–2024, NHTSA is not yet in possession of complete pre- or mid-model year manufacturer data for MYs 2025–2026 from which to generate estimates of fuel economy standards and values. As a reminder, a manufacturer's fleet fuel economy standard is generated based on a calculation of sales-weighted volumes of vehicles by footprint and fuel economy in a particular regulatory fleet. The fuel economy in mpg values are not the standards; instead, the coefficients that go into the mathematical functions that create the footprint-to-fuel-economy relationship curves define the standards. Accordingly, without data for MYs 2025–2026 in hand, NHTSA performed side cases using the CAFE Model to generate estimated fleet average CAFE standards for MYs 2025–2026.

Table IV–10 through Table IV–13 show the estimated required CAFE level for MYs 2025–2026. Table IV–10 shows these values for passenger cars, light trucks, and the fleet as a whole for the Preferred Alternative. Table IV–11 through Table IV–13 show these values by regulatory class (domestic passenger cars, imported passenger cars, and non-passenger automobiles) for each manufacturer in each alternative. It is important to note that these values are projections of the average mpg that the fleets will need to achieve. The actual level of performance that each manufacturer would need to meet varies and is calculated for each manufacturer's compliance fleet based on the footprint of each vehicle in the fleet and the corresponding footprint curve.

Table IV-10: Estimated Required Average CAFE Levels (mpg), Alternative 3, MYs 2025-2026

	2025	2026
Passenger Car	38.5	38.9
Light Truck	30.0	30.1
Total LD Fleet	32.1	32.2

[588] Calculated achieved fuel economy does not include the effects of AC/OC adjustments.

Table IV-11: Estimated Required Average CAFE Levels (mpg), Domestic Passenger Car, MYs 2025-2026

Manufacturer	2025				2026			
	No-Action	Alt. 1	Alt. 2	Alt. 3	No-Action	Alt. 1	Alt. 2	Alt. 3
Ford	53.0	35.3	36.4	38.2	58.9	35.5	36.5	38.6
GM	52.6	35.1	36.1	38.0	58.5	35.3	36.3	38.4
Honda	53.4	35.5	36.5	38.4	59.3	35.6	36.7	38.8
KIA	55.0	36.3	37.4	39.3	61.1	36.5	37.5	39.6
Nissan	53.9	35.7	36.8	38.7	59.9	35.9	36.9	39.0
Toyota	51.8	34.7	35.7	37.6	57.6	34.9	35.9	37.9
Volvo	50.7	34.2	35.1	37.0	56.3	34.3	35.3	37.3
VWA	48.1	32.7	33.7	35.4	53.5	32.9	33.8	35.7
Industry	53.2	35.4	36.4	38.3	59.1	35.6	36.6	38.7

Table IV-12: Estimated Required Average CAFE Levels (mpg), Imported Passenger Car, MYs 2025-2026

Manufacturer	2025				2026			
	No-Action	Alt. 1	Alt. 2	Alt. 3	No-Action	Alt. 1	Alt. 2	Alt. 3
BMW	51.7	34.6	35.6	37.5	57.4	34.8	35.8	37.8
Ferrari	51.7	34.8	35.8	37.7	57.5	35.0	36.0	38.0
GM	55.0	36.3	37.4	39.3	61.2	36.5	37.5	39.7
Hyundai	52.9	35.2	36.2	38.1	58.7	35.3	36.4	38.4
JLR	51.5	34.6	35.6	37.4	57.2	34.7	35.7	37.7
KIA	53.4	35.5	36.6	38.5	59.4	35.7	36.7	38.8
Mazda	55.1	36.1	37.2	39.1	61.2	36.3	37.3	39.5
Mercedes-Benz	50.1	34.0	34.9	36.8	55.7	34.1	35.1	37.1
Mitsubishi	60.2	37.6	38.7	40.7	66.9	37.8	38.9	41.1
Nissan	54.0	35.8	36.8	38.7	60.0	35.9	37.0	39.1
Stellantis	54.9	36.3	37.3	39.3	61.0	36.4	37.5	39.6
Subaru	54.9	36.2	37.3	39.2	61.0	36.4	37.5	39.6
Toyota	54.0	35.8	36.9	38.8	60.0	36.0	37.0	39.1
Volvo	51.9	34.8	35.8	37.6	57.7	34.9	35.9	38.0
VWA	55.1	36.3	37.3	39.3	61.2	36.4	37.5	39.6
Industry	53.9	35.7	36.8	38.7	59.8	35.9	36.9	39.0

Table IV-13: Estimated Required Average CAFE Levels (mpg), Non-Passenger Automobile, MYs 2025-2026

Manufacturer	2025				2026			
	No-Action	Alt. 1	Alt. 2	Alt. 3	No-Action	Alt. 1	Alt. 2	Alt. 3
BMW	39.6	28.2	28.9	30.9	43.9	28.3	29.0	31.1
Ford	36.3	25.6	26.3	28.1	40.4	25.8	26.4	28.3
GM	34.9	24.5	25.1	26.9	38.8	24.7	25.2	27.1
Honda	40.7	29.1	29.8	31.9	45.2	29.2	29.9	32.1
Hyundai	40.7	29.1	29.8	31.9	45.2	29.2	29.9	32.1
INEOS	39.7	28.3	29.0	31.1	44.1	28.5	29.1	31.2
JLR	38.4	27.2	27.9	29.9	42.7	27.4	28.1	30.1
KIA	40.3	28.7	29.4	31.5	44.7	28.9	29.6	31.7
Mazda	41.8	30.0	30.7	32.9	46.5	30.1	30.9	33.1
Mercedes-Benz	38.9	27.6	28.3	30.4	43.2	27.8	28.5	30.5
Mitsubishi	44.3	32.0	32.8	35.1	49.2	32.1	32.9	35.3
Nissan	39.4	28.0	28.7	30.8	43.7	28.2	28.8	30.9
Stellantis	37.5	26.6	27.2	29.2	41.7	26.7	27.3	29.3
Subaru	43.9	31.6	32.4	34.7	48.7	31.8	32.6	34.9
Toyota	38.8	27.6	28.2	30.3	43.1	27.7	28.4	30.4
Volvo	40.2	28.7	29.4	31.5	44.7	28.8	29.5	31.6
VWA	41.1	29.4	30.2	32.3	45.7	29.6	30.3	32.5
Industry	38.4	27.3	28.0	30.0	42.7	27.4	28.1	30.1

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B. Effects of the Regulatory Alternatives for MYs 2027–2031

1. Effects on Vehicle Manufacturers

Each regulatory alternative considered in this final rule, aside from the No-Action Alternative, would change the stringency of both passenger car and light truck CAFE standards during MYs 2027–2031. To estimate the potential effects of each of these alternatives, including effects beyond these years, NHTSA has, as with all recent CAFE rulemakings, assumed that standards would continue unchanged after the last model year to be covered by CAFE targets (in this case, after MY 2031).

The estimated required average fuel economy values for the passenger car, light truck, and total fleets for each action alternative NHTSA considered alongside values for the No-Action Alternative are presented in Table IV–14 below. NHTSA recognizes that the size and composition of the fleet (*i.e.,* in terms of distribution across the range of vehicle footprints) can change over time, affecting the average fuel-economy requirements under both the passenger car and light truck standards, and for the overall fleet. To the extent the fleet differs from NHTSA's projections, average requirements also would differ from NHTSA's projections.

Table IV-14: Estimated Required Average Fuel Economy (MPG), by Regulatory Fleet

Model Year	2024	2027	2028	2029	2030	2031
Passenger Car						
No-Action	49.3	60.7	61.9	63.2	64.5	65.8
Alternative 1	49.3	35.9	36.1	36.2	35.8	35.8
Alternative 2	49.3	37.0	37.1	37.3	36.8	36.9
Alternative 3	49.3	39.2	39.6	39.9	39.7	40.1
Alternative 4	49.3	43.8	44.4	45.0	44.6	44.8
Alternative 5	49.3	47.3	48.7	50.0	49.6	49.8
Light Truck						
No-Action	35.4	42.7	42.7	43.6	44.5	45.4
Alternative 1	35.4	27.6	27.7	27.9	23.7	23.8
Alternative 2	35.4	28.2	28.3	28.5	24.2	24.3
Alternative 3	35.4	30.3	30.4	30.6	26.2	26.4
Alternative 4	35.4	33.1	33.7	34.2	29.1	29.3
Alternative 5	35.4	35.9	37.0	38.1	32.5	32.7

Table IV-15: Estimated Required Average Fuel Economy (MPG), Total Light-Duty Fleet

Model Year	2024	2027	2028	2029	2030	2031
No-Action	38.8	46.5	46.6	47.5	48.4	49.3
Alternative 1	38.8	29.5	29.6	29.7	31.2	31.3
Alternative 2	38.8	30.2	30.3	30.4	32.0	32.1
Alternative 3	38.8	32.3	32.4	32.6	34.6	34.9
Alternative 4	38.8	35.5	36.0	36.5	38.7	38.9
Alternative 5	38.8	38.4	39.5	40.7	43.1	43.3

Manufacturers' achieved average fuel economy, as projected by the CAFE Model, does not always exactly match each CAFE standard in each model year, and some manufacturers have tended to exceed at least one requirement.[589] NHTSA uses the CAFE Model to approximate compliance solutions of manufacturers, while observing statutory constraints on the factors NHTSA may consider in setting standards (and thus its analysis of alternative standards).[590] As discussed in the accompanying FRIA and Final TSD, NHTSA simulates manufacturers' responses to each alternative given a wide range of input estimates (*e.g.,* technology cost and efficacy and fuel prices), each of which is subject to uncertainty. NHTSA's analysis simply illustrates one potential way manufacturers could respond to each regulatory alternative; actual manufacturer responses may differ from NHTSA's simulations, and therefore the achieved compliance levels will likely differ from the estimated achieved fuel economy for each regulatory alternative shown in these tables.

[589] Over-compliance can be the result of multiple factors including projected ''inheritance'' of technologies (*e.g.,* changes to engines shared across multiple vehicle model/configurations) applied in earlier model years, future technology cost reductions (*e.g.,* decreased technology costs due to learning), and changes in fuel prices that affect technology cost effectiveness. As in all past rulemakings over the last decade, NHTSA assumes that, beyond fuel economy changes in response to CAFE standards, manufacturers may also improve fuel economy via technologies that would pay for themselves within the first 36 months of vehicle operation (this rule assumes 36 months, prior rules assumed 30 months).

[590] NHTSA's standard-setting analysis does not consider factors prohibited under 49 U.S.C. 32902(h), including the application of compliance credits and consideration of fuel economy attributable to alternative fuel sources. For plug-in hybrid vehicles, this means only the gasoline-powered operation (*i.e.,* non-electric fuel economy, or charge sustaining mode operation only) is considered when selecting technology to meet the standards.

Table IV-16: Estimated Achieved Average Fuel Economy (MPG), by Regulatory Fleet

Model Year	2024	2027	2028	2029	2030	2031
Passenger Car						
No-Action	43.2	54.5	58.3	62.8	63.1	63.6
Alternative 1	43.2	51.1	49.1	49.7	45.0	45.2
Alternative 2	43.2	51.1	49.1	49.7	45.0	45.2
Alternative 3	43.2	51.3	49.2	49.9	45.4	45.5
Alternative 4	43.2	51.5	49.7	50.5	46.5	46.7
Alternative 5	43.2	52.7	52.1	54.4	49.4	49.8
Light Truck						
No-Action	32.7	40.2	42.1	43.5	44.5	44.8
Alternative 1	32.7	38.3	36.5	36.9	31.1	31.3
Alternative 2	32.7	38.3	36.5	37.0	31.1	31.3
Alternative 3	32.7	38.5	36.7	37.1	31.1	31.3
Alternative 4	32.7	39.0	37.2	37.9	31.4	31.6
Alternative 5	32.7	39.9	38.7	39.8	33.4	33.7

Table IV-17: Estimated Achieved Average Fuel Economy (MPG), Total Light-Duty Fleet

Model Year	2024	2027	2028	2029	2030	2031
No-Action	35.4	43.3	45.5	47.4	48.2	48.4
Alternative 1	35.4	41.1	39.2	39.6	39.9	40.0
Alternative 2	35.4	41.2	39.2	39.7	39.9	40.0
Alternative 3	35.4	41.3	39.4	39.8	40.0	40.2
Alternative 4	35.4	41.8	39.9	40.6	40.9	41.0
Alternative 5	35.4	42.7	41.6	42.9	43.4	43.7

The SHEV share of the fleet initially (*i.e.,* in MY 2024) is around 10.4 percent. By the end of the regulatory period (MYs 2027–2031), SHEV penetration rates reach 48–50 percent for the action alternatives and 81 percent for the No-Action Alternative (including both the passenger car and light truck fleets). For both light truck and passenger car fleets, each regulatory alternative produces a similar portion of SHEVs in each model year across MYs 2027–2031.

The PHEV share of the fleet in MY 2024 is 3.4 percent for light trucks and 1.7 percent for passenger cars. Although their market shares do not increase to the levels seen for SHEVs, in the light truck fleet, PHEVs are estimated to make up 4.3 percent of the fleet for all the regulatory alternatives by MY 2031, and 9.6 percent for the No-Action Alternative. In the passenger car fleet, PHEV penetration stays under two percent through MY 2029 and under three percent through MY 2031 for all regulatory alternatives, and reaches 1.8 percent by MY 2031 for the No-Action Alternative.[591]

Variation in penetration rates across regulatory alternatives generally results from differences in the number of vehicles or models to which a manufacturer would need to add technology to comply with each alternative. For example, a certain technology pathway could be the most cost-effective pathway if a manufacturer is just shy of its fuel-economy target, but the pathway likely becomes ineffective if there is a larger gap, which may necessitate pursuing broader changes in powertrain technology across the manufacturer's fleet. For more details on the technology application by regulatory fleet, see FRIA Chapter 8.2.2.1.

[591] Due to the statutory constraints imposed on the analysis by EPCA that exclude consideration of AFVs, BEVs are not considered as a compliance option within the CAFE Model in any model year. Similarly, PHEVs can be introduced by the CAFE Model, but only their charge-sustaining fuel economy value (as opposed to their charge-depleting fuel economy value) is considered in this analysis.

Table IV-18: Estimated Strong Hybrid Electric Vehicle (SHEV) Penetration Rate (%), by Regulatory Fleet

Model Year	2024	2027	2028	2029	2030	2031
Passenger Car						
No-Action	8.7	52.8	69.8	86.6	88.0	89.7
Alternative 1	8.7	36.7	38.0	39.8	43.2	44.0
Alternative 2	8.7	37.1	38.4	40.1	43.6	44.5
Alternative 3	8.7	37.7	39.1	40.8	46.6	47.5
Alternative 4	8.7	38.8	42.2	44.2	54.2	55.1
Alternative 5	8.7	44.2	57.4	65.8	74.5	77.6
Light Truck						
No-Action	11.2	51.0	60.1	67.9	73.1	78.1
Alternative 1	11.2	41.9	44.9	47.6	54.8	56.3
Alternative 2	11.2	42.2	45.3	47.9	54.8	56.3
Alternative 3	11.2	44.9	47.9	50.5	54.8	56.3
Alternative 4	11.2	49.2	53.2	57.1	57.7	59.2
Alternative 5	11.2	53.6	65.4	72.5	71.6	77.1

Table IV-19: Estimated Strong Hybrid Electric Vehicle (SHEV) Penetration Rate (%), Total Light-Duty Fleet

Model Year	2024	2027	2028	2029	2030	2031
No-Action	10.4	51.5	62.8	72.8	77.0	81.0
Alternative 1	10.4	40.5	43.1	45.5	46.5	47.6
Alternative 2	10.4	40.8	43.4	45.9	46.9	47.9
Alternative 3	10.4	42.9	45.5	48.0	49.0	50.0
Alternative 4	10.4	46.3	50.2	53.7	55.2	56.3
Alternative 5	10.4	51.0	63.3	70.7	73.7	77.5

Table IV-20: Estimated Plug-in Hybrid-Electric Vehicle (PHEV) Penetration Rate (%), by Regulatory Fleet

Model Year	2024	2027	2028	2029	2030	2031
Passenger Car						
No-Action	1.7	1.7	1.8	1.8	1.8	1.8
Alternative 1	1.7	1.7	1.7	1.7	2.4	2.4
Alternative 2	1.7	1.7	1.7	1.7	2.4	2.4
Alternative 3	1.7	1.7	1.7	1.7	2.4	2.4
Alternative 4	1.7	1.7	1.7	1.7	2.4	2.4
Alternative 5	1.7	1.7	1.7	1.7	2.4	2.4
Light Truck						
No-Action	3.4	7.1	9.6	9.6	9.6	9.6
Alternative 1	3.4	3.4	3.4	3.4	4.3	4.3
Alternative 2	3.4	3.4	3.4	3.4	4.3	4.3
Alternative 3	3.4	3.4	3.4	3.4	4.3	4.3
Alternative 4	3.4	3.4	3.4	3.4	4.3	4.3
Alternative 5	3.4	3.4	3.4	3.4	4.3	4.3

Table IV-21: Estimated Plug-in Hybrid-Electric Vehicle (PHEV) Penetration Rate (%), Total Light-Duty Fleet

Model Year	2024	2027	2028	2029	2030	2031
No-Action	2.9	5.6	7.5	7.5	7.6	7.6
Alternative 1	2.9	2.9	2.9	2.9	2.9	2.9
Alternative 2	2.9	2.9	2.9	2.9	2.9	2.9
Alternative 3	2.9	2.9	2.9	2.9	2.9	2.9
Alternative 4	2.9	2.9	2.9	2.9	2.9	2.9
Alternative 5	2.9	2.9	2.9	2.9	2.9	3.0

The FRIA also presents NHTSA's estimates of manufacturers' potential application of fuel-saving technologies, including advanced transmissions, aerodynamic improvements, and reduced vehicle mass, in response to each regulatory alternative. The accompanying FRIA Appendix provides more detailed and comprehensive results, and the underlying CAFE Model Output File provides all the information used to construct these estimates, including the specific combination of technologies estimated to be applied to every vehicle model/configuration in each of MYs 2024–2050.

NHTSA's analysis estimates the regulatory costs to manufacturers for compliance with the CAFE standards. As summarized in Table IV–22, NHTSA estimates the present discounted value of manufacturers' *cumulative* regulatory costs across MYs 2027–2031 would total $116 billion under the No-Action Alternative and between approximately $53 billion to $90 billion under regulatory alternatives 1 through 5 considered in this final rule. These regulatory costs account for fuel-saving technologies added in the simulation (and AC improvements and other OC technologies through MY 2027). Table IV–22 below shows estimated costs by manufacturer. Values for the regulatory alternatives are presented as incremental relative to the No-Action Alternative. The variation in aggregate costs among manufacturers is a function of both differences in the quantities of vehicles produced for sale in the United States and differences in technology application and compliance pathways. Technology costs for each model year are defined on an incremental basis, with costs equal to the relevant technology applied minus the costs of the initial technology state in a reference fleet (*i.e.,* MY 2024).[592] The accompanying FRIA Appendix presents results separately for each manufacturer's compliance fleets (*i.e.,*

[592] As discussed in the Final TSD, the technology costs considered in the CAFE Model reflect a markup factor to account for manufacturer profits and other retail costs. For more detail regarding the calculation of technology costs, see the CAFE Model Documentation.

domestic passenger car, imported passenger car, and light truck) under each regulatory alternative and model year, and the underlying CAFE Model Output File also show results for each manufacturer's combined passenger car fleet (*i.e.,* domestic and imported cars).

Table IV-22: Estimated Cumulative Technology Costs ($b) During MYs 2027-2031

Manufacturer	No-Action	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
BMW	3.3	-1.3	-1.3	-1.3	-1.1	0.5
Ferrari	0.0	0.0	0.0	0.0	0.0	0.0
Ford	11.6	-5.8	-5.8	-5.1	-4.2	-2.7
GM	31.7	-20.4	-20.4	-20.4	-20.4	-13.9
Honda	5.8	-4.1	-4.1	-4.1	-4.1	-2.0
Hyundai	8.2	-5.3	-5.3	-5.3	-4.8	-2.1
INEOS	0.0	0.0	0.0	0.0	0.0	0.0
JLR	0.8	-0.4	-0.4	-0.4	-0.1	0.0
KIA	7.7	-2.1	-2.1	-2.1	-2.0	-0.5
Mazda	3.1	-2.7	-2.7	-2.7	-0.6	0.2
Mercedes-Benz	1.5	-0.7	-0.7	-0.7	-0.1	0.0
Mitsubishi	1.2	-0.9	-0.9	-0.9	-0.9	-0.5
Nissan	5.4	-2.8	-2.8	-2.8	-2.7	-1.5
Stellantis	10.1	-6.6	-6.6	-6.2	-4.3	-0.9
Subaru	4.1	-0.5	-0.5	-0.5	-0.5	0.9
Toyota	12.9	-4.5	-4.5	-4.5	-4.5	-3.6
Volvo	1.2	-0.3	-0.3	-0.3	-0.2	0.0
VWA	7.1	-3.8	-3.6	-3.2	-2.1	-0.1
Industry Total	115.8	-62.2	-62.1	-60.6	-52.7	-26.1

NHTSA assumes that technology costs are reflected in vehicle prices. NHTSA's estimates of the average costs to new vehicle purchasers from MYs 2027–2031 are summarized in Table IV–23 and Table IV–24.

Table IV-23: Estimated Average Per-Vehicle Regulatory Cost ($), by Regulatory Fleet

Model Year	2024	2027	2028	2029	2030	2031
Passenger Car						
No-Action	0	1,574	1,945	2,361	2,354	2,383
Alternative 1	0	1,006	1,008	984	1,021	1,009
Alternative 2	0	1,010	1,012	988	1,025	1,013
Alternative 3	0	1,026	1,028	1,005	1,061	1,049
Alternative 4	0	1,075	1,104	1,099	1,255	1,240
Alternative 5	0	1,281	1,476	1,686	1,763	1,804
Light Truck						
No-Action	0	1,506	1,923	2,065	2,146	2,189
Alternative 1	0	883	896	904	708	706
Alternative 2	0	886	899	906	708	706
Alternative 3	0	916	928	936	708	707
Alternative 4	0	1,036	1,066	1,101	776	771
Alternative 5	0	1,260	1,483	1,617	1,441	1,447

Table IV-24: Estimated Average Per-Vehicle Regulatory Cost ($), Total Light-Duty Fleet

Model Year	2024	2027	2028	2029	2030	2031
No-Action	0	1,525	1,929	2,143	2,200	2,238
Alternative 1	0	917	926	925	930	921
Alternative 2	0	920	929	928	933	924
Alternative 3	0	946	955	954	959	949
Alternative 4	0	1,046	1,076	1,101	1,117	1,104
Alternative 5	0	1,266	1,481	1,635	1,670	1,700

Table IV–25 shows how these costs could vary among manufacturers. See Chapter 8.2.2 of the FRIA for more details of the effects on vehicle manufacturers, including regulatory costs.

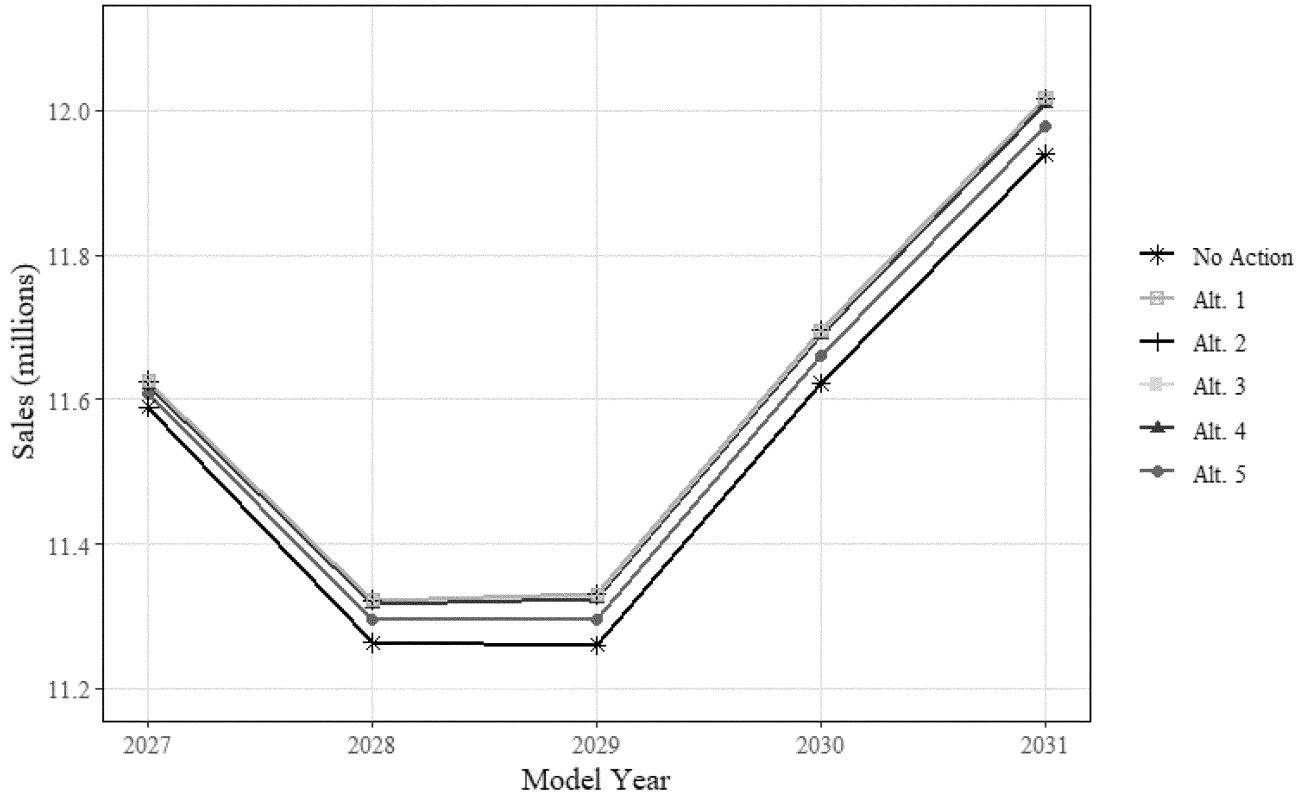
Table IV-25: Average Manufacturer Per-Vehicle Regulatory Costs by Alternative, Total Light-Duty Fleet, MY 2031 ($)

Manufacturer	No-Action	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
BMW	2,691	1,311	1,311	1,311	1,427	2,975
Ferrari	2,971	2,969	2,969	2,969	2,971	2,972
Ford	1,888	855	863	954	1,118	1,384
GM	3,745	1,184	1,184	1,184	1,184	2,051
Honda	1,395	242	242	242	242	906
Hyundai	2,846	883	883	883	1,134	2,087
INEOS	2,731	1,608	1,608	2,077	2,731	2,731
JLR	1,723	303	303	303	1,024	1,461
KIA	2,897	1,892	1,892	1,892	1,924	2,607
Mazda	1,930	300	300	300	1,451	2,400
Mercedes-Benz	1,715	711	711	733	1,476	1,714
Mitsubishi	1,940	427	427	427	427	1,050
Nissan	1,760	738	738	738	761	1,153
Stellantis	2,511	842	842	933	1,412	2,208
Subaru	1,579	1,126	1,126	1,126	1,128	1,831
Toyota	1,383	857	857	857	857	999
Volvo	2,326	1,595	1,600	1,617	1,723	2,363
VWA	2,372	1,121	1,156	1,283	1,632	2,345
Industry Average	2,238	921	924	949	1,104	1,700

Fuel savings and regulatory costs act as countervailing forces on new vehicle sales. All else being equal, as fuel savings increase, the CAFE Model projects higher new vehicle sales, but as regulatory costs increase, the CAFE Model projects lower new vehicle sales. Both fuel savings and regulatory costs increase with stringency. The magnitude of these fuel savings and vehicle price increases depends on manufacturer compliance decisions, especially technology application. Final TSD Chapter 4.2.1.2 discusses NHTSA's approach to estimating new vehicle sales. Starting in MY 2027, the CAFE Model begins applying technology differently in response to the standards

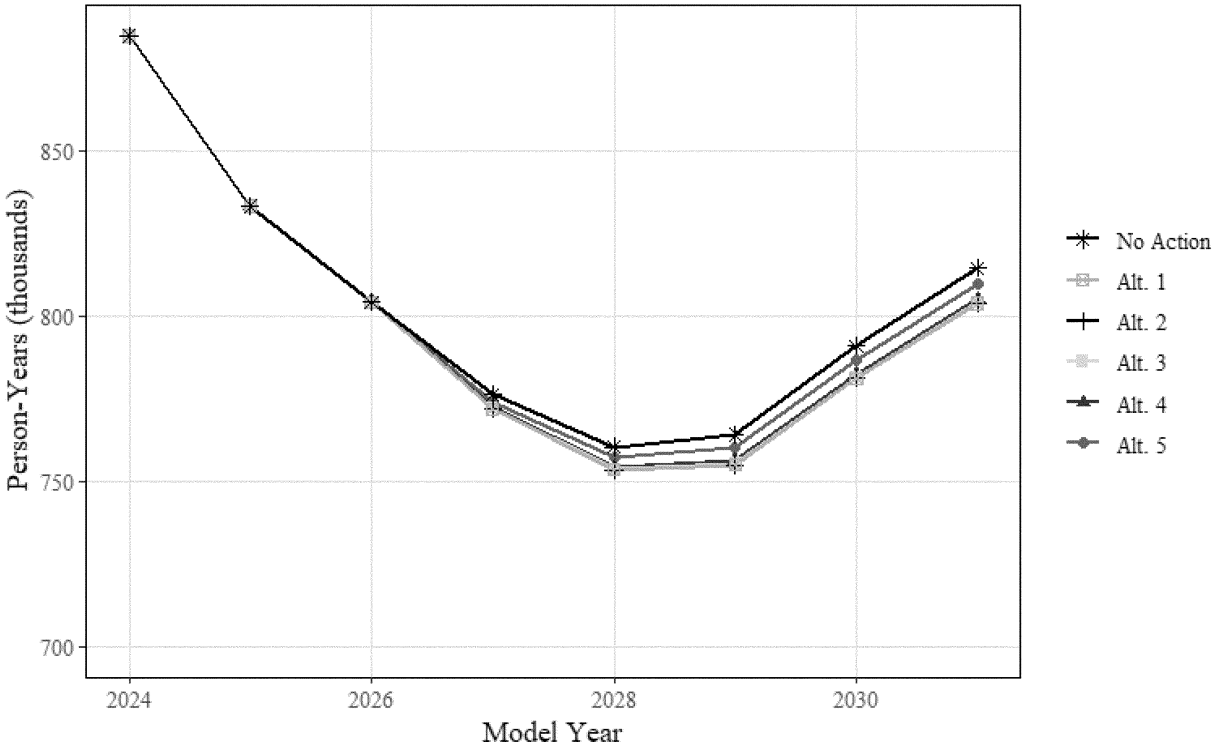
that would be set under the various regulatory alternatives. All regulatory alternatives result in more vehicle sales compared to the No-Action Alternative, which has higher projected regulatory costs starting in MY 2027. Regulatory alternatives 1 through 4 result in very similar vehicle sales for all model years; in comparison to the No-Action Alternative, they all have 0.3 percent more sales in MY 2027 and approximately 0.6 percent more by MY 2031. Regulatory alternative 5, in comparison to the No-Action Alternative, has 0.2 percent more sales in MY 2027 and approximately 0.3 percent more by MY 2031. Figure IV–1 shows the estimated annual light-duty industry sales by regulatory alternative.

Figure IV-1: Estimated Annual Light-Duty Vehicle Sales (Millions)



Differences in sales and the cost of technology applied to vehicles in turn tend to affect projected automobile industry labor utilizations. All regulatory alternatives result in lower levels of labor utilization, measured in person years, compared to the No-Action Alternative. Because the action alternatives 1 through 4 produce similar levels of technology costs and sales volumes, the related changes in labor predicted by the CAFE Model across these alternatives are also negligible; in comparison to the No-Action Alternative, Alternatives 1 through 4 all have approximately 0.2 percent lower labor in MY 2027 and approximately 1.2 percent lower by MY 2031. Regulatory Alternative 5, in comparison to the No-Action Alternative, has 0.3 percent less labor utilization in MY 2027 and 0.6 percent less by MY 2031. Figure IV–2 shows the estimated number of person years under each alternative.

Figure IV-2: Estimated Light-Duty Automobile Industry Labor as Thousands of Person Years



The accompanying Final TSD Chapter 6.2.5 discusses NHTSA's approach to estimating automobile industry employment, and the accompanying FRIA Chapter 8 (and its Appendix I) and CAFE Model Output File provide more detailed results of NHTSA's light-duty analysis.

2. Effects on Society

NHTSA accounts for the effects of the standards on society using a benefit-cost framework. The categories considered include private costs borne by manufacturers and passed on to consumers; external costs, which include government costs and costs pertaining to emissions, congestion, noise, and energy security; and costs associated with safety impacts. In this accounting framework, the CAFE Model records costs and benefits related to vehicles in the fleet throughout the lifetime of a particular model year and allows for the accounting of costs and benefits by calendar years. Examining program effects through this lens illustrates the temporal differences in major cost and benefit components and allows NHTSA to examine costs and benefits tied only to those vehicles directly impacted by this final rule.

NHTSA splits effects on society into private costs, external costs, private benefits, and external benefits. Table IV–26 and Table IV–28 present NHTSA's estimates of the present discounted values of the costs and benefits of changing CAFE standards in each alternative considered in this final rule, as well as the party (private interests or society as a whole) to which they accrue. Manufacturers are regulated directly under the program and incur additional production costs when they apply technology to their vehicle offerings to improve fuel economy. NHTSA assumes that those costs are passed through to new car and truck buyers in the form of higher prices (and conversely, that decreases in technology costs pass through as lower prices for consumers).

While incremental maintenance and repair costs and benefits would change for buyers of new cars and trucks affected by modified CAFE standards, NHTSA does not include these impacts in the analysis because they are difficult to estimate, and NHTSA does not currently have sufficient data to estimate them accurately. NHTSA may include estimates of the impact that CAFE standards have on lifetime maintenance and repair costs in future analyses if sufficient data become available.

The analysis estimates also take into account the rebound effect, in which vehicles are driven more as increased fuel economy reduces the cost of driving. NHTSA also assumes that drivers of new vehicles internalize 90 percent of the risk associated with increased exposure to crashes when they engage in additional travel.

The value of fuel savings,[593] which accrue to new car and truck buyers, is the largest component of the estimated private benefits associated with each of the regulatory alternatives. For this final rule, the estimates reflect forgone fuel savings for consumers. NHTSA considered options for the final rule to present the value of fuel savings as those savings accrue to multiple buyers over the life of the vehicle; currently,

[593] Fuel savings are valued in NHTSA's analysis at retail fuel prices (inclusive of Federal and State taxes).

the value of fuel savings is presented as one value attached to the entire life of the vehicle. In contrast, in the real world, a vehicle may have multiple owners that experience different benefits between the up-front savings from reduced technology application under lower fuel economy standards and the forgone fuel savings for the first owner for the time that they own the vehicle. NHTSA sought comment on such alternative presentations of fuel savings that the agency could include for informational purposes in the final rule, in addition to its traditional presentation of fuel savings as shown below. IPI commented that NHTSA should maintain its societal perspective and value the full fuel savings in its analysis.[594] IPI argued that any change to NHTSA's presentation that accounted for the distribution of fuel savings between first and subsequent owners should also account for any additional residual value of vehicles captured by initial owners at resale. NHTSA maintains that the societal value of fuel savings should be considered in order to capture the full effect over the vehicle's lifetime and is not changing its presentation of fuel savings. NHTSA is still weighing alternative approaches and how best to separate costs and benefits between different owners and will consider changes for future CAFE rulemakings.

The regulatory alternatives also increase the cost of driving relative to the No-Action Alternative (*i.e.,* lower fuel economy increases the per-mile cost of travel) and results in more frequent refueling and a rebound-related reduction in the mobility benefits of travel.

By reducing standards, NHTSA enables manufacturers to provide a mix of vehicles and invest in other attributes such as safety. When standards increase in stringency, NHTSA accounts for forgone improvements in attributes other than fuel economy due to CAFE standards through the IOC in its analysis; however, the agency does not account for changes in the fleet mix offered by manufacturers in an effort to comply with standards, which could include eliminating some models entirely. Because the finalized standards would prevent these distortionary effects, they would increase the range of choices available to Americans and provide additional benefits to new car and truck buyers.

In addition to private benefits and costs—those borne by manufacturers, buyers, and owners of cars and light trucks—there are other benefits and costs from resetting CAFE standards that are borne more broadly throughout the economy or society, which NHTSA refers to as external benefits and costs.[595] In the case of the finalized standards, the increase in per-mile fuel costs would lead to a reduction in congestion, fatalities, and road noise costs, due to reduced rebound travel.[596] The external benefits of health outcomes related to exposure of criteria pollutants and of improved energy security also would decrease slightly relative to the No-Action Alternative under each of the regulatory alternatives considered in this final rule.

Table IV–26 through Table IV–29 below present NHTSA's estimates of the benefits and costs of each regulatory alternative at different discount rates and from both model year and calendar year perspectives. Estimated net benefits are positive for all regulatory alternatives at both the three and seven percent discount rates and for each perspective, with higher costs and benefits estimated in the calendar year analysis.

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[594] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 58.

[595] Some of these external benefits and costs result from changes in economic and environmental externalities from supplying or consuming fuel, while others do not involve changes in such externalities but are similar in that they are borne by parties other than those whose actions impose them.

[596] NHTSA also accounts for changes in fuel tax revenue that occur as a result of changes in fuel consumption. Changes in tax revenues are considered a transfer and not an economic externality as defined traditionally, but NHTSA groups these with social costs instead of private costs because that loss in revenue affects society as a whole as opposed to impacting only consumers or manufacturers. The offsetting changes in costs to consumers are accounted for in the estimates of fuel cost savings, which are valued at retail prices inclusive of taxes.

Table IV-26: Incremental Benefits and Costs Over the Lifetimes of Total Light-Duty Fleet Produced Through MY 2031 (2024$ Billions, 3-percent discount rate), by Alternative

		Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
Private Costs	Technology Costs	-53.2	-53.1	-51.8	-45.0	-22.3
	Maintenance and Repair Costs*	-	-	-	-	-
	Sacrifice in Other Vehicle Attributes	-31.0	-30.8	-29.3	-23.5	-7.4
	Consumer Surplus Loss	-0.10	-0.10	-0.10	-0.08	-0.03
	Safety Costs Internalized by Drivers	-22.1	-22.0	-20.9	-17.0	-5.7
	Subtotal - Private Costs	-106.4	-106.0	-102.1	-85.6	-35.4
External Costs	Congestion and Noise Costs from Rebound-Effect Driving	-11.9	-11.8	-11.4	-9.4	-3.7
	Safety Costs Not Internalized by Drivers	-13.0	-12.9	-12.9	-11.9	-7.0
	Loss in Fuel Tax Revenue	-11.8	-11.8	-11.2	-8.9	-2.8
	Subtotal - External Costs	-36.6	-36.5	-35.5	-30.3	-13.4
Total Costs (incl. private)		-143.1	-142.5	-137.5	-115.9	-48.8
Private Benefits	Fuel Cost Savings	-64.2	-63.9	-60.6	-48.6	-14.9
	Benefits from Additional Driving	-29.6	-29.4	-28.0	-22.6	-7.4
	Refueling Frequency	-3.9	-3.9	-3.7	-2.9	-0.9
	Subtotal - Private Benefits	-97.7	-97.2	-92.3	-74.2	-23.2
External Benefits	Petroleum Market Security	-2.8	-2.8	-2.6	-2.1	-0.7
	Health Outcomes**	-0.9	-0.9	-0.8	-0.6	-0.1
Total Benefits (incl. private)		-101.4	-100.8	-95.8	-76.9	-24.0
Net Total Benefits		41.7	41.7	41.8	39.0	24.9

*Maintenance and repair costs are not quantified in the analysis.
** The CAFE Model computes select health impacts resulting from domestic population exposure to PM2.5 associated with emissions from directly emitted PM and two precursors to PM2.5 (NO_X and SO_X). The analysis considers the domestic effects of both downstream and upstream emissions.
Note: Table totals may not sum perfectly due to rounding.

Table IV-27: Incremental Benefits and Costs Over the Lifetimes of Total Light-Duty Fleet Produced Through MY 2031 (2024$ Billions, 7-percent discount rate), by Alternative

		Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
Private Costs	Technology Costs	-43.6	-43.4	-42.4	-36.8	-18.3
	Maintenance and Repair Costs*	-	-	-	-	-
	Sacrifice in Other Vehicle Attributes	-19.8	-19.7	-18.7	-15.0	-4.7
	Consumer Surplus Loss	-0.08	-0.08	-0.08	-0.06	-0.02
	Safety Costs Internalized by Drivers	-13.9	-13.8	-13.1	-10.6	-3.6
	Subtotal - Private Costs	-77.3	-77.0	-74.2	-62.5	-26.6
External Costs	Congestion and Noise Costs from Rebound-Effect Driving	-7.5	-7.4	-7.1	-5.9	-2.3
	Safety Costs Not Internalized by Drivers	-8.3	-8.3	-8.3	-7.6	-4.5
	Loss in Fuel Tax Revenue	-7.6	-7.6	-7.2	-5.8	-1.8
	Subtotal - External Costs	-23.4	-23.3	-22.6	-19.3	-8.5
Total Costs (incl. private)		-100.7	-100.3	-96.9	-81.7	-35.1
Private Benefits	Fuel Cost Savings	-40.8	-40.5	-38.5	-30.8	-9.5
	Benefits from Additional Driving	-18.6	-18.5	-17.6	-14.2	-4.6
	Refueling Frequency	-2.5	-2.5	-2.3	-1.9	-0.6
	Subtotal - Private Benefits	-61.8	-61.5	-58.4	-46.8	-14.7
External Benefits	Petroleum Market Security	-1.8	-1.8	-1.7	-1.3	-0.4
	Health Outcomes**	-0.5	-0.5	-0.5	-0.4	-0.1
Total Benefits (incl. private)		-64.1	-63.8	-60.5	-48.5	-15.2
Net Total Benefits		36.6	36.5	36.3	33.2	19.9

*Maintenance and repair costs are not quantified in the analysis.
** The CAFE Model computes select health impacts resulting from domestic population exposure to PM2.5 associated with emissions from directly emitted PM and two precursors to PM2.5 (NO_X and SO_X). The analysis considers the domestic effects of both downstream and upstream emissions.

Table IV-28 Incremental Benefits and Costs for the On-Road Light-Duty Fleet CYs 2024-2050 (2024$ Billions, 3-percent discount rate), by Alternative

		Alt 1	Alt 2	Alt 3	Alt 4	Alt 5
Private Costs	Technology Costs	-214.5	-214.1	-209.9	-184.7	-89.7
	Maintenance and Repair Costs*	-	-	-	-	-
	Sacrifice in Other Vehicle Attributes	-145.8	-145.2	-139.4	-115.8	-41.2
	Consumer Surplus Loss	-0.4	-0.4	-0.3	-0.3	-0.1
	Safety Costs Internalized by Drivers	-75.2	-74.9	-71.8	-59.7	-21.7
	Subtotal - Private Costs	-435.9	-434.5	-421.5	-360.5	-152.7
External Costs	Congestion and Noise Costs from Rebound-Effect Driving	-32.6	-32.4	-31.0	-25.7	-9.2
	Safety Costs Not Internalized by Drivers	-12.2	-12.1	-12.0	-10.9	-7.3
	Loss in Fuel Tax Revenue	-40.0	-39.8	-38.2	-31.7	-11.2
	Subtotal - External Costs	-84.7	-84.4	-81.2	-68.2	-27.8
Total Costs (incl. private)		-520.7	-518.9	-502.7	-428.7	-180.5
Private Benefits	Fuel Cost Savings	-229.8	-228.8	-219.3	-182.1	-64.8
	Benefits from Additional Driving	-102.5	-102.1	-97.8	-81.1	-29.1
	Refueling Frequency	-13.4	-13.4	-12.8	-10.5	-3.8
	Subtotal - Private Benefits	-345.8	-344.2	-329.9	-273.8	-97.6
External Benefits	Petroleum Market Security	-10.2	-10.1	-9.7	-8.1	-2.9
	Health Outcomes**	-4.1	-4.1	-3.9	-3.2	-1.1
Total Benefits (incl. private)		-360.1	-358.4	-343.5	-285.1	-101.6
Net Total Benefits		160.6	160.4	159.2	143.6	78.9

* Maintenance and repair costs are not quantified in the analysis.
** The CAFE Model computes select health impacts resulting from domestic population exposure to PM2.5 associated with emissions from directly emitted PM and two precursors to PM2.5 (NO_X and SO_X). The analysis considers the domestic effects of both downstream and upstream emissions.
Note: Table totals may not sum perfectly due to rounding.

Table IV-29: Incremental Benefits and Costs for the On-Road Light-Duty Fleet CYs 2024-2050 (2024$ Billions, 7-percent discount rate), by Alternative

		Alt 1	Alt 2	Alt 3	Alt 4	Alt 5
Private Costs	Technology Costs	-135.1	-134.8	-132.1	-116.0	-56.5
	Maintenance and Repair Costs*	-	-	-	-	-
	Sacrifice in Other Vehicle Attributes	-70.2	-69.9	-67.0	-55.4	-19.4
	Consumer Surplus Loss	-0.2	-0.2	-0.2	-0.2	-0.1
	Safety Costs Internalized by Drivers	-40.3	-40.2	-38.5	-31.9	-11.5
	Subtotal - Private Costs	-245.9	-245.1	-237.7	-203.5	-87.5
External Costs	Congestion and Noise Costs from Rebound-Effect Driving	-17.8	-17.7	-17.0	-14.0	-5.0
	Safety Costs Not Internalized by Drivers	-7.5	-7.5	-7.4	-6.7	-4.5
	Loss in Fuel Tax Revenue	-22.0	-21.9	-21.0	-17.4	-6.1
	Subtotal - External Costs	-47.3	-47.1	-45.4	-38.1	-15.5
Total Costs (incl. private)		-293.3	-292.2	-283.1	-241.5	-103.1
Private Benefits	Fuel Cost Savings	-124.6	-124.0	-118.7	-98.3	-34.6
	Benefits from Additional Driving	-55.1	-54.8	-52.5	-43.4	-15.4
	Refueling Frequency	-7.3	-7.3	-7.0	-5.7	-2.0
	Subtotal - Private Benefits	-187.0	-186.1	-178.2	-147.4	-52.1
External Benefits	Petroleum Market Security	-5.5	-5.5	-5.2	-4.3	-1.5
	Health Outcomes**	-2.0	-2.0	-1.9	-1.6	-0.5
Total Benefits (incl. private)		-194.5	-193.6	-185.3	-153.3	-54.1
Net Total Benefits		98.8	98.7	97.8	88.2	48.9

* Maintenance and repair costs are not quantified in the analysis.
** The CAFE Model computes select health impacts resulting from domestic population exposure to PM2.5 associated with emissions from directly emitted PM and two precursors to PM2.5 (NO_X and SO_X). The analysis considers the domestic effects of both downstream and upstream emissions.
Note: Table totals may not sum perfectly due to rounding.

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3. Physical and Environmental Effects

NHTSA estimates various physical and environmental effects associated with the standards. These include quantities of fuel consumed, non-criteria and criteria pollutant emissions, and health and safety impacts. Table IV–30 shows the average annual impacts, including the on-road fleet sizes, vehicle miles traveled (VMT), fuel consumption, and CO_2 emissions, across alternatives and grouped by decade. The overall size of the on-road ICE fleet decreases in later decades regardless of alternative due to declining ICE sales, with the lowest on-road fleet size projected under the No-Action Alternative.[597] All five regulatory alternatives result in larger fleets by CY 2050 compared to the No-Action Alternative. Increased sales during the standard-setting years increases the existing vehicle stock, thereby expanding the size of the overall fleet.

In the No-Action Alternative, the decreasing size of the overall ICE fleet results in ICE VMT decreases in later decades, with the lowest average VMT per year occurring between CY 2041 and CY 2050. Similarly, on an annual basis, fuel consumption (measured in gallons of gasoline gallon equivalents (GGEs)) and non-criteria emissions decline in the later decades due to reduced VMT and new, more efficient vehicles replacing older, less efficient vehicles in the fleet. Relative to the No-Action Alternative, all regulatory alternatives considered result in lower VMT but increase fuel consumption and non-criteria emissions due to a larger ICE fleet, with the largest increases observed in Alternative 1.

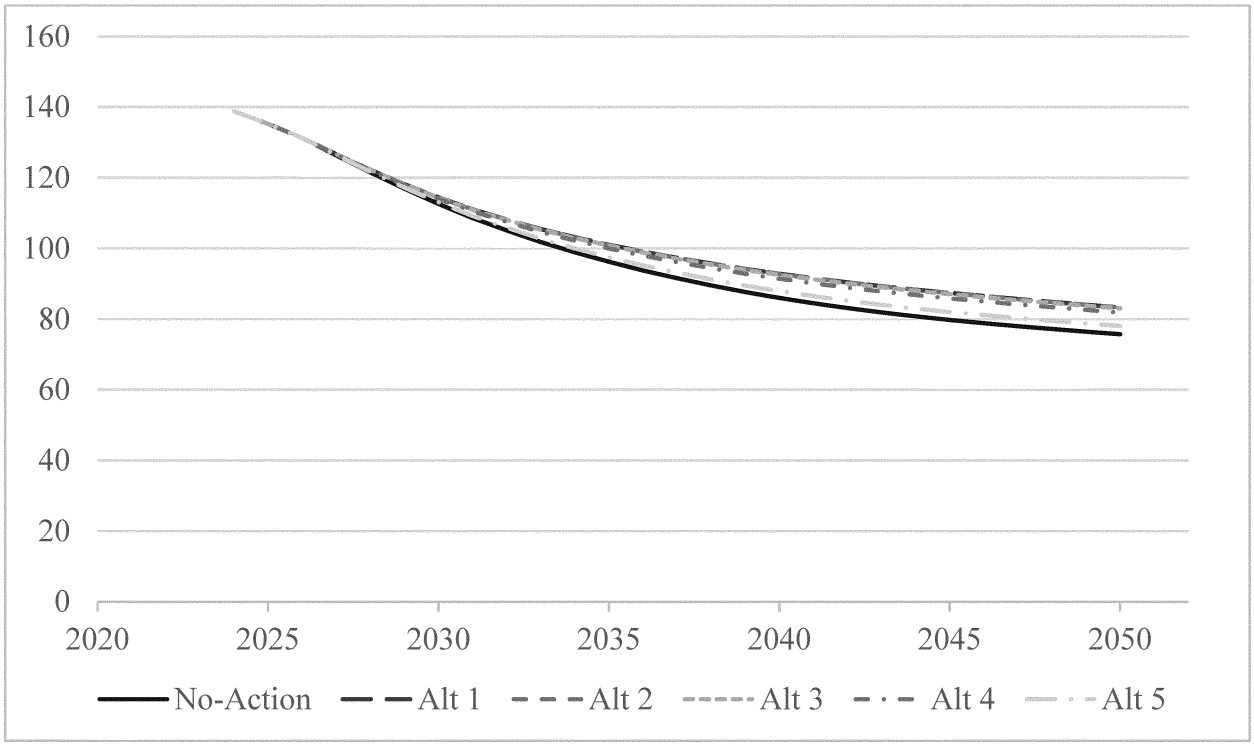
[597] NHTSA's projection of total sales excludes BEVs and FCEVs.

Table IV-30: Average Annual Effects for All Alternatives by Calendar Year Cohort

	No-Action	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
On-Road ICE Fleet (Million Units)[598]						
2024 - 2030	252.2	252.1	252.1	252.1	252.1	252.2
2031 - 2040	221.6	222.1	222.1	222.1	222.0	221.9
2041 - 2050	204.6	205.5	205.5	205.5	205.4	205.1
ICE Vehicle Miles Traveled (Billion Miles)[599]						
2024 - 2030	3,081.4	3,079.4	3,079.4	3,079.4	3,079.9	3,080.9
2031 - 2040	2,784.1	2,766.8	2,766.9	2,767.6	2,770.5	2,779.4
2041 - 2050	2,622.6	2,596.5	2,596.6	2,597.6	2,601.6	2,614.8
ICE Fuel Consumption (Billion Gallons/GGE)						
2024 - 2030	126.1	126.7	126.7	126.7	126.6	126.3
2031 - 2040	95.9	100.8	100.8	100.6	99.8	97.3
2041 - 2050	79.6	87.2	87.1	86.8	85.7	81.9

NHTSA's analysis estimates total annual consumption of fuel by the ICE on-road fleet on a calendar basis for 2024 through 2050, as shown in Figure IV–3 for the No-Action Alternative, Alternative 1, Alternative 2, Alternative 3, Alternative 4, and Alternative 5. Gasoline consumption decreases over time, with smaller decreases seen under the regulatory alternatives compared to the No-Action Alternative. Note that in many of the figures presented, the lines representing different regulatory alternatives lay nearly on top of each other, indicating that estimated impacts are very similar.

Figure IV-3: Gasoline Consumption by Calendar Year and Alternative (Billions of Gallons)

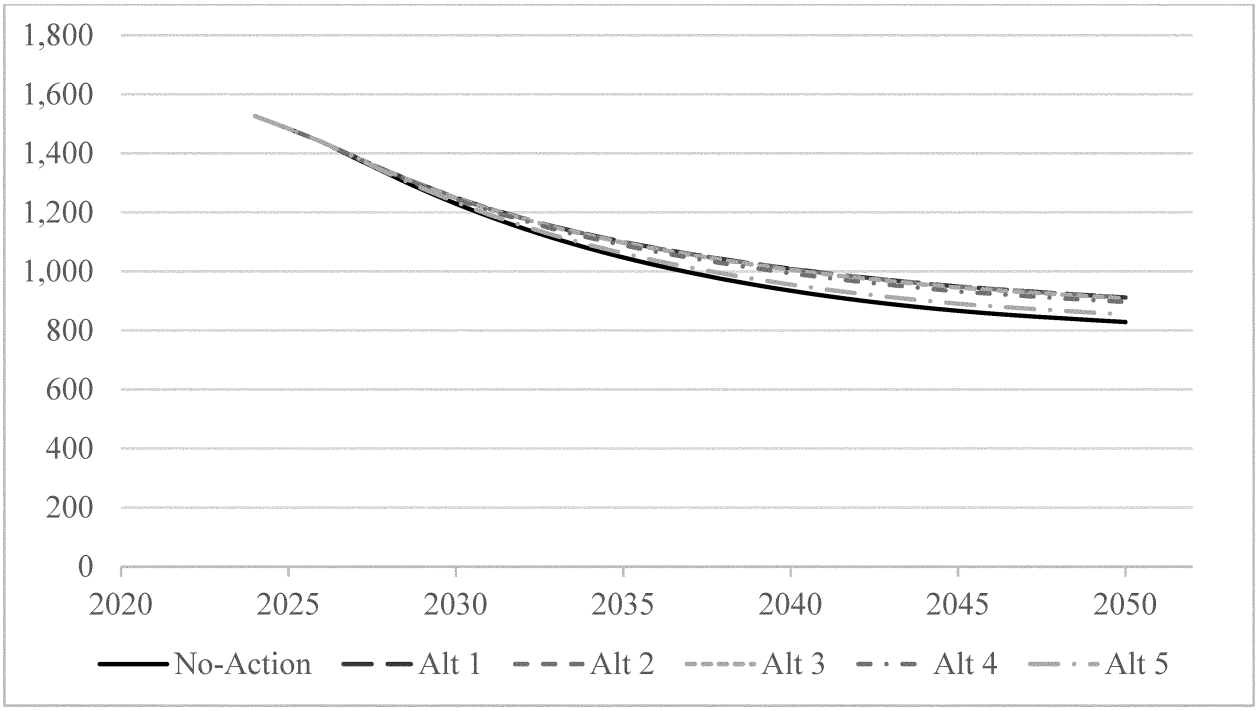


[598] These rows report total vehicle units observed during the period. For example, about 1,765 million units are modeled in the on-road fleet for CYs 2024–2030. On average, this represents approximately 252 million vehicles in the on-road fleet for each calendar year in this calendar year cohort; this is the highest average across all cohorts.

[599] These rows report total miles traveled during the period. For example, 21,570 billion miles traveled in CYs 2024–2030. On average, this represents approximately 3.08 trillion annual miles traveled for each calendar year in this calendar year cohort.

NHTSA estimates the non-criteria emissions attributable to the light-duty on-road fleet, from both vehicles and upstream energy sector processes (*e.g.,* petroleum refining, or fuel transportation and distribution) as shown in Figure IV–4, Figure IV–5, and Figure IV–6.[600] All three non-criteria emissions follow similar trends of decline in the years between CYs 2024–2050, with smaller declines for the regulatory alternatives compared to the No-Action Alternative.[601]

Figure IV-4: Total CO_2 Emissions by Calendar Year and Alternative (Million Metric Tons)



[600] While NHTSA considers the impacts of this rulemaking on the levels of CO_2, CH_4, and N_2O emissions, the analysis does not include a monetization of any changes.

[601] Note that CO_2 emissions are expressed in units of million metric tons (mmt) while emissions from other pollutants are expressed in metric tons.

Figure IV-5: Total CH_4 Emissions by Calendar Year and Alternative (Metric Tons)

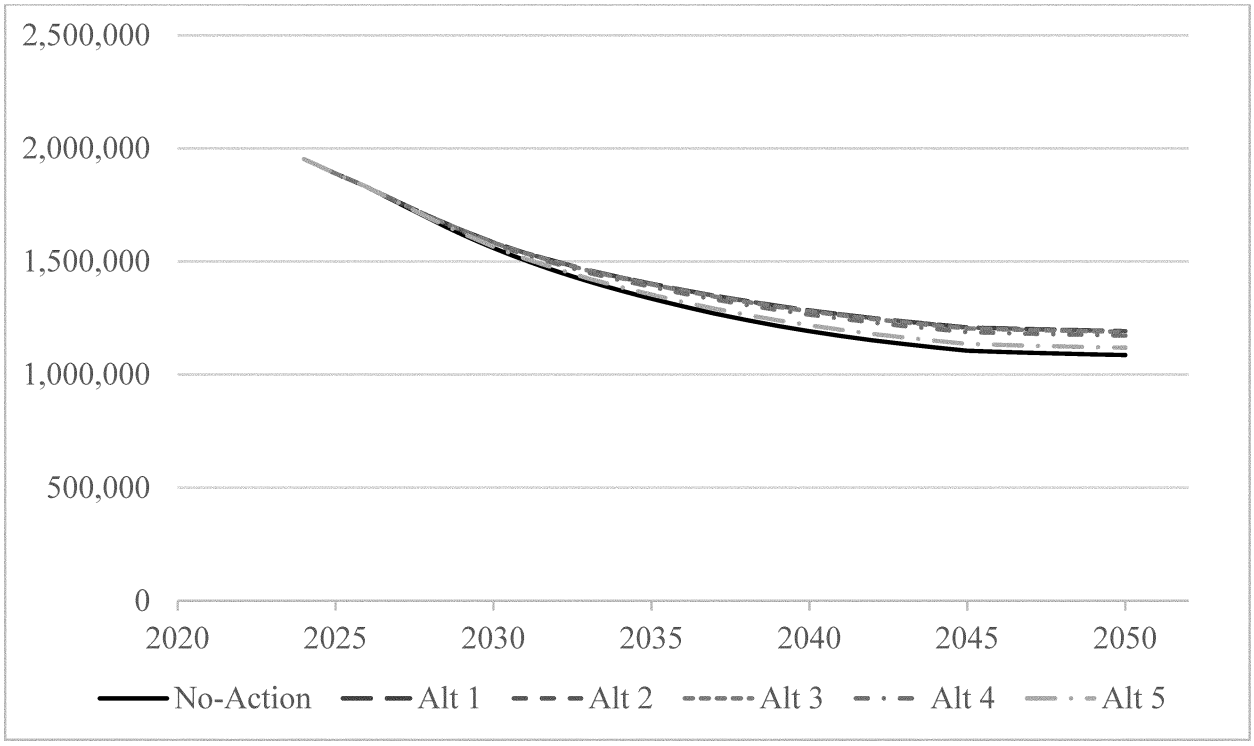
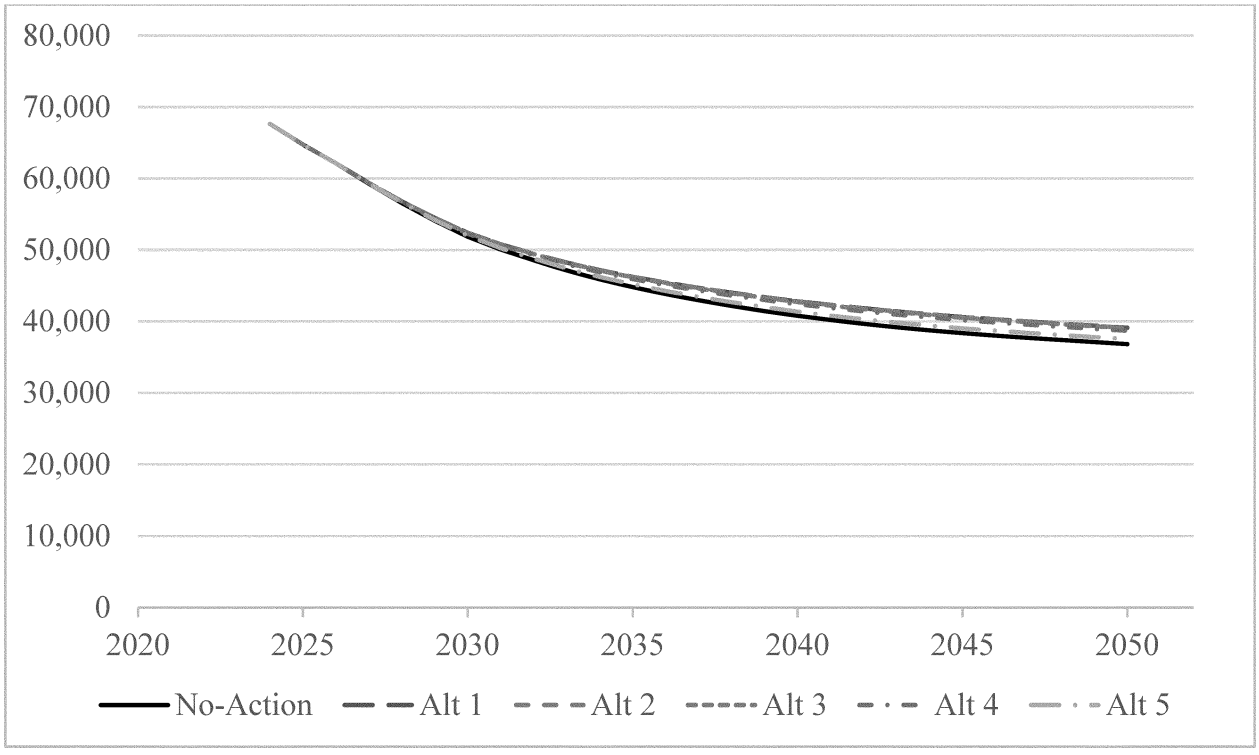


Figure IV-6: Total N_2O Emissions by Calendar Year and Alternative (Metric Tons)



Using the CAFE model, NHTSA estimates criteria pollutant emissions attributable to the light-duty on-road fleet from both vehicles and upstream energy sector processes (*e.g.,* petroleum refining, or fuel transportation and distribution) as shown in Figure IV–8, Figure IV–9, and Figure IV–10. Changes in criteria pollutant emissions in turn

lead to changes in health outcomes described in later sections. The CAFE Model computes select health impacts resulting from population exposure to $PM_{2.5}$ associated with emissions from directly emitted PM and two precursors to $PM_{2.5}$ (NO_X and SO_X). Under the No-Action Alternative and each regulatory alternative, NHTSA projects a decrease in emissions of all criteria pollutants attributable to the light-duty on-road ICE fleet between CY 2024 and CY 2050 due to the decrease in VMT and retirement of older less efficient vehicles. These criteria pollutant emissions increase relative to the baseline as the stringencies of the alternatives decrease.

Figure IV-7: Total NO_X Emissions by Calendar Year and Alternative (Metric Tons)

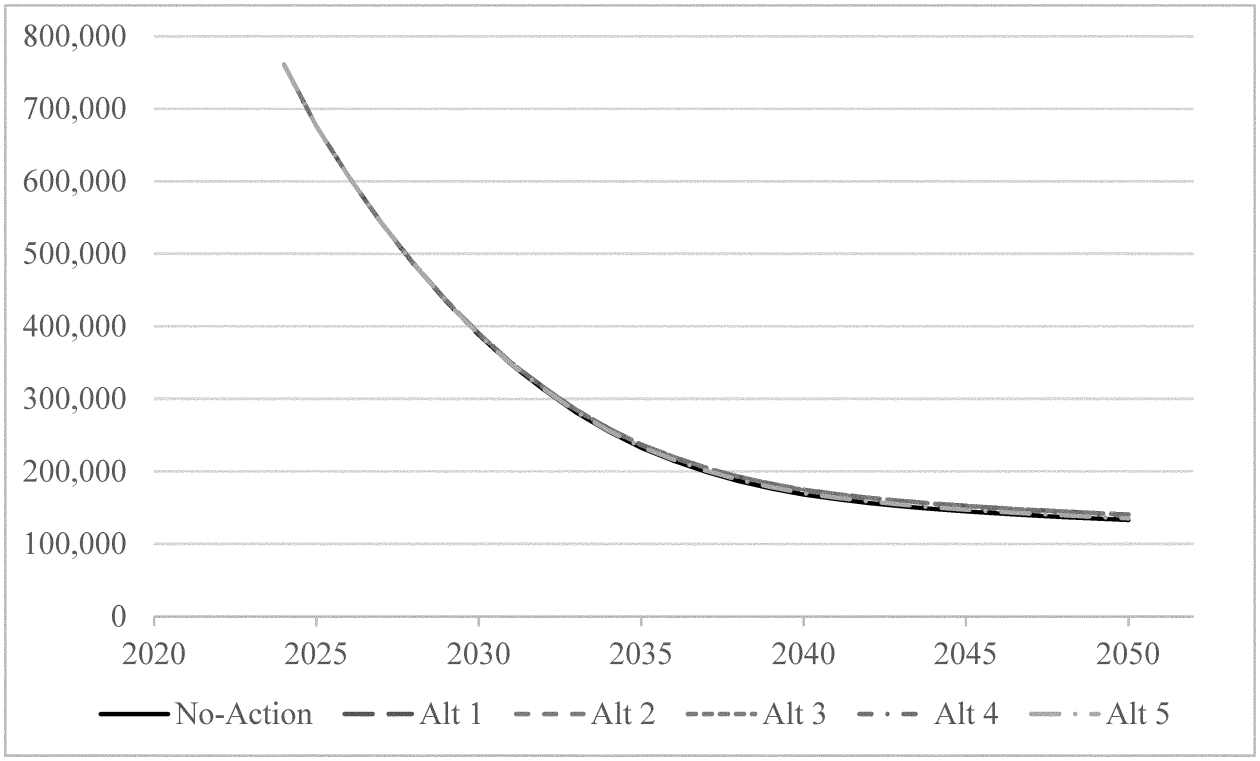


Figure IV-8: Total SO_2 Emissions by Calendar Year and Alternative (Metric Tons)

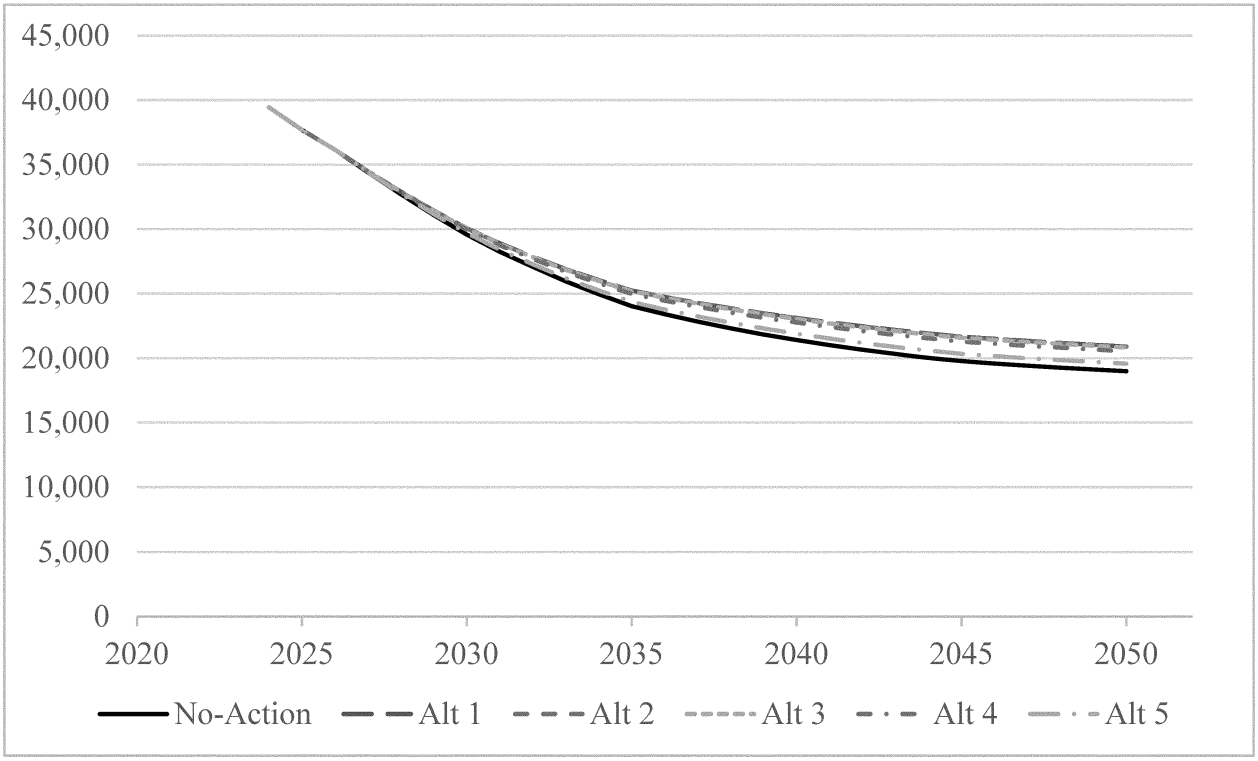
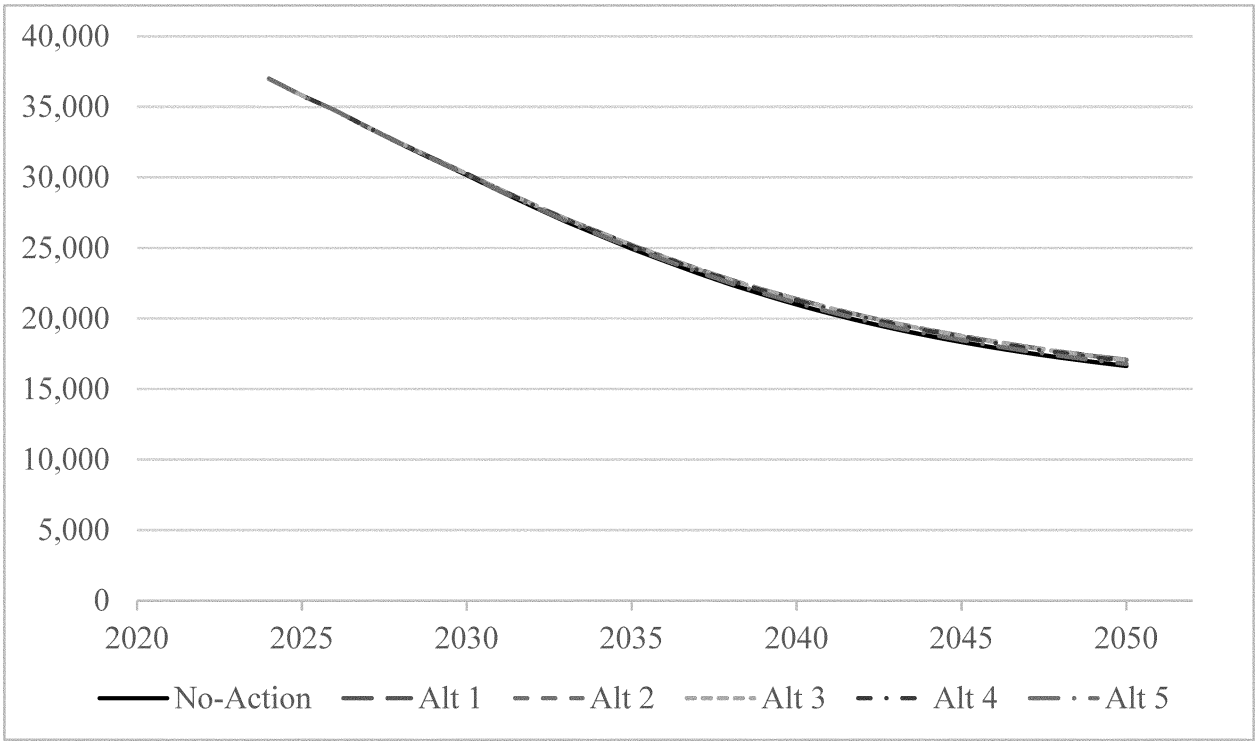


Figure IV-9: Total $PM_{2.5}$ Emissions by Calendar Year and Alternative (Metric Tons)



Health impacts quantified by the CAFE Model include various instances of hospital visits due to respiratory problems, minor restricted activity days, non-fatal heart attacks, acute bronchitis, premature mortality,[602] and other effects of criteria pollutant emissions on health. Table IV–31 shows changes in select health outcomes relative to the No-Action Alternative, across all action alternatives. The magnitude of the differences relates directly to the changes in the volumes of criteria pollutants emitted. See Chapter 5.4 of the Final TSD for information regarding how the CAFE Model calculates these health impacts.[603]

Table IV-31: Emission Health Outcomes Across Alternatives Relative to the No-Action Alternative (CYs 2024-2050)

Measures (Incidents)	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
Premature Mortality	550	547	524	434	152
Respiratory Emergency Room Visits	311	310	297	246	86
Acute Bronchitis	770	766	733	607	212
Lower Respiratory Symptoms	9,812	9,767	9,347	7,735	2,695
Upper Respiratory Symptoms	13,851	13,786	13,194	10,918	3,802
Minor Restricted Activity Days	406,557	404,670	387,267	320,456	111,521
Work Loss Days	69,480	69,158	66,184	54,767	19,062
Asthma Exacerbation	16,237	16,162	15,468	12,800	4,457
Cardiovascular Hospital Admissions	147	147	140	116	41
Respiratory Hospital Admissions	140	139	133	110	38
Non-Fatal Heart Attacks (Peters)	571	568	544	450	157
Non-Fatal Heart Attacks (All Others)	62	61	59	49	17

NHTSA also quantifies safety impacts in its analysis. These include the estimated numbers of fatalities, non-fatal injuries, and property damage crashes occurring over the lifetimes of the light-duty vehicles considered in the analysis. The following table shows the changes in these projected outcomes under the action alternatives relative to the reference baseline.

[602] Premature mortality includes deaths that are estimated to occur before the normally expected life span of persons within a group defined by specific demographic characteristics.

[603] The CAFE Model estimates overall health costs, which includes all the mortality and morbidity impacts outlined in Table IV–31. For further discussion of the calculation of monetized health impacts, see Final TSD Chapter 6.2.2.

Table IV-32: Change in Safety Outcomes Across Alternatives Relative to the No-Action Alternative (CYs 2024-2050)

Alternative	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
Fatalities					
Fatalities from Mass Changes	0	0	0	0	0
Fatalities from Rebound Effect	-1,893	-1,886	-1,817	-1,507	-534
Fatalities from Sales/Scrappage	-96	-95	-93	-77	-20
Total - Fatalities	-2,006	-1,998	-1,910	-1,608	-618
Non-Fatal Injuries					
Non-Fatal Injuries from Mass Changes	-370	-322	-1,229	-3,002	-10,903
Non-Fatal Injuries from Rebound Effect	-304,985	-303,675	-291,370	-242,539	-88,836
Non-Fatal Injuries from Sales/Scrappage	-9,195	-9,185	-9,183	-8,475	-4,685
Property Damage Crashes					
Total - Non-Fatal Injuries	-314,578	-313,223	-301,779	-254,009	-104,454
Property Damage Crashes from Mass Changes	-2,380	-2,214	-5,074	-10,677	-36,704
Property Damage Crashes from Rebound Effect	-1,037,683	-1,033,241	-991,682	-826,002	-303,552
Property Damage Crashes from Sales/Scrappage	40,427	40,410	40,192	36,446	20,617
Total - Property Damage Crashes	-999,652	-995,077	-956,551	-800,253	-319,654

Decreasing fuel economy stringency impacts safety outcomes from rebound-related reductions in VMT (motorists choosing to drive less as driving becomes more expensive), and the increase in scrappage causing newer vehicles with more safety features to enter the fleet sooner. The impacts of mass changes are non-linear and depend on the specific fleet receiving those changes, with larger mass disparities between passenger cars and light trucks causing an increase in adverse safety outcomes. Though the point estimates applied suggest a decrease under the regulatory alternatives, NHTSA notes that none of these safety outcomes due to mass changes can be distinguished statistically from zero. Chapter 7.1.5 of the FRIA accompanying this document contains an in-depth discussion of the effects of the various alternatives on these safety measures, and Chapter 7 of the Final TSD contains information regarding the construction of the safety estimates.

4. Sensitivity Analysis

The FRIA that supports this rulemaking relies on many different inputs, parameters, and other analytical assumptions that reflect the agency's best judgments regarding a variety of factors relevant to the anticipated outcomes of the finalized CAFE standards reset, which are all applied within an analytical framework using the CAFE Model. NHTSA recognizes that the values of many analytical inputs are uncertain, and some to a significant degree, which in turn results in uncertainty for some estimates of the benefits, costs, and other outcomes. Some of the uncertain input parameters have a considerable influence on specific types of estimated impacts, while others may affect the results of the analysis more broadly. To understand the effect that particular assumptions have on the estimated outcomes, NHTSA conducted a sensitivity analysis by running the CAFE Model using alternative assumptions (referred to as ''sensitivity cases''). The results allow

NHTSA to explore a range of potential analytical inputs and to understand the sensitivity of estimated impacts to changes in these specified model inputs. The sensitivity cases developed for this analysis span assumptions related to technology applicability and cost, economic conditions, consumer response, externality values, and safety assumptions, among others.[604]

A sensitivity analysis can identify two critical pieces of information: *how big an influence* does each parameter exert on the analysis, and *how sensitive the model results are* to that assumption. NHTSA acknowledges, however, that influence is different from likelihood. NHTSA does not mean to suggest that any one of the sensitivity cases presented here is inherently more likely than the collection of assumptions that represent the analysis NHTSA conducted to support this rulemaking (referred to as the ''central analysis''). The sensitivity analysis simply provides an indication of which assumptions have the greatest impact and the extent to which future deviations from the central analysis assumptions could affect the actual future costs and future benefits of the rule.

[604] In contrast to an uncertainty analysis, where many assumptions are varied simultaneously, the sensitivity analyses included here vary a single assumption and provide information about the influence of each individual factor, rather than suggesting that an alternative assumption would have justified a different Preferred Alternative.

Table IV-33: Cases and Baselines Included in the Sensitivity Analysis

Case Name	Description
Central analysis	The analysis that NHTSA uses to estimate the impacts of this final rulemaking. This is the analysis to which each sensitivity case is compared.
Oil price (AEO26 low supply)	Fuel prices from AEO 2026 Low Oil and Gas Supply Case
Oil price (AEO26 high supply)	Fuel prices from AEO 2026 High Oil and Gas Supply Case
Oil price (AEO25 high price)	Fuel prices from AEO 2025 High Oil Price Case
Oil price (AEO25 low price)	Fuel prices from AEO 2025 Low Oil Price Case
Gross Domestic Product (GDP) (high)	GDP and sales based on AEO 2026 High Economic Growth Case
GDP (low)	GDP and sales based on AEO 2026 Low Economic Growth Case
GDP (Spring 2026)	GDP and sales based on spring 2026 S&P base case
Oil market externalities (low)	Price shock component set to 10th percentile of estimates
Oil market externalities (high)	Price shock component set to 90th percentile of estimates
Fuel reduction import share (50%)	Assume 50-percent share of fuel consumption reduction supplied by imports
Fuel reduction import share (100%)	Assume 100-percent share of fuel consumption reduction supplied by imports
No payback period	Payback period set to zero months
24-month payback period	Payback period set to 24 months
30-month payback period	Payback period set to 30 months
60-month payback period	Payback period set to 60 months
Rebound (5%)	Rebound effect set at five percent
Rebound (10%)	Rebound effect set at 10 percent
Rebound (20%)	Rebound effect set at 20 percent
Sales-scrappage response (-0.1)	Sales-scrappage model with price elasticity multiplier of -0.1
Sales-scrappage response (-1)	Sales-scrappage model with price elasticity multiplier of -1
Light-duty vehicle sales (AEO Ref. 2026 growth)	Light-duty vehicles sales rate of change and gas-powered share in 2025-50 consistent with AEO 2026 reference case (AEO 2026 "Counterfactual Baseline" case)
No fleet share price response	Fleet share elasticity estimate set to zero (*i.e.*, no fleet share response across alternatives)
Fixed fleet share	Fleet share level fixed at 2024 value
Fixed fleet share, no price response	Fixed fleet share at 2024 level, fleet share elasticity set to zero
Alternative VMT assumptions (AEO)	Uses AEO Projection for non-BEV and FCEV VMT
Alternative VMT assumptions (EIS)	Uses EIS Alt. 0 No-Action projection for non-rebound gas and diesel VMT
Innovative technology labor	Alternative labor utilization assumptions for innovative technologies. Applies labor utilization innovation hours only to technologies marked as advanced/innovative in the Technologies Input File
Alternative IOC method	Value of sacrifices in vehicle acceleration directly modeled based on input from public commenters

Alternative CH_4 health effects	CH_4 costs added to account for domestic health effects ($282 per metric ton)
Apply CO_2 value[604]	2019 EPA domestic only CO_2 monetization value
Apply CO_2, CH_4, N_2O values[605]	EPA domestic only CO_2, CH_4, and N_2O monetization values
Mass-size-safety (none)	All mass-size-safety model coefficients set to zero
Mass-size-safety (low)	The lower bound of the 95-percent confidence interval for all mass-size-safety model coefficients
Mass-size-safety (high)	The upper bound of the 95-percent confidence interval for all mass-size-safety model coefficients
Crash avoidance (low)	Lower bound estimate of effectiveness of six current crash avoidance technologies at avoiding fatalities, injuries, and property damage
Crash avoidance (high)	Upper bound estimate of effectiveness of six current crash avoidance technologies at avoiding fatalities, injuries, and property damage
Advanced Manufacturing Production Credit (AMPC) removed	AMPC removed for MYs 2026-2031
AMPC $45/kWh	AMPC set to maximum nominal $45/kWh for 2024-2026 (*i.e.*, omits central analysis assumed credit phase-in)
Hybrid powertrain adoption limits	SHEV technology cap of 25 percent by MY 2030; PHEV adoption rate maximum two percent by MY 2030.
Non-binding MY 2024-2026 standards	Sets standards for action alternatives in MYs 2024-2026 to one mpg (No CAFE standards) and allows action alternative solutions to differ from No-Action during these years.
Non-binding MY 2024-2026 standards and hybrid powertrain adoption limits	Sets standards for action alternatives in MYs 2024-2026 to one mpg (No CAFE standards) and allows action alternative solutions to differ from No-Action during these years. SHEV technology cap of 25 percent by MY 2030; PHEV adoption rate maximum two percent by MY 2030.
AC/OC in action alternatives	Maintain No-Action Alternative AC/OC levels through action alternatives
Model-weighted footprint curve estimates	Standards designed to achieve equivalent overall stringency using footprint curve function estimates based on equal-model-weighted regressions.

Chapter 9 of the accompanying FRIA summarizes results for each of the sensitivity cases, and detailed model inputs and outputs are available on NHTSA's website.[607] The figures in Section IV.B.1 illustrate the relative changes produced by the sensitivity effects of selected inputs on the costs and benefits estimated for this final rule. Each collection of figures groups sensitivity cases by the category of input assumption (*e.g.,* macroeconomic assumptions, technology, and safety assumptions). The figures provide a sense of which inputs are ones for which a different assumption would have a much different effect on analytical findings, and which ones would not. For example, assuming a different oil price trajectory would have

[605] NHTSA's sensitivity cases applying a monetized value to changes in Non-Criteria Emissions (NCEs) use NCE values derived from the 2019 EPA Regulatory Impact Analysis for the Repeal of the Clean Power Plan. EPA, Regulatory Impact Analysis for the Repeal of the Clean Power Plan, and the Emission Guidelines for Greenhouse Gas Emissions From Existing Electric Utility Generating Units, EPA–452/R–19–003 EPA: Washington, D.C. (2019), available at: *https://www.epa.gov/sites/default/files/2019-06/documents/utilities_ria_final_cpp_repeal_and_ace_2019-06.pdf* (accessed: June 5, 2026). These values (per metric ton) range from $8.98 (2024) to $13.98 (2050) for CO_2. The specific values used for this sensitivity at both three percent and seven percent discount rates can be found in the Parameters Input ile associated with these sensitivity cases.

[606] Estimates for CH_4 and N_2O are the same as those used in the 2020 SAFE rule, updated to 2024$. These estimates are based on those prepared by the EPA, including a 2017 update to the analysis of the 2016 Rule, ''Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources'' (81 FR 35824). See EPA, Estimated Cost Savings and Forgone Benefits Associated with the Proposed Rule, ''Oil and Natural Gas: Emission Standards for New, Reconstructed, and Modified Sources: Stay of Certain Requirements,'' Memorandum (2017), available at: *https://www.epa.gov/sites/default/files/2017-11/documents/oilgas_memo_proposed-stay_2017-10.pdf* (accessed: July 23, 2026). These values (per metric ton) range from $268.58 to $474.37 for CH_4, and $3144.65 to $5033.59 for N20 (3% discount rate, 2024 dollars). The specific values used for this sensitivity at both three percent and seven percent discount rates can be found in the Parameters Input File associated with these sensitivity cases.

[607] NHTSA, Corporate Average Fuel Economy, available at: *https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy* (accessed: May 28, 2026).

a relatively large effect, as would changing the assumptions about the effects of changes in vehicle mass on safety outcomes. Chapter 9 of the FRIA provides an extended discussion of these findings and presents net benefits estimated under each of the cases included in the sensitivity analysis. The results presented in the earlier subsections of Section IV and discussed in Section V are drawn from the central analysis and reflect NHTSA's best judgments regarding many different factors; the sensitivity analysis discussed here is simply to illustrate how differences in assumptions can lead to differences in analytical outcomes, some of which can be large and some of which may be smaller.

Overall, NHTSA finds that, for light-duty vehicles, the Preferred Alternative in this final rule, Alternative 3, produces positive estimated net benefits under all sensitivity cases, at both three and seven percent discount rates. In cases that assume the central analysis treatment of MYs 2022–2026, societal net benefits are highest in the ''Mass-size-safety (high)'' case ($70 billion) and lowest in the ''Mass-size-safety (low)'' case ($13.6 billion), when applying a three percent social discount rate.

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Figure IV-10: Net Social Benefits for Lifetime of Vehicles through MY 2031 (MYs 1985-2031), Alternative 3 Relative to the Central Analysis, Safety Assumptions Sensitivity Cases (2024$, 3% Discount Rate)

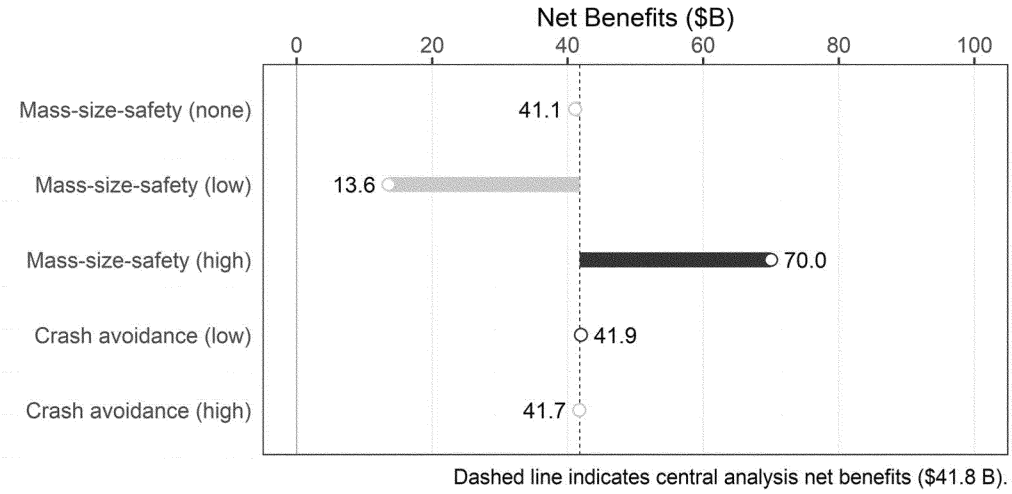


Figure IV-11: Net Social Benefits for Lifetime of Vehicles through MY 2031 (MYs 1985-2031), Alternative 3 Relative to the Central Analysis, Macroeconomic Assumptions Sensitivity Cases (2024$, 3% Discount Rate)

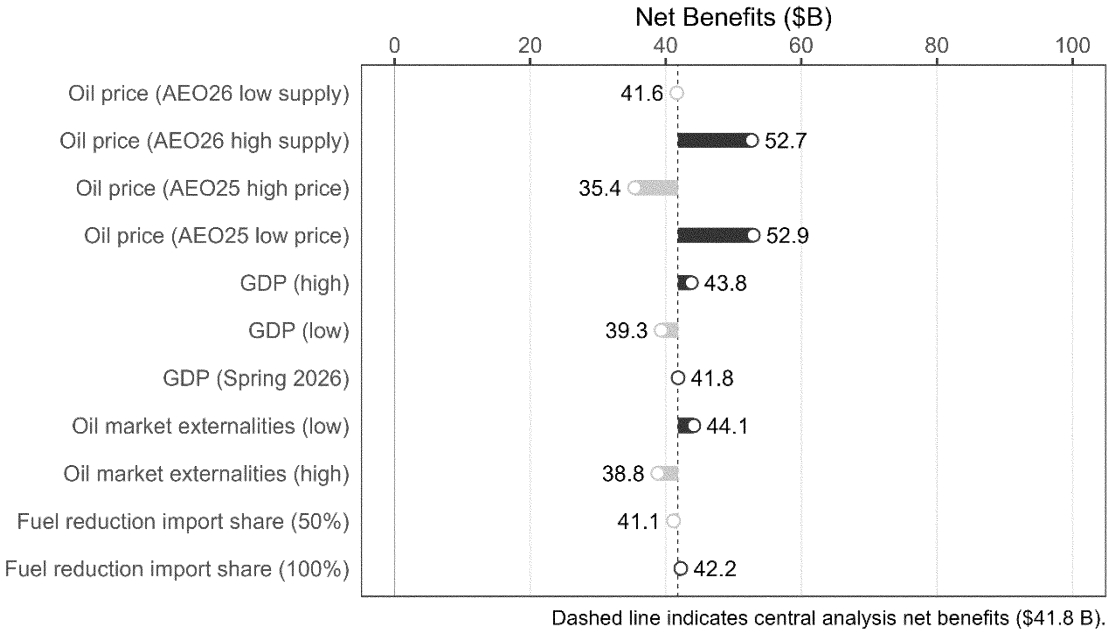


Figure IV-12: Net Social Benefits for Lifetime of Vehicles through MY 2031 (MYs 1985-2031), Alternative 3 Relative to the Central Analysis, Payback, VMT, and Fleet Turnover Assumptions Sensitivity Cases (2024$, 3% Discount Rate)

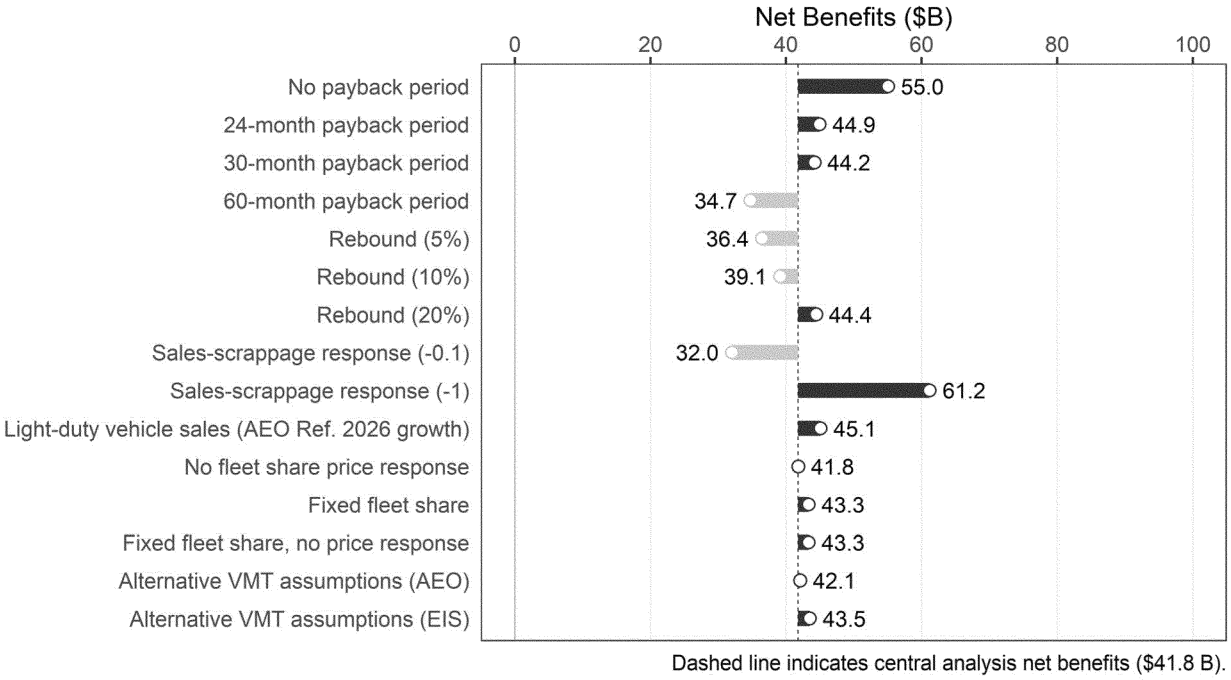
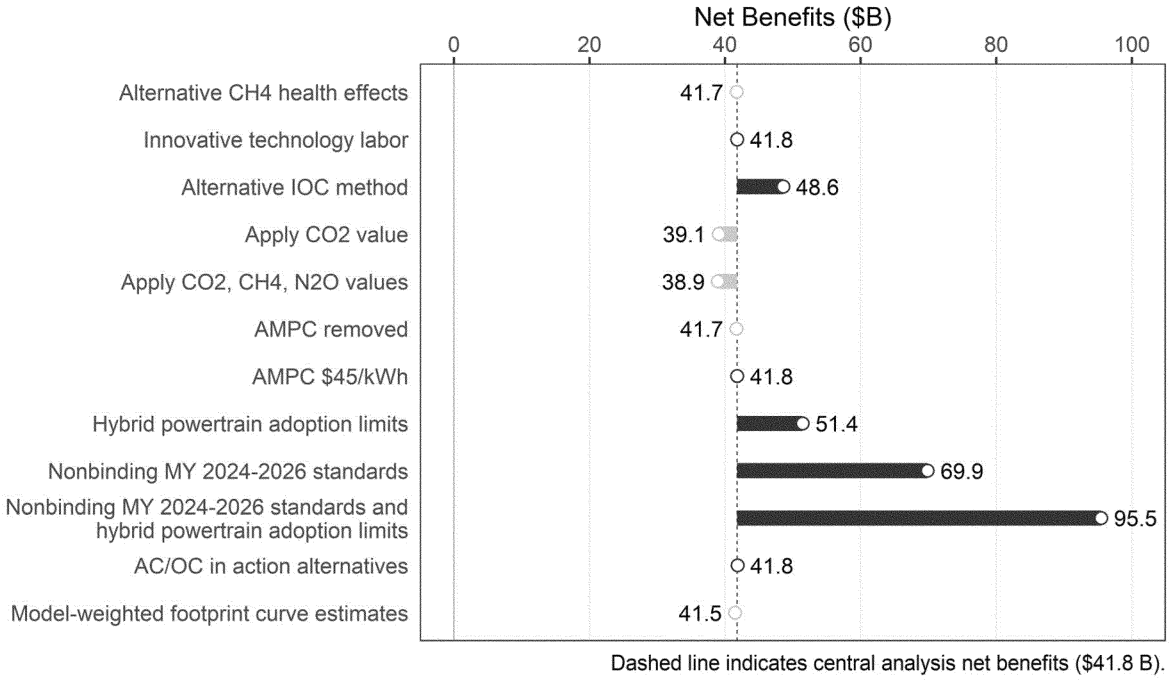


Figure IV-13: Net Social Benefits for Lifetime of Vehicles through MY 2031 (MYs 1985-2031), Alternative 3 Relative to the Central Analysis, Policy and Other Assumptions Sensitivity Cases (2024$, 3% Discount Rate)



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V. Basis for NHTSA's Conclusion That the Final Standards Are Maximum Feasible

This section details the statutory factors, data, and analysis that NHTSA considered when determining maximum feasible standards for MYs 2022–2026 and MYs 2027–2031.

A. The Energy Policy and Conservation Act of 1975 (EPCA), as Amended by the Energy Independence and Security Act of 2007 (EISA)

Under EPCA, NHTSA is required to set separate average fuel economy standards for new passenger cars and light trucks produced or imported for sale in the United States at ''maximum feasible'' levels.[608] [609] That mandate is subject to important limiting considerations, which center on the statutory concept of ''maximum feasibility.'' In determining maximum feasibility, NHTSA must consider the factors set forth in section 32902(f). Specifically, the fuel economy standards established by NHTSA must be based on consideration of technological feasibility, economic practicability, the effects of other Government standards applicable to motor vehicles, and the need of the United States to conserve energy.[610]

Fuel economy standards are designed based on light-duty vehicles powered by ''fuel,'' which is defined in EPCA to include gasoline, diesel fuel, or other liquid or gaseous fuels with similar combustion properties as NHTSA identifies.[611] While EPCA includes specific provisions designed to incentivize automakers to invest in the development of new technologies, including battery-electric and other alternative-fuel powertrains, EPCA prohibits NHTSA from considering the fuel economy of alternative-fueled vehicles in setting or amending its standards.[612] As for dual-fueled vehicles, such as plug-in hybrid electric vehicles (but not non-plug-in hybrid vehicles),[613] the statute requires NHTSA to consider their fuel economy only while operated exclusively on gasoline or diesel fuel.[614] EPCA also prohibits NHTSA from considering the availability of compliance credits in setting or amending its standards.[615]

In addition to these considerations, section 32902 includes several provisions specifying how NHTSA must prescribe CAFE standards, including the form that the CAFE standards must take and the manner and timing of setting such standards and any subsequent amendments.[616] The following

[608] 49 U.S.C. 32902(a) and (b)(2)(B).

[609] NHTSA received a comment from an individual commenter stating that the Secretary of Transportation issued an interpretation that DOT does not have authority to regulate fuel economy, *see* Docket No. NHTSA–2025–0491–0024. NHTSA believes this is a misunderstanding of the June 2025 interpretive rule, as DOT does have the authority to regulate fuel economy, and is finalizing a rule to do so through MY 2031, *see* 49 U.S.C. 32902.

[610] 49 U.S.C. 32902(f).

[611] 49 U.S.C. 32901(a)(10).

[612] 49 U.S.C. 32902(h).

[613] *See* 63 FR 66066 (Dec. 1, 1998). Non-plug-in hybrid vehicles are not dual-fueled vehicles under Chapter 329 because any electricity generated by the electric motors or other electric components are generated solely by the petroleum-fueled engine and the batteries are incapable of charging from an external source: ''a vehicle which is entirely dependent on a petroleum fuel for its motive power, regardless of whether electricity is used in the powertrain, is powered by petroleum.''

[614] 49 U.S.C. 32901(a)(1), (8), (9), and (10); 49 U.S.C. 32902(h).

[615] *Id.* at 32902(h)(3).

[616] *See, e.g.,* 49 U.S.C. 32902(a) (specifying that prescription of standards by regulation shall occur at least 18 months before the beginning of the

Continued

subsections discuss in greater detail these requirements, including the requirement to set maximum feasible fuel economy standards.

1. Administrative Provisions Governing CAFE Standard Setting

a. Lead Time, Amendatory Authority, and the Number of Model Years for Which Standards May Be Set at One Time

EPCA requires that NHTSA prescribe new CAFE standards at least 18 months before the beginning of each model year.[617] In addition, EPCA authorizes NHTSA to prescribe regulations amending the standard established previously for a model year to a level that the Secretary determines is the maximum feasible average fuel economy level for that model year.[618] NHTSA previously had interpreted EPCA to allow amendments reducing the stringency of an industry-wide fuel economy standard for a particular model year up until the beginning of the model year in question.[619] The beginning of the model year is considered generally to be October 1 of the calendar year preceding the named model year (*e.g.,* a MY 2027 vehicle might be offered for sale on or after October 1, 2026).[620] However, the statute does not contain any language limiting the model years for which standards may be amended. The only statutory provision addressing a time limit for an amendment to an existing standard says that NHTSA must provide at least 18 months of lead time if the standards are amended to become more stringent.[621] EPCA contains no lead time requirement if the amendment makes an average fuel economy standard less stringent. As such, NHTSA interprets EPCA as authorizing amendment of standards after a model year has commenced or concluded, so long as the amendment makes the standard less stringent.

NHTSA recognized in the proposal that this is a change in its previous interpretation of the statute with respect to generally applicable standards.[622] NHTSA's prior interpretation was made in response to a manufacturer request for broad downward adjustment to standards in response to manufacturer non-compliance. In this case, NHTSA is amending existing standards promulgated contrary to specific statutory provisions to ensure that vehicle manufacturers are not in the position of committing violations because they could not meet a standard that is impermissibly high and far above the maximum feasible level for vehicles with internal combustion engines (*i.e.,* the vehicles for which the agency has the authority to set standards).[623] This conclusion is consistent with NHTSA's rationale for amending standards for low-volume manufacturers in some cases well after the conclusion of a model year, to avoid penalizing manufacturers for NHTSA's own conduct (there, a delay in addressing the manufacturers' petitions).[624]

NHTSA's conclusion is further supported by legislative action amending the CAFE civil penalty provision, which applies to years for which the Secretary of Transportation (NHTSA, by delegation) has not notified a manufacturer of the penalty due for an average fuel economy less than the applicable standard.[625] The elimination of civil penalties for these model years obviates NHTSA's prior concern that amending standards after the end of a model year ''would undermine the limits Congress placed on NHTSA's authority to mitigate penalties.'' [626] That statutory change likewise applies to MY 2022 and later. Accordingly, NHTSA stated in the proposal that the agency was proposing to amend standards beginning in MY 2022, also consistent with the Secretary's direction in the January 28, 2025 memorandum titled ''Fixing the CAFE Program'' as this was the earliest model year for which NHTSA has not concluded compliance proceedings.

NHTSA received several comments regarding the agency's authority to amend standards beginning with MY 2022. PMI and the Alliance supported NHTSA's authority to revise standards for prior model years, arguing that the agency retains the power to correct unlawful or infeasible standards, particularly those for MYs 2022–2026, which they state were *void ab initio* due to the illegal inclusion of electric vehicles in the baseline.[627] AEI similarly contended that NHTSA is prohibited by law from considering dedicated automobiles and must therefore amend MYs 2022–2026 standards that included EV penetration.[628]

PMI also emphasized that the statute draws a sharp distinction between setting new standards and amending existing ones: while Congress explicitly imposed an 18-month lead-time requirement for new standards or amendments that *increase* stringency, subsection (c) of section 32902, which governs amendments generally, contains no such temporal limitation.[629] PMI contended that this distinction demonstrates that Congress intended to protect automakers from sudden regulatory tightening but left the agency free to loosen standards if they were too stringent.[630] PMI further stated that traditional administrative law restrictions on retroactive rulemaking do not apply to this proposal.[631] Although there is a general presumption against retroactivity, PMI asserted that this principle exists to protect regulated parties from the unfair imposition of new duties or liabilities for past conduct.[632] Because NHTSA's proposal *relieves* a regulatory burden rather than imposing burdens on formerly lawful conduct, the fairness concerns animating the presumption against

model year); 49 U.S.C. 32902(b)(3) (specifying that standards shall be based on 1 or more vehicle attributes related to fuel economy and expressed in the form of a mathematical function).

[617] 49 U.S.C. 32902(a).

[618] 49 U.S.C. 32902(c).

[619] 49 FR 41250, 41255 (Oct. 22, 1984); 53 FR 14241, 14241–14302 (Apr. 28, 1988).

[620] *See In re Ctr. for Auto Safety,* 793 F.2d 1346 (D.C. Cir. 1986).

[621] 49 U.S.C. 32902(g)(2).

[622] 49 FR 41250, 41255 (Oct. 22, 1984) (referencing the EPCA Conference Report's statement that ''[a]n amendment which has the effect of making an average fuel economy standard less stringent can be promulgated at any time prior to the beginning of the model year in question,'' the APA's definition of a ''rule,'' and the agency's belief that Congress intended to provide certainty and finality for manufacturers' planning purposes and that Congress intended standards to ''encourage the achievement of particular fuel economy levels rather than simply ratifying past conduct.''); 53 FR 14241–14302 (Apr. 28, 1988) (explaining that retroactive downward adjustments were inconsistent with the statutory scheme as inferred by congressionally imposed credit and civil penalty provisions, equity considerations, the APA, and General Motors' perceived theories of Congressional intent). *See also* Gen. Motors Corp. v. Nat'l Highway Traffic Safety Admin., 898 F.2d 165 (D.C. Cir. 1990).

[623] 49 U.S.C. 32911(b) (''A manufacturer of automobiles commits a violation if the manufacturer fails to comply with an applicable average fuel economy standard under section 32902 of this title.'').

[624] *See* 87 FR 39439, 39441 (July 1, 2022) (explaining that NHTSA has previously granted retroactive low-volume exemptions when administrative delays prevented determinations on petitions prior to the beginning of the model year, reasoning that denying relief would effectively nullify a Congressionally-mandated program. To avoid unfairly penalizing manufacturers for agency inaction (in particular, when manufacturers had submitted timely and complete petitions for exemption to the agency), NHTSA interpreted EPCA to authorize retroactive exemptions).

[625] Section 40006 of Public Law 119–21, 139 Stat. 72 (July 4, 2025).

[626] *See Gen. Motors Corp.,* 898 F.2d at 173.

[627] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 32; the Alliance, Docket No. NHTSA–2025–0491–5707–A2, at II–4.

[628] American Enterprise Institute (AEI), Docket No. NHTSA–2025–0490–0061, at 3.

[629] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 29.

[630] *Id.*

[631] *Id.* at 30.

[632] *Id.* at 31.

retroactivity are not implicated.[633] With regard to automakers' banked credits, PMI cited the D.C. Circuit for the proposition that ''regulatory credit 'anticipation alone does not create a vested right.' '' [634]

In addition, PMI addressed historical D.C. Circuit precedent,[635] stating that decisions upholding the agency's past refusal to amend standards retroactively are no longer controlling following the Supreme Court's *Loper Bright* decision.[636] PMI noted that the D.C. Circuit had previously relied on *Chevron* deference to uphold NHTSA's policy preference at the time; without *Chevron,* the ''single best reading'' of the statute compels the agency to correct unlawful standards retrospectively.[637]

On the other hand, several commenters, including NRDC *et al.,* UCS, ZETA, IPI, SELC, Lucid, the Attorneys General, and individual commenters, argued that NHTSA lacks the authority to amend standards for model years that have already concluded or commenced.[638]

First, commenters including ZETA, NRDC *et al.,* and the Attorneys General rejected NHTSA's reliance on statutory silence in subsection (c), asserting that silence cannot override the firmly embedded presumption against retroactivity.[639] Citing the Supreme Court's decision in *Bowen,* ZETA, NRDC *et al.,* and the Attorneys General stated that a statutory grant of rulemaking authority cannot encompass the power to promulgate retroactive rules unless Congress conveys that power in ''express terms.'' [640] Regarding the amendment provisions in subsections 32902(c) and (g), the Attorneys General argued that any amended standard must be ''maximum feasible,'' a forward-looking term inherently meaning ''capable of being done.'' [641] Because automakers cannot change past production, they argued that setting a feasible standard for concluded model years is logically impossible.[642] NRDC *et al.* further stated that subsection (g)(1) demands that amended standards comply with subsection (a), which explicitly requires standards to be set ''before the beginning of each model year.'' [643]

A pair of individual commenters stated that while 49 U.S.C. 32902(g) ''exempts amendments that reduce stringency from the 18-month lead time requirement—it does not authorize the agency to rewrite standards years after a model year has concluded.'' [644] This commenter further observed that ''[e]xemption from a timing requirement answers 'how much notice must the agency provide?' It does not answer whether an agency may retroactively nullify standards that have already been applied, against which compliance has been assessed, and under which penalties have accrued,'' warning that if NHTSA's interpretation were correct, ''the agency could wait until 2030 and retroactively relieve manufacturers of all CAFE obligations stretching back a decade—a reading that would render the statutory scheme meaningless.'' [645] Other individual commenters stated that all standards, including downward amendments, are subject to EPCA's 18-month lead-time requirement.[646]

Commenters opposed to the amendments for MYs 2022–2026 further supported their position by citing the EPCA Conference Report, which states that ''[a]n amendment which has the effect of making an average fuel economy standard less stringent can be promulgated at any time prior to the beginning of the model year in question.'' [647] A pair of individual commenters also commented on the meaning of the statutory term ''amendment,'' which they stated implies a modification to something currently operative.[648] Regarding the practical impacts, commenters detailed how amendments to prior model years' standards will disrupt the CAFE program's statutory scheme and ignore manufacturers' reliance interests. NRDC *et al.* noted that because amendments to prior model years cannot change how vehicles were already built and sold, the rule will simply result in mass over-compliance, awarding automakers large credit banks for past years that they will use to avoid making future fuel economy improvements.[649] Moreover, the Attorneys General and ZETA criticized the agency for failing to consider the reliance interests of automakers who made significant investments to comply with existing rules and generated credits that would be abruptly devalued or eliminated.[650]

UCS, NRDC *et al.,* and IPI observed that NHTSA has consistently rejected amendments to prior model years since 1984 to ensure regulatory certainty.[651] Similarly, an individual commenter stated that ''[e]ven if the agency believes penalties are limited, retroactively changing regulatory benchmarks raises significant concerns regarding reliance interests, administrative finality, and whether the agency's action is reasonable and non-arbitrary.'' [652] This commenter argued that ''[r]egulated entities and markets rely on finalized rules. Rewriting past standards after the fact undermines predictability and confidence in the government,'' and concluded that if NHTSA believes prior rules were unlawful, ''it must still explain how retroactive revision complies with the APA and why less disruptive alternatives were not pursued.'' [653] Another individual commenter stated that relaxing standards for past model years ''would only serve to give a windfall of credits to some auto manufacturers while doing nothing to help consumers or incentivize innovation.'' [654] This commenter also argued that it is inappropriate to use historical individual vehicle compliance to determine standards for prior model years, as manufacturers previously

[633] *Id.*

[634] *Id.* at 30.

[635] *Gen. Motors Corp.* v. *Nat'l Highway Traffic Safety Admin.,* 898 F.2d 165 (D.C. Cir. 1990); *Mercedes-Benz of N. Am., Inc.* v. *Nat'l Highway Traffic Safety Admin.,* 938 F.2d 294 (D.C. Cir. 1991).

[636] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 30.

[637] *Id.* at 31.

[638] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 23; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 4; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 1; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 88; SELC, Docket No. NHTSA–2025–0490–0035, at 2; Lucid, Docket No. NHTSA–2025–0491–6043, at 6–7; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 98–100; S. Sotomayor, Docket No. NHTSA–2025–0491–4888; Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3.

[639] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 2; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 24; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 98–99.

[640] *Id.*

[641] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 99.

[642] *Id.*

[643] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 25.

[644] Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3.

[645] *Id.*

[646] Anonymous, Docket No. NHTSA–2025–0491–5040.

[647] SELC, Docket No. NHTSA–2025–0490–0035, at 2; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 4.

[648] Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3 (stating that one cannot amend a concluded model year any more than one can ''amend yesterday's weather.'').

[649] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 30.

[650] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 2–3.

[651] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 7; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 26; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 90.

[652] Kharisma Montes de Oca, Docket No. NHTSA–2025–0491–4552.

[653] Kharisma Montes de Oca, Docket No. NHTSA–2025–0491–4552.

[654] Jana Milford, Docket No. NHTSA–2025–0491–4828, at 1.

made choices based on the fleet average valuation mechanisms then in place.[655]

In addition, SELC, UCS, and NRDC *et al.* argued that the narrow statutory carve-out for low-volume manufacturers cannot be used to justify a blanket amendment of standards for prior model years for the entire industry.[656] ZETA and NRDC *et al.* also objected to the concept that NHTSA could amend standards because compliance proceedings remained open, stating those proceedings are open only because NHTSA violated its own statutory duty to assess compliance annually.[657] Finally, though American Honda Motor Co., Inc. (Honda) supported a regulatory reconsideration, it expressed concern at the ''notable retroactive application,'' stating that reaching back to MY 2022 and 2023 would unfairly penalize manufacturers who made good-faith investments.[658] Honda suggested that focusing on MY 2024 and subsequent years would ''[t]arget the core issue by addressing the consideration of electric vehicles at the point where they began to distort 'maximum feasible' calculations of the fleets.'' [659]

NHTSA has carefully considered comments regarding the agency's authority to amend standards for model years that have already commenced or concluded. While the agency acknowledges the importance of regulatory finality, NHTSA disagrees with the commenters' assertion that it lacks the statutory or administrative authority to reset standards for MYs 2022–2026. NHTSA cannot assess manufacturer compliance against standards that considered factors in contravention of the express text of subsection 32902(h), including for compliance determinations for past model years. This is consistent with the agency's statutory authority, prior positions, and applicable case law, as discussed in more detail below.

First, NHTSA disagrees with the assertion that the 18-month lead-time requirement in 49 U.S.C. 32902(a) or the amendment provisions in section 32902(g) categorically bar the agency from revising standards after a model year has commenced. Although the agency has historically adopted a policy of limiting downward stringency amendments to those finalized before October 1, the authority to amend standards to the ''maximum feasible'' level under subsection 32902(c) confirms that Congress did not impose any explicit temporal restriction on amendments that reduce the stringency of the standards. In addition, as discussed below, NHTSA is not lowering standards to accommodate manufacturer compliance shortfalls. Rather, the agency's present action remedies standards for all outstanding model years that were statutorily defective from their inception due to the consideration of prohibited factors. NHTSA must adopt amended standards that reflect a correct application of the subsection 32902(h) factors and cannot enforce standards based on an incorrect application of those factors. Because NHTSA's assessment of manufacturer compliance against these amended standards will only operate prospectively in upcoming compliance determinations, these amendments are not retroactive.

This action is also distinguishable from the rulemaking invalidated in *Bowen,* where providers structured their operations using prospective cost limits to avoid having non-reimbursable costs from the Government.[660] In contrast, this action imposes no costs on manufacturers as a result of the agency's appropriate application of standards that consider subsection 32902(h), including for compliance determinations for past model years. Because reducing the stringency of the standards based on a permissible consideration of statutory factors relieves compliance burdens rather than creating new liabilities, manufacturers face no retroactive monetary penalties—a result independently guaranteed by Congress setting the CAFE civil penalty rate to zero. For similar reasons, NHTSA agrees with PMI that the revisions for MYs 2022–2026 are not retroactive as articulated in *Landgraf* v. *USI Film Products.*[661] Specifically, NHTSA's action to reset standards for those years does not impair rights a regulated party possessed when it acted, increase liability for past conduct, or impose new duties upon completed transactions. Because compliance proceedings have not yet commenced, the revised standards do not attach new legal consequences to events already finished; instead, they reflect the principle that applying updated standards to pending matters is permissible when it does not alter primary conduct or legal obligations.[662]

NHTSA has considered the reliance interests asserted by Honda, ZETA, and the Attorneys General. The agency recognizes that manufacturers make long-term capital investments based on established standards. However, the agency must correct standards that exceed what is maximum feasible for the industry as a whole due to the inappropriate inclusion of electric vehicles in the standard-setting process. NHTSA also agrees that regulatory credits do not constitute a vested right. Regardless of commenters' views regarding the timing of downward adjustments, NHTSA retains the authority to amend standards,[663] meaning that regulatory credits remain speculative expectations rather than vested rights until NHTSA has verified manufacturer-submitted data, any necessary investigative work or corrective math is completed, and the agency has finalized compliance for the relevant model year. This has been the case since the creation of the credit program, and manufacturers expect adjustments until the agency finalizes compliance determinations for a given model year. Conversely, to the point raised by NRDC *et al.* and others regarding over-compliance and potential credit generation with the reset standards, credits generated under a corrected standard are a reflection of a manufacturer's performance against a legally valid benchmark. Furthermore, NHTSA believes that maintaining a standard that is legally and technically flawed poses a greater threat to regulatory stability than credits generated as an incidental consequence of a one-time correction.

NHTSA disagrees with commenters who argue that the agency is bound by its past positions or subsequent judicial affirmations of its past positions, such as *General Motors Corp.* v. *NHTSA.*[664] As discussed above, NHTSA will assess compliance using these amended standards only in future proceedings, instead of assessing manufacturer compliance against an unlawfully established standard. In contrast, previously, NHTSA declined to lower standards that were lawfully established under EPCA simply because those standards ultimately proved to exceed manufacturer capabilities at the time of compliance. While the agency

[655] *Id.*

[656] SELC, Docket No. NHTSA–2025–0490–0035, at 2–3; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 5–6; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 26.

[657] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 3; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 29–30.

[658] Honda, Docket No. NHTSA–2025–0491–6013, at 4.

[659] *Id.*

[660] *Bowen* v. *Georgetown Univ. Hosp.,* 488 U.S. 204, 214 (1988).

[661] *Landgraf* v. *USI Film Prods.,* 511 U.S. 244, 280 (1994).

[662] *See, e.g., Cox* v. *Kijakazi*, 77 F.4th 983, 991 (D.C. Cir. 2023).

[663] 49 U.S.C. 32902(c).

[664] *Gen. Motors Corp.* v. *Nat'l Highway Traffic Safety Admin.,* 898 F.2d 165 (D.C. Cir. 1990).

previously cited appropriate policy reasons for denying the manufacturer's petitions—such as relying on Congress's statutory credit mechanism to absorb temporary shortfalls under lawfully promulgated standards—those policy considerations are inapplicable where, as here, NHTSA's threshold obligation is to ensure that the standards are established in accordance with EPCA. The present action addresses standards that relied upon factors and assumptions that the agency was statutorily proscribed from considering when setting those standards at their inception. Consequently, while previous denials of manufacturer petitions to lower standards after the commencement of a model year preserved legally valid standards against post-hoc compliance challenges, NHTSA's action today remedies standards that were defective from the outset.

As noted by PMI, the Supreme Court's decision in *Loper Bright Enterprises* v. *Raimondo* requires courts to determine, and agencies to follow, the single best reading of enabling legislation.[665] Although the Supreme Court in *Loper Bright* stated that it does not call into question prior cases that relied on such deference,[666] agencies retain authority to reconsider their prior statutory interpretations. As discussed, NHTSA has reconsidered the agency's prior interpretation and now concludes that the best reading of the statute authorizes amendments that make downward adjustments to standards after the applicable model year has commenced.

NHTSA believes that the best reading of EPCA is that the agency maintains the authority to correct standards that were promulgated using prohibited factors, such as the consideration of electric vehicles in the analytical baseline. Leaving such legally defective standards in place would place manufacturers in a legally contradictory compliance posture, forcing them to navigate corporate policies committing to legal compliance against fuel economy standards that the agency was statutorily proscribed from setting. NHTSA also disagrees that this action renders the statutory scheme meaningless. This amendment is based on a correction of a specific legal error, made in consideration of legally appropriate information and statutory factors, and informed by significant public comment, not an assertion of a generalized power to rewrite standards at will.

NHTSA acknowledges comments from ZETA and NRDC *et al.* regarding the timing of compliance assessments. NHTSA assesses compliance with CAFE standards as expeditiously as possible, in recognition of both manufacturer interest in understanding their own compliance positions and planning to use available compliance flexibilities like credits, in addition to the public's interest in publicly available information about fleet fuel economy.[667] However, closing compliance proceedings based upon known legally infirm standards would be inappropriate. The agency retains the authority in appropriate circumstances to reconsider the underlying standards upon which final compliance assessments are based and will issue final compliance determinations against standards that reflect a correct construction of the statute.

NHTSA concludes that the best reading of EPCA provides authorization for NHTSA to reset to less stringent levels fuel economy standards applicable to passenger vehicles for prior model years. Subsections 32902(a) and (b) require the Secretary, starting with MY 2011, to establish fuel economy standards for light-duty vehicles at least 18 months in advance of the beginning of each model year. Subsection 32902(c) provides that the Secretary may amend previously established standards to levels the Secretary decides are the maximum feasible for that model year. Subsection 32902(c) contains no temporal limitation on an amendment. In subsection 32902(g), Congress specified a lead time requirement only for NHTSA actions to establish more stringent standards. It is well understood that the authority to amend standards conveys the authority to change standards that the agency has already established. Subsection 32902(c), by authorizing an amendment to an existing fuel economy standard, provides explicitly that the Secretary can revisit a prior determination of maximum feasibility. Congress clearly anticipated that the agency may need to revisit standards that new information indicates are no longer maximum feasible—either too high or too low—and imposed additional restrictions when making standards more stringent. Given the economic harm to the industry and consumers likely to result from overly stringent standards, Congress expressly *declined* to impose time restrictions to enable more nimble agency action when needing to reduce stringency.

The same reasoning applies to amending standards for past model years. Given the trend line connecting past and future standards, when previous standards exceed maximum feasibility because the agency considered factors explicitly disallowed from consideration, a course correction to restore the program to appropriate levels is necessary—even if this results in generation of credits to account for additional manufacturer investment in fuel-saving technologies than might have occurred had an appropriate balancing been undertaken originally. NHTSA concludes that the grant of authority in EPCA to amend standards encompasses specifically the authority to establish less stringent standards affecting past MYs. As discussed in more detail in Section V.D, however, should a court determine that NHTSA lacks authority to adjust standards for MYs 2022–2026, the agency intends for the amended standards to apply to subsequent model years, as the rationale for these revisions applies with equal force to those standards.

NHTSA also received comments related to the level of standards for MYs 2022–2026, and the agency discusses those comments below.

NHTSA received one comment from North American Subaru, Inc. (Subaru) related to the lead time required for future model year standards, specifically asserting that the ''reclassification of off-highway capable light-duty trucks is akin to a fleet stringency increase requiring at least 18-months lead time under the statute.'' [668] Subaru expressed concern that this requirement would likely not be achieved for MY 2028 implementation given the planned publication timing of this final rule.[669] NHTSA recognizes the challenges imposed by near-term reclassification, and in consideration of public comments received from Subaru and others, and its own analysis, NHTSA is finalizing the updated vehicle classification definitions to begin in MY 2030, as discussed in more detail in Section VI.

EISA also requires NHTSA to ''issue regulations . . . prescribing average fuel economy standards for at least 1, but not more than 5, model years.'' [670] In the 2020 final rule, NHTSA explained that it interpreted EISA's legislative history to suggest that Congress included the

[665] *Loper Bright Enters.* v. *Raimondo*, 603 U.S. 369, 400 (2024).

[666] *Id.* at 412 (2024).

[667] See, *e.g.,* NHTSA, CAFE Public Information Center, available at *https://www.nhtsa.gov/corporate-average-fuel-economy/cafe-public-information-center* (accessed: May 28, 2026).

[668] Subaru, Docket No. NHTSA–2025–0490–0037, at 6.

[669] *Id.*

[670] 49 U.S.C. 32902(b)(3)(B).

five-year maximum limitation so NHTSA would issue standards for a period of time where it would have reasonably realistic estimates of market conditions, technologies, and economic practicability (*i.e.,* not setting standards too far into the future because of potential feasibility challenges or the uncertainty surrounding future market conditions).[671] NHTSA explained, however, that the concerns Congress sought to address by imposing those limitations are not present for nearer model years where NHTSA already has existing standards and noted that revisiting existing standards is contemplated by both 49 U.S.C. 32902(c) and 32902(g). NHTSA stated that the agency therefore believed that it is reasonable to interpret subsection 32902(b)(3)(B) as applying only to the establishment of new standards rather than to the combined action of establishing new standards and amending existing standards.

In addition, NHTSA stated that the statute allows NHTSA to revisit existing standards and separately allows NHTSA to prescribe new standards ''for at least 1, but not more than 5, model years'' when it ''issue[s] regulations.'' NHTSA also explained that the statute does not preclude multiple concurrent or quickly sequential rulemakings ''issuing regulations'' for different periods of time. NHTSA provided as an example that it could issue two separate rulemakings, one amending a single model year's standard and one setting new standards for the five immediately ensuing model years, but this would be an unnecessary waste of resources that could be saved by consolidating agency (and commenter) work into a single rulemaking. For these reasons, NHTSA concluded that its interpretation was reasonable and appropriate.

NHTSA stated in the NPRM that—consistent with the 2020 interpretation—the agency continued to believe that the five-year maximum applies only to rulemakings establishing new standards, and not to, as in this case, the amendment of existing standards. Unlike a situation when NHTSA must be cautious about setting new standards for distant future years, the agency proposed amending standards to rectify placing manufacturers in a situation where they violate standards set at beyond maximum feasible levels due to the consideration of factors in the analysis in a manner inconsistent with subsection 32902(h). Moreover, as in the example NHTSA provided in the 2020 final rule, NHTSA believed that the public interest in efficiency was best served by presenting amendments for all model years under consideration in one notice. NHTSA emphasized in the proposal that two separate analyses were conducted for the MYs 2022–2026 and 2027–2031 standards. It made sense, however, to seek public input on the standards in a single proceeding. In addition, the proposal was the first time that NHTSA's consideration of maximum feasible standards for all model years had appropriately excluded the subsection 32902(h) factors, meaning that it was the first time the public was able to provide comments on a fuel economy standards trajectory for the automotive fleet that appropriately includes only gasoline- and diesel-powered vehicles. Accordingly, NHTSA concluded in the NPRM that it was appropriate to present all years covered by the proposed amendments in one notice.

NHTSA received a considerable number of comments regarding its authority to issue a single rulemaking action covering a ten-year period from MYs 2022 through MY 2031. The Alliance supported the agency's approach, stating its concurrence with NHTSA that the five-year limitation on standard setting does not apply when the agency is amending existing standards.[672] Conversely, other commenters including SELC, NACAA, NRDC *et al.,* IPI, ZETA, the Attorneys General, Maine Department of Environmental Protection (ME DEP), ALA, and individual commenters, argued that the proposal unlawfully exceeded the agency's statutory authority by regulating ten model years in a single action, in purported conflict with the statutory limitation in subsection 32902(b)(3)(B) that restricts standard setting to ''prescribing . . . standards for . . . not more than 5 model years'' at a time.[673]

Commenters opposed to the ten-year period focused on the statutory text and the meaning of the word ''prescribe.'' The Attorneys General argued that the agency is impermissibly reading an exemption into the statute, noting that the statutory text creating the five-year limitation refers generally to ''prescribing'' standards, without distinguishing between new or amended standards.[674] The Attorneys General also stated that ''prescribe'' is the exact verb Congress used to describe the actions NHTSA takes when it sets new standards under subsection 32902(a), as well as when it amends existing standards under subsections (c) and (g).[675] ZETA and IPI echoed this analysis, asserting that subsection 32902(b)(3)(B) applies whenever NHTSA ''issue[s] regulations under this title prescribing average fuel economy standards,'' which ''naturally'' includes any proposed amendments, and that the statute draws no distinction between establishing new standards and modifying existing ones.[676] Furthermore, the Attorneys General drew a structural comparison to subsection 32902(b)(3)(A)—the requirement for separate passenger and non-passenger standards expressed as mathematical functions—noting that it unambiguously governs both original standards and amendments, and asserting there is no reason why the scope of subsection (b)(3)(B) should be interpreted any differently.[677] A pair of individual commenters argued that the five-year limit governs the permissible scope of any single rulemaking action, and that to hold otherwise would allow any administration to circumvent the limit simply by labeling its action an ''amendment.'' [678] NRDC *et al.* similarly stated that NHTSA's claim that the five-year limit does not cabin its authority to amend past standards is unsupportable because NHTSA ''has not, and cannot,'' articulate any limiting principle.[679] *NRDC et al.* also contended that under subsection (g)(1), any amended standard must independently meet the requirements of subsection (a), which implies that the temporal limitations apply equally to amendments.[680]

Several commenters also challenged the agency's policy and administrative rationales for issuing a ten-year rule. Although NHTSA posited that the statutory five-year cap was primarily intended to prevent the agency from forecasting market and technological conditions too far into the future,

[671] 85 FR 24174, 25129 (Apr. 30, 2020).

[672] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at II–7.

[673] SELC, Docket No. NHTSA–2025–0490–0035, at 3–4; NACAA, Docket No. NHTSA–2025–0491–5884, at 14; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 24; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 91; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100–101; ME DEP, Docket No. NHTSA–2025–0490–0026, at 2; ALA, Docket No. NHTSA–2025–0491–5977, at 2; Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3.

[674] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100–101.

[675] *Id.*

[676] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 91–93.

[677] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100–101.

[678] Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3.

[679] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 28.

[680] *Id.*

commenters argued that Congress had other clear purposes, such as ensuring periodic reassessments as markets evolve, preventing a single administration from locking in a decade of fuel economy policy, and providing manufacturers with a predictable timeline to prepare compliance strategies.[681] Furthermore, ZETA, IPI, and Attorneys General disagreed with NHTSA's contention that a consolidated ten-year rulemaking promotes administrative efficiency and preserves resources.[682] These commenters also maintained that administrative convenience cannot override supposedly unambiguous statutory text, and the Attorneys General suggested that separate rulemakings for multiple five-year periods might be more efficient by allowing the public to better understand and comment on the distinct analyses required for retrospective versus prospective standards.[683]

Commenters also included, with their objections to the ten-year period, arguments against rulemaking covering past model years. NRDC *et al.* and IPI contended that the ten-year scope is a product of the agency's attempt to amend past standards.[684] IPI noted that otherwise, the rule would cover only the five model years from 2027 through 2031.[685] NACAA contended that weakening requirements to cover a ten-year period undermines the congressional design of EPCA.[686]

NHTSA disagrees with the commenters who claim that the agency's approach conflicts with the statutory text and purpose. More specifically, NHTSA's interpretation that EPCA allows the agency to amend more than five model years of standards in this rulemaking does not implicate the statute's use of the term ''prescribe.'' Rather, the five-year limitation applies when NHTSA ''issue[s]'' new standards, as the agency explained in the 2020 final rule.[687] But that limitation is not applicable when, under 49 U.S.C. 32902(c), the Secretary ''prescribe[s] regulations amending the standard under subsection (b).'' The placement of the amendatory authority in a separate subsection of section 32902, one devoid of any temporal limitation, demonstrates that Congress vested the Secretary with the power to amend more than five years of fuel economy standards in a single rulemaking. That multiple subsections use the word ''prescribe'' does not alter this conclusion.

For the same reasons, NHTSA disagrees with the Attorneys General that, because 49 U.S.C. 32902(b)(3)(A)'s requirements for how fuel economy standards are established—''based on 1 or more vehicle attributes related to fuel economy'' and ''in the form of a mathematical function''—may apply both to original standards and any amendments, means that 49 U.S.C. 32902(b)(3)(B)'s temporal limitation also applies to any amendments. The amendatory authority conferred by 49 U.S.C. 32902(c) does not include any temporal limitation. As such, the plain and best reading of that subsection, and of the section 32902 as a whole, is that the agency may amend more than five years of standards in a single rulemaking.

The agency also disagrees with these comments regarding the underlying congressional intent and the administrative realities of standard setting. NHTSA examined the Congressional record around the five-year limitation prior to the 2018 NPRM, as explained in the proposal and again above, and concluded that the five-year limit ''was intended to prevent NHTSA from setting standards too far into the future, recognizing that predicting the future is difficult.'' [688] This was also reflected in the Congressional record, where it was recognized that the five-year limitation ''allows for reasonable and realistic estimates of market conditions, the availability of new and developing technologies, and other considerations of technological and economical practicability.'' [689] Because this combined rulemaking relies on retrospective data for the earlier years and standard prospective forecasting for the later years, it does not implicate this concern. Furthermore, as NHTSA stated in the NPRM, while the agency could satisfy the commenters' narrow reading by initiating multiple concurrent or quickly sequential rulemakings, doing so would unnecessarily waste agency resources. A single rulemaking, supported by separate analyses for the 2022–2026 and 2027–2031 standards, is the most efficient approach administratively and provides the public with a comprehensive view of the CAFE program's trajectory.

As described above, Congress recognized the importance to the economy and automotive industry of correctly balancing statutory factors to establish maximum feasible standards and was particularly cognizant of the risks presented by overly stringent standards. Congress gave NHTSA more flexibility in amending standards in light of new information—especially when necessary to reduce stringency—than in establishing new standards. Applying the five-year restriction to amendments of standards would restrict the agency's ability to correct inappropriate standards—too high or too low.

b. Separate Standards for Passenger Automobiles and Non-Passenger Automobiles

EPCA requires NHTSA to set separate standards for passenger automobiles and non-passenger automobiles for each model year.[690] Based on the plain language of the statute, NHTSA consistently has interpreted this requirement as preventing NHTSA from setting a single combined CAFE standard for passenger and non-passenger automobiles. EPCA requires separate CAFE standards for passenger and non-passenger automobiles to reflect the different fuel economy capabilities of those distinct types of vehicles; over the history of the CAFE program, this requirement has remained unchanged.

Since 2012, NHTSA has at times proposed or finalized standards for passenger and non-passenger automobiles that increase at different respective rates year over year.[691] Even if NHTSA set passenger and non-passenger automobile standards previously with the same rates of increase (*i.e.,* percentage increase from the prior years' standard, which could, for example, increase at a rate of 2 percent for both passenger and non-passenger automobiles), the standards themselves were different because of the starting point for each fleet. This

[681] Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100.

[682] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 92; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 100–101.

[683] *Id.*

[684] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 29; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 91–93.

[685] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 91–93.

[686] NACAA, Docket No. NHTSA–2025–0491–5884, at 14.

[687] 85 FR 24174, at 25129 (Apr. 30, 2020).

[688] 85 FR 24174, at 25129 (Apr. 30, 2020).

[689] *See* 153 Cong. Rec. 2665 (Dec. 28, 2007).

[690] 49 U.S.C. 32902(b)(1).

[691] *See* 85 FR 24174, 25186 (Apr. 30, 2020) (although the agency finalized a different set of standards, it considered and explained that net benefits appear to be maximized under the two percent/three percent alternative, which proposed to raise passenger car standards at two percent per year and light truck standards at three percent per year); 89 FR 52540, 52547 (June 24, 2024) (explaining that after consideration of relevant data and comments, an alternative that raised passenger car stringency at two percent per year and held light truck stringency at zero percent per year for two years, followed by two percent increases, was maximum feasible).

underscores that NHTSA, in fulfilling its obligation to set maximum feasible standards separately for each fleet, is vested with the discretion to do so based on an assessment of each fleet's respective circumstances and a consideration of how the four statutory factors (technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy) apply to each fleet.

c. Minimum Standards for Domestic Passenger Automobiles

The 2007 EISA CAFE amendments required NHTSA to begin setting a separate standard for domestically manufactured passenger automobiles.[692] Unlike the generally applicable standards for passenger and non-passenger automobiles described above, the compliance obligation of the MDPCS is identical for all manufacturers. The statute states that any manufacturer's domestically manufactured passenger car fleet must meet the greater of either 27.5 mpg on average or ''92 percent of the average fuel economy projected by the Secretary for the combined domestic and non-domestic passenger automobile fleets manufactured for sale in the United States by all manufacturers in the model year, which projection shall be published in the **Federal Register** when the standard for that model year is promulgated in accordance with [49 U.S.C. 32902(b)].'' [693] Consistent with the statutory language stating that the 92-percent standards must be determined at the time an overall passenger car standard is promulgated and published in the **Federal Register**, NHTSA has also determined that it must recalculate the MDPCS when amending a passenger car standard.[694]

Since the first CAFE rules establishing the MDPCS (the 2008 proposal for MYs 2011–2015 standards and the subsequent 2009 final rule for MY 2011 standards), NHTSA has interpreted ''92 percent of the average fuel economy projected by the Secretary'' to mean 92 percent of the average fuel economy standard projected by the Secretary.[695] Accordingly, consistent with NHTSA's longstanding interpretation, the calculated MDPCSs presented in the proposal were based on the projected passenger automobile standards.

The Attorneys General argued that the statute requires the MDPCS to be calculated based on the projected ''achieved'' average fuel economy of the combined domestic and non-domestic fleets.[696] The Attorneys General emphasized that EPCA treats ''average fuel economy'' and ''average fuel economy standard'' as distinct defined terms, and past agency practice cannot override this clear congressional directive.[697] The Attorneys General acknowledged that while the ''projected standard'' methodology was previously a reasonable proxy for projected achieved fuel economy under the agency's prior interpretation of 32902(h), NHTSA's abandonment of that interpretation caused the projected *standard* mpg-value and projected *achieved* mpg-value to diverge significantly, making the prior methodology invalid.[698] They further argued that the statute's reference to the word ''standard'' in the second clause of subsection 32902(b)(4)(B) governs only the timing of the minimum standard's publication, not the underlying calculation.[699]

NHTSA disagrees that the statute requires the use of the projected achieved average fuel economy level to calculate the MDPCS. Although ''average fuel economy'' and ''average fuel economy standard'' are separately defined terms in 49 U.S.C. 32901, the best reading of ''average fuel economy'' in 49 U.S.C. 32902(b)(4)(B) is a reference to the method of calculation of ''average fuel economy'' specified in 49 U.S.C. 32904(a)(1)(B), where the total number of vehicles manufactured by a manufacturer in a model year is divided by the sum of fractions created by dividing each manufacturer's model's production volume by its fuel economy value. Notably, other provisions of EPCA use ''average fuel economy'' and ''average fuel economy standard'' to mean the same thing despite their separate definitions in section 32901. For example, 49 U.S.C. 32902(b)(2)(B) equates ''average fuel economy'' with ''average fuel economy standard.'' [700] And 49 U.S.C. 32902(f) states that ''When deciding maximum feasible *average fuel economy* under this section, the Secretary of Transportation shall consider technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy'' (emphasis added). Yet these four factors are the criteria to be used in deciding maximum feasible average fuel economy standards. Furthermore, UCS's proposed approach, to calculate the MDPCS pursuant to 49 U.S.C. 32904(a)(2)(B), would require NHTSA to include the fuel economy of dedicated alternative fueled vehicles. To do so would render meaningless 49 U.S.C. 32902(h)'s prohibition on considering dedicated alternative fueled vehicle fuel economy values in establishing fuel economy standards.

NHTSA also received a comment from UCS stating that the agency cannot ''project'' a value for the MDPCS for MYs 2022 and 2023 because it is a known quantity.[701] UCS stated that the agency has certification data for MYs 2022 and 2023, and that MYs 2022–2026 data in its entirety may be available by the time the rule is finalized.[702] UCS argued that the agency must amend the MDPCS with data it has on hand, ''which would require setting the standard at 92 percent of the actual certification level achieved.'' [703] UCS also stated that ''given that the agency cannot ''project'' standards for model years that have already passed, this conflicting requirement is additional evidence that Congress did not seek to grant NHTSA the authority to amend MDPCS retroactively.'' [704] An individual commenter also stated that the prior MDPCS for MY 2027 of 54.2 mpg is the absolute floor for any

[692] 49 U.S.C. 32902(b)(4). In the CAFE program, ''domestically manufactured'' is defined by Congress in 49 U.S.C. 32904(b). The definition roughly provides that a passenger car is ''domestically manufactured'' as long as at least 75 percent of the cost to the manufacturer is attributable to value added in the United States, Canada, or Mexico, unless the assembly of the vehicle is completed in Canada or Mexico and the vehicle is imported into the United States more than 30 days after the end of the model year.

[693] 49 U.S.C. 32902(b)(4). Since Congress established the statutory requirement, ''92 percent'' has always been greater than 27.5 mpg and foreseeably will continue to be so in the future.

[694] 77 FR 62624, 63028 (Oct. 15, 2012) (explaining that the agency does not read EISA as precluding ''any change, ever, in the minimum standard after it is first promulgated for a model year'' and that ''the language of the statute suggests that the 92 percent should be determined anew any time the passenger car standards are revised''); 85 FR 24174, 25124 (Apr. 30, 2020); 87 FR 25710, 25962 (May 2, 2022).

[695] 74 FR 14196, 14410 (May 29, 2009) (''NHTSA calculated 92 percent of the final projected passenger car standards as the minimum standard, which for MY 2011 is 27.8.''); 75 FR 25324, 25614 (May 7, 2010); 89 FR 52540, 52792 (June 24, 2024).

[696] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 101–103.

[697] *Id.*

[698] *Id.*

[699] *Id.*

[700] 49 U.S.C. 32902(b)(2)(B) (''For model years 2021 through 2030, the average fuel economy required to be attained by each fleet of passenger and non-passenger automobiles manufactured for sale in the United States shall be the maximum feasible average fuel economy standard for each fleet for that model year.'').

[701] UCS, Docket No. NHTSA–2025–0491–6027–A1, at 16.

[702] *Id.*

[703] *Id.*

[704] *Id.*

standards that DOT adopts going forward.[705]

NHTSA disagrees with the characterization that it cannot establish the MDPCS for MYs 2022 and 2023 simply because those years have already occurred, or that it must use certification data to do so. As established in the June 2025 interpretive rule,[706] the previous standards for these years were based on a legal interpretation that improperly included prohibited factors under 49 U.S.C. 32902(h). Correcting this error requires the agency to reconstruct a projection of the maximum feasible fuel economy standard for passenger automobiles for the years impacted by this error that have not been closed administratively, specifically excluding the influence of dedicated electric vehicles and other flexibilities.

In response to UCS's comment that the agency may have a complete set of certification data to use for MYs 2022–2026 by the time this rule is finalized, that has not come to pass. While the agency does have some additional pre- and mid-model year fuel economy data, the quality and completeness of this manufacturer-submitted information could not be sufficiently verified such that the agency would rely on that data to set the MDPCS. Such preliminary data typically exhibits meaningful discrepancies when compared to final certification data, which serves as the only verified and conclusive record of actual fleet performance. Consequently, the agency believes that relying on these unverified datasets would introduce unnecessary uncertainty into the standard-setting process and would be inconsistent with the agency's practice of basing its projections on the most robust information available. In addition, for the reasons discussed below, NHTSA cannot legally maintain the prior MDPCS for MY 2027 because that value included electric vehicle fuel economy.

Consistent with NHTSA's longstanding interpretation, the finalized MDPCSs for each model year are based on the projected passenger automobile standards.

NHTSA has also calculated the finalized MDPCSs based on the gasoline- and diesel-powered vehicle fleet. NHTSA believes that doing so is required by EPCA for the reasons discussed in Section V.A.2.e, Factors that NHTSA is Prohibited from Considering, and in the June 2025 interpretive rule,[707] as discussed in more detail below. In short, EPCA requires that fuel economy standards be established based on vehicles that run on ''fuel,'' as defined by the statute to include gasoline and diesel fuel.[708] It is inconsistent with the statute's text to base the MDPCS on vehicles, specifically EVs, that are powered by an ''alternative fuel'' [709] and differ fundamentally from the gasoline- and diesel-powered vehicles presupposed by EPCA.

The Attorneys General and UCS commented on this interpretation, objecting to NHTSA's assertion that it is inconsistent with EPCA to include electric vehicles in the domestic minimum calculation.[710] These commenters argued that EPCA does not presuppose a solely gas- and diesel-powered fleet, but rather explicitly incentivizes alternative-fueled vehicles.[711] Lastly, they maintained that the statutory calculation fundamentally incorporates EVs and their fuel economy values and noted that subsection (b)(4) is not one of the provisions covered by 49 U.S.C. 32902(h).[712]

NHTSA disagrees with the Attorneys General and UCS's interpretation that the absence of a cross-reference in subsection 32902(h) creates an affirmative mandate to include EVs in the domestic minimum calculation. While EPCA, as amended by AMFA, does provide incentives for alternative-fueled vehicles, these provisions were intended to provide compliance flexibilities, not to redefine the baseline for standard setting. To calculate the domestic minimum using a fleet projection that includes EV fuel economy values while the primary standard excludes them would create an internal inconsistency within the statutory framework. Such an incongruity could result in a domestic minimum ''backstop'' that is far more stringent than the primary standard, effectively forcing manufacturers to exceed what the agency has already determined based on permissible considerations to be a maximum feasible level.

Furthermore, NHTSA disagrees that the domestic minimum calculation can be divorced from the primary ''maximum feasible'' passenger car standard it is designed to support. The second clause of subsection 32902(b)(4)(B) requires the agency to publish the domestic minimum standard ''when the standard for that model year is promulgated.'' Because the ''standard'' in this clause refers to the generally applicable standards prescribed under subsection 32902(a) or (b)—provisions that are subject to subsection 32902(h)'s exclusion of alternative fueled vehicle fuel economy for standard-setting purposes—it follows that the domestic minimum must share the same analytical foundation. Accordingly, NHTSA has made no updates to the fleet used to calculate the domestic minimum standard for this final rule.

As in the 2020, 2022, and 2024 final rules, NHTSA continues to recognize industry concerns that actual passenger car fleet standards have differed significantly from prior projections, perhaps more so the further that NHTSA projects into the future. In the 2020 final rule, the compliance data showed that the standards projected in the 2012 final rule were consistently more stringent than the actual standards calculated at the end of the model year, by an average of −1.9 percent.[713] NHTSA stated that this difference indicated that in rulemakings conducted in 2009 through 2012, NHTSA's and EPA's projections of passenger car vehicle footprints and production volumes underestimated the production of larger passenger cars over the MYs 2011–2018 period.[714] Unlike the passenger car standards and light truck standards, which are vehicle-attribute-based and automatically adjust with changes in consumer demand, the MDPCS is not attribute-based, and therefore it does not adjust with changes in consumer demand and production. Instead, it is a fixed standard established at the time of the rulemaking. As a result, by assuming a smaller than actual average footprint fleet than was ultimately produced, the MYs 2011–2018 MDPCS ended up being more stringent and placed a greater burden on manufacturers of domestic passenger cars than was expected at the time of the rulemakings that established those standards.

In the 2020 final rule, NHTSA concurred with industry concerns over the impact of changes in consumer demand (especially when contrasted against what was assumed in the 2012 rulemaking about future consumer demand for greater fuel economy) on manufacturers' ability to comply with the MDPCS, particularly for those manufacturers that produce larger

[705] S. Sotomayor, Docket No. NHTSA–2025–0491–4888.

[706] 90 FR 24518 (June 11, 2025).

[707] 90 FR 24518 (June 11, 2025).

[708] 49 U.S.C. 32901(a)(10).

[709] 49 U.S.C. 32901(a)(1).

[710] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 102–103; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 19.

[711] *Id.*

[712] *Id.*

[713] 85 FR 24174, 25127 (Apr. 30, 2020).

[714] *Id.*

passenger cars domestically.[715] Some of the largest civil penalties for non-compliance in the history of the CAFE program have been paid based on non-compliance with the MDPCS.[716] NHTSA also expressed concern in the 2020 final rule that consumer demand may shift even more in the direction of larger passenger cars if fuel prices remain low.[717] NHTSA explained that sustained low oil prices can be expected to have real effects on consumer demand for additional fuel economy, and if that occurs, it is foreseeable that consumers may be even more interested in 2WD crossovers and passenger-car-fleet SUVs (and less interested in smaller passenger cars) than they previously had been.[718] Therefore, to help avoid outcomes from application of the MDPCS in the MYs 2021–2026 timeframe like those observed over the preceding model years, NHTSA determined that it was reasonable and appropriate to consider the recent projection errors as part of estimating the total passenger car fleet fuel economy for MYs 2021–2026.[719] Thus, in the 2020 final rule, NHTSA projected the passenger car fleet fuel economy standard for each model year and applied an offset based on the historical −1.9-percent difference identified for MYs 2011–2018.[720]

NHTSA continued to apply the −1.9-percent offset in calculating the MDPCS for the 2022 and 2024 final rules after additional quantitative and qualitative analysis showing the offset, and specifically the −1.9-percent value, was still appropriate and reasonable.[721] NHTSA noted in the 2022 final rule its concern with the stringency in overall standards for MYs 2024–2026 and the statutorily required increase in CAFE civil penalty rate due to inflation adjustments as reasons why the agency should continue to employ the −1.9-percent offset, specifically if automakers struggling to meet the MDPCS would choose to import their passenger cars rather than produce them domestically.[722] In the 2024 final rule, NHTSA retained the offset, stating all of the reasons presented previously for the offset continued to apply.[723]

For this rulemaking, NHTSA reviewed the analysis used to calculate the MDPCS offset and updated the analysis to add new data sources and refine the methodology used to calculate the offset value. As described in further detail in Section III of the proposal, NHTSA averaged the relative percentage differences between CAFE Model outputs and actual compliance data for MYs 2017–2023, excluding manufacturers that only produce dedicated alternative fueled vehicles. NHTSA determined that based on this updated assessment the difference between model outputs and actual fleet data was −0.7 percent, less than half of the previously calculated value. The MYs 2027–2031 MDPCSs presented in the proposal accordingly included a recalculated −0.7-percent offset. NHTSA stated that the agency believed that the basis for the offset, the inability to project precisely the mix of vehicles sold in the future, is inapplicable to the finalized MYs 2022–2026 standards because those standards incorporated the most up-to-date data available to the agency for vehicle sales volume and footprint sizes in MY 2022. NHTSA's proposed MDPCS for MYs 2027–2031 included the offset to ensure that the standard reflects industry capabilities while still considering the original intent behind the MDPCS.

PMI commented in support of NHTSA's proposal to recalculate the MDPCS excluding electric vehicles, noting in addition that ''[b]y removing the distortion of electric vehicles from the historical data, NHTSA calculates that the necessary offset has dropped from 1.9 percent to 0.7 percent.''[724] Conversely, the Alliance urged NHTSA to reconsider its proposal to lower the offset from −1.9 percent to −0.7 percent and to restrict its application to MY 2027 and beyond.[725] The Alliance argued that the offset should also be applied to MYs 2025 and 2026, noting that the agency's reliance on MY 2022 data do not eliminate the inherent uncertainty regarding sales volumes and footprint sizes, given that NHTSA does not have preliminary or final data for those years.[726] Furthermore, the Alliance recommended retaining the current −1.9-percent offset and deferring any reassessment because the agency's proposed reclassification of large volumes of SUVs and minivans into the passenger car fleet will significantly impact the MDPCS and introduce broad market uncertainties that are not fully accounted for in the current methodology.[727]

In contrast, the Attorneys General commented that neither subsection (b)(4) nor section 32904 authorizes the MDPCS offset.[728] Instead, they argued that the 8-percent difference inherently built into the 92-percent requirement is the only allowance Congress provided for consumer-driven market shifts.[729]

The agency acknowledges the Alliance's recommendation to maintain the −1.9-percent offset and to expand its application to MYs 2025 and 2026. However, NHTSA continues to believe that a −0.7-percent offset for MYs 2027 and later is the most appropriate and technically driven approach and is maintaining the −0.7-offset as proposed for this final rule. The offset is designed to mitigate the inherent uncertainty that arises when the CAFE Model projects future standards by carrying forward fixed sales volumes and footprint distributions from a baseline fleet. In contrast, for MYs 2022–2026, NHTSA was able to calibrate its analysis using a refined and technically defensible MY 2024 dataset uniquely suited for complex regulatory modeling through rigorous data-cleaning, cross-referencing, and verification exercises to enhance the fidelity of manufacturer-reported information significantly. The proximity of MY 2026 to MY 2024 ensures that any intervening shifts in sales volume or footprint size would be minimal. Consequently, the agency believes that the risk of a significant discrepancy is insufficient to warrant the application of an offset for those years.

Regarding the Attorneys General comment, NHTSA believes that the −0.7-percent offset is a necessary and reasonable adjustment and has continued to employ this significantly reduced offset in the final rule. The offset, which NHTSA calculated with the intent to capture consumer-driven market shifts, serves a different purpose than the 8-percent difference inherently built into the 92-percent requirement, which Congress prescribed with the intent for it to serve as a backstop for domestically manufactured vehicle fuel economy values.

NHTSA presents the final MDPCSs for MYs 2022–2031 in Section III.

[715] *Id.*

[716] See the Civil Penalties Report visualization tool at *https://www.nhtsa.gov/corporate-average-fuel-economy/cafe-public-information-center* for more specific information about civil penalties previously paid.

[717] 85 FR 24174, 25127 (Apr. 30, 2020).

[718] *Id.*

[719] *Id.*

[720] *Id.*

[721] 87 FR 25710, 25965–6 (May 2, 2022).

[722] 87 FR 25710, 25965–6 (May 2, 2022).

[723] 89 FR 52540, 52782–3 (June 24, 2024).

[724] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 41.

[725] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at IV–7.

[726] *Id.*

[727] *Id.*

[728] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 102.

[729] *Id.*

d. Attribute-Based Standards Defined by a Mathematical Function

EPCA, as amended by EISA, requires NHTSA to set CAFE standards ''based on 1 or more vehicle attributes related to fuel economy and express[ed] . . . in the form of a mathematical function.'' [730] Under attribute-based standards, every vehicle model has a fuel economy target, the levels of which depend on the level of that vehicle's determining attribute. The manufacturer's fleet average CAFE performance is calculated by the harmonic production-weighted average of those targets. This means that no vehicle is required to meet its target; instead, manufacturers are free to balance improvements however they deem best within their fleets.

Although CAFE standards for passenger cars and light trucks must be specified as a mathematical function dependent on one or more attributes related to fuel economy, NHTSA has the authority to select *which* attributes and mathematical functions. Prior to the requirement that CAFE standards be attribute-based and defined by a mathematical function, CAFE standards were instead specified as single mpg values (*e.g.,* 27.5 mpg for passenger cars and 20.7 mpg for light trucks). Because these single-mpg standards were wholly independent of fleet composition, these requirements posed a significantly greater technical challenge for manufacturers producing more larger vehicles for the U.S. market than for manufacturers focused on smaller vehicles, because smaller vehicles achieve greater fuel economy levels generally. Therefore, because the standards are fleet-average standards, these single-mpg standards presented an inherent incentive to shift production toward smaller vehicles rather than increasing the application of fuel-saving technologies across entire fleets, meaning that fuel economy benefits would be available primarily to purchasers of smaller vehicles, rather than available broadly to consumers with a more diverse range of vehicle preferences.

In setting attribute-based standards, NHTSA has sought to reflect the trade-off (*i.e.,* the relationship) between the attribute and fuel economy. If the mathematical function establishing the standards captures these trade-offs, every manufacturer is more likely to continue adding fuel-efficient technology across the distribution of the attribute within their fleet, instead of changing the attribute—and other correlated attributes, including fuel economy—as part of their compliance strategy. NHTSA discusses the mathematical function establishing the standards in more detail in Final TSD Chapter 1.

Historically, NHTSA has based standards on the attribute of vehicle footprint, and the agency is continuing to do so in this final rule. As in previous rulemakings, NHTSA is defining the standards in the form of a constrained linear function that sets higher (more stringent) targets for smaller footprint vehicles and lower (less stringent) targets for larger footprint vehicles. NHTSA discusses the footprint curves in more detail in Section II and Final TSD Chapter 1.

e. 35 Miles per Gallon in 2020

Subsection 32902(b)(2)(A) requires the Secretary to ''prescribe a separate average fuel economy standard for passenger automobiles and a separate average fuel economy standard for non-passenger automobiles for each model year beginning with MY 2011 to achieve a combined fuel economy average for MY 2020 of at least 35 miles per gallon for the total fleet of passenger and non-passenger automobiles manufactured for sale in the United States for that model year.'' [731] In addition to this requirement, for MYs 2011–2020, standards must ''increase ratably.'' [732] For MYs 2021–2030, however, ''the average fuel economy required to be attained by each fleet of passenger and non-passenger automobiles manufactured for sale in the United States shall be the maximum feasible average fuel economy standard for each fleet for that model year.'' [733]

NHTSA last discussed the 35 mpg in 2020 requirement in the 2020 final rule, where NHTSA stated that ''[n]either of these requirements [referring to the 35 mpg in 2020 and increase ratably requirements] apply after MY 2020, so given that this rulemaking concerns the standards for MY 2021 and after, the NPRM stated that they are not relevant to this rulemaking.'' [734] In response to a comment from CARB saying that the 2018 proposal violated the Congressional direction to ratably increase fuel economy, NHTSA concluded that ''the statutory language is clear that Congress only directed ratable increases in stringency through MY 2020. After MY 2020, the statutory language is clear that standards simply need be 'maximum feasible, as determined by the Secretary.' Some commenters may have disagreed that the proposal represented maximum feasible levels, but there is no statutory basis for arguing that the 'ratable increase' requirement extends beyond MY 2020.'' [735]

NHTSA did not discuss the 35 mpg in 2020 requirement in the proposal for this rulemaking because the proposal did not suggest amending MY 2020 standards, and as such, that statutory provision continued to be inapplicable to this rulemaking. However, several stakeholders submitted comments on that provision. The Alliance argued that NHTSA is not limited by the historical requirement to achieve 35 mpg by 2020 in setting standards for MYs 2020 and beyond.[736] The Alliance emphasized that this specific statutory mandate applies strictly to MYs 2011–2020, and because NHTSA is not proposing to revise the previously issued standards for any of those historical model years, the 2020 requirement does not constrain the agency's current action.[737]

Conversely, several commenters, including the ME DEP, NACAA, Lucid, ZETA, and other individual and public interest commenters, objected to the proposed stringency levels, arguing that among other things, they violate the express statutory mandate to require the fleet to reach 35 mpg in MY 2020.[738] Commenters, like NACAA, emphasized that the proposed rule projects a combined fleet average of 34.5 mpg by MY 2031, which is more than a decade after the statutory deadline and 0.5-mpg below the 35-mpg level Congress required for 2020.[739] Other commenters, like ZETA, asserted that NHTSA's failure to acknowledge this statutory requirement in the proposal is arbitrary and capricious.[740] ME DEP and other commenters argued that decreasing standards below this mandated threshold contravenes the stated goals of EISA and moves the United States toward greater gasoline dependency, which purportedly will result in higher consumer costs, increased GHG production, and poorer energy

[730] 49 U.S.C. 32902(b)(3)(A).

[731] 49 U.S.C. 32902(b)(2)(A).

[732] 49 U.S.C. 32902(b)(2)(C).

[733] 49 U.S.C. 32902(b)(2)(B).

[734] 85 FR 24174, at 25151 (Apr. 30, 2020).

[735] *Id.*

[736] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at II–3.

[737] *Id.*

[738] ME DEP, Docket No. NHTSA–2025–0490–0026, at 2; NACAA, Docket No. NHTSA–2025–0491–5884, at 2, 13–14; Lucid, Docket No. NHTSA–2025–0491–6043, at 7; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11; ALA, Docket No. NHTSA–2025–0491–5977, at 2; Anonymous, Docket No. NHTSA–2025–0491–5040.

[739] NACAA, Docket No. NHTSA–2025–0491–5884, at 13.

[740] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11.

performance.[741] Commenters also argued that falling below the 2020 mandate cannot be squared with the agency's ongoing obligation to establish ''maximum feasible'' standards.[742] Lucid contended that EISA required the standards to achieve at least 35 mpg by 2020 and then increase to the maximum feasible standard in subsequent years.[743] Commenters disagreed with NHTSA that the 34.5-mpg target for 2031 was ''maximum feasible,'' particularly given that the target is lower than the industry's real-world performance in 2024.[744]

The agency recognizes the Alliance's concurrence with NHTSA's interpretation articulated in the 2020 final rule that the specific 35-mpg mandate set forth in 49 U.S.C. 32902(b)(2)(A) was a time-limited directive applicable to the period beginning with MY 2011 and ending with MY 2020. For subsequent years, including the 2022 through 2031 period addressed in this rulemaking, Congress provided a different instruction in subsection 32902(b)(2)(B), requiring that standards be set at the maximum feasible average fuel economy level for each model year. The agency does not interpret the mandate specific to MY 2020 as establishing a permanent statutory floor that precludes the agency from ever setting a standard below that level, if in applying the four statutory factors—for example, accounting for changed circumstances such as vehicle prices under economic practicability or the United States' status as a net petroleum exporter under the need of the United States to conserve energy—and the restrictions of subsection 32902(h) the agency concludes that a different result is more appropriate. In addition, as NHTSA recognized in its notice proposing to grant several low volume manufacturers' petitions for exemption from the industry-wide CAFE standards,[745] by virtue of creating a corporate average program, that is, one where manufacturers need not comply with individual vehicle models but with their fleet as a whole, Congress accounted for the concept that a manufacturer's fuel economy performance could fluctuate yearly based not only on changes in the fuel economy of each of its models, but also based on changes in the production volumes of those models. There may be situations in which a manufacturer makes no changes to the fuel economy of any of its models from one year to the next, but its fleet average decreases because of changes in the production volumes of the individual vehicle models it produces. This may occur even when a manufacturer makes improvements in the fuel economy of one or more individual vehicle models from one year to the next. Congress also articulated when it did want the agency to increase the standards ratably over a period of time,[746] but did not do so for the period of model years covered by this rulemaking,[747] again deferring to the agency to set standards at maximum feasible levels.[748] Accordingly, NHTSA preliminarily determined in the proposal that the 34.5-mpg projection for 2031 reflected a standard that is maximum feasible for a vehicle fleet powered exclusively by petroleum-fueled, internal combustion engine vehicles without the benefit of credit trading or alternative-fuel accounting.

One individual commenter stated that CAFE standards should stop increasing after MY 2030, as the statutory mandate to promulgate the ''maximum feasible'' CAFE standard remains, but it becomes far more open-ended after the requirement to ''increase'' standards ends.[749] The commenter stated that ''given that the U.S. does not have energy conservation needs that would require such a tightening of fuel standards, there is no reason to keep raising the CAFE standard. There have been many past years when NHTSA has not raised standards; it is not statutorily required, and given both the regulatory ambition of recent decades and the fact that any Congressional mandate toward greater stringency is set to expire, NHTSA should give both consumers and industry much- needed relief by halting any increases after Model Year 2030 at the latest.'' [750]

NHTSA appreciates this commenter's statutory interpretation and believes that the agency's current approach of resetting standards beginning in MY 2022 in a manner that comports with the statute will provide necessary relief to the industry and consumers. Although the commenter notes that the specific mandate to increase standards for previous model years has passed, the agency remains under a statutory obligation to set average fuel economy standards at the maximum feasible level for each model year. Doing so requires an updated evaluation of factors in every rulemaking, and while this rulemaking increases stringency every year, the statute does not mandate increases in stringency for every rulemaking. NHTSA discusses this evaluation in more detail in Section V.C, below.

2. Maximum Feasible Standards

As discussed, EPCA directs NHTSA to consider four factors in determining what levels of CAFE standards would be maximum feasible.[751] In the sections below, NHTSA addresses those four factors, in addition to other statutory requirements the agency must consider.

a. Technological Feasibility

Under EPCA, ''[t]echnological feasibility'' refers to whether a particular method of improving fuel economy is available for deployment in commercial application in the model year for which a standard is being established. NHTSA is not required to account for every technology that might conceivably be applied to improve fuel economy and has considered it unnecessary to do so given that many technologies address fuel economy in similar ways. It is also important to note that technological feasibility and economic practicability (addressed separately below) are often conflated. The question of whether a fuel-economy-improving technology does or will exist (technological feasibility) is a different question from what economic consequences could ensue if NHTSA requires that technology to become widespread in the fleet in the absence of sufficient consumer demand for such technologies (economic practicability). Accordingly, it is conceivable that a standard may be technologically feasible but still beyond the level that NHTSA determines to be maximum feasible due to consideration of economic practicability and the other factors.

NHTSA has long rejected interpretations of the technological feasibility factor that would require NHTSA to set ''technology-forcing'' standards. NHTSA has recognized that ''[i]t is important to remember that technological feasibility must also be balanced with the other of the four statutory factors. Thus, while 'technological feasibility' can drive standards higher by assuming the use of technologies that are not yet commercial, 'maximum feasible' is still

[741] ME DEP, Docket No. NHTSA–2025–0490–0026, at 2.

[742] Anonymous, Docket No. NHTSA–2025–0491–5040.

[743] Lucid, Docket No. NHTSA–2025–0491–6043, at 7.

[744] Congresswoman Doris Matsui *et al.,* Docket No. NHTSA–2025–0491–6065, at 1; Save the Sound, Docket No. NHTSA–2025–0490–0060, at 3; ALA, Docket No. NHTSA–2025–0491–5977, at 2.

[745] 87 FR 39439, 39443 (July 1, 2022).

[746] 49 U.S.C. 32902(b)(2)(C).

[747] 49 U.S.C. 32902(b)(2)(B).

[748] *Id.*

[749] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 15.

[750] *Id.*

[751] 49 U.S.C. 32902(f).

also defined in terms of economic practicability, for example, which might caution the agency against basing standards (even fairly distant future standards) *entirely* on such technologies'' (emphasis original).[752] NHTSA has also concluded that ''as the 'maximum feasible' balancing may vary depending on the circumstances at hand for the model years in which the standards are set, the extent to which technological feasibility is simply met or plays a more dynamic role may also shift.'' [753]

NHTSA continues to believe that the crucial question on technological feasibility is not whether technologies exist, but rather how much existing technology should be required to be added to new cars and trucks to conserve fuel, and how to balance any additional fuel conserved against the additional cost the mileage requirements will impose on new vehicles. NHTSA has applied this interpretation of technological feasibility over the course of multiple rulemakings.[754]

The agency received a variety of comments regarding its interpretation and application of the technological feasibility factor. The American Fuel & Petrochemical Manufacturers (AFPM) expressed support for the agency's interpretation of technological feasibility, agreeing that the statutory factor refers to the level of fuel economy actually achievable by applying available or reasonably anticipated technologies, rather than what is merely theoretically possible.[755] AFPM agreed with the agency's position that NHTSA is not required to consider every possible technology when determining feasibility.[756] Instead, AFPM asserted that the agency must take a holistic, practical approach that balances fuel-saving options against economic practicability, other motor vehicle standards, and the Nation's need to conserve energy, rather than simply mandating that all vehicles use a specific technology.[757]

Other commenters, including ZETA, NRDC *et al.,* Attorneys General, NACAA, and IPI, objected to the agency's interpretation and application of this factor. First, several commenters argued that the agency impermissibly conflated technological feasibility with economic practicability by improperly introducing cost considerations into what should be an independent engineering assessment. The Attorneys General argued that the ordinary meaning of ''technological feasibility'' calls for a straightforward evaluation of whether a given vehicle technology will improve fuel economy, and that the cost of installing such technology must be considered separately under economic practicability.[758] Similarly, NRDC *et al.* stated that the agency is internally inconsistent and incorrect in asserting that the ''crucial question'' is how much existing technology should be required.[759] Rather, NRDC *et al.* argued that the agency should focus its review on whether the fuel-saving technology is available for commercial deployment and that because the agency's own analysis demonstrates that more stringent standards are feasible using existing technologies, this factor should weigh in favor of stronger standards.[760] ZETA echoed that the agency improperly conflated this factor with economic practicability.[761]

Second, commenters asserted that the agency's interpretation abandons the purported ''technology-forcing'' purpose of EPCA. ZETA and the Attorneys General argued that Congress designed fuel economy standards to compel technological development because market forces alone are insufficient to achieve necessary national energy conservation.[762] They contended that the proposed standards would not materially increase for ten years, relying only on existing technologies and lacking technology-forcing effect.[763] IPI similarly urged the agency to interpret the statute as requiring the ''use of all feasible methods'' to encourage the industry to develop new technologies beyond what the market would produce organically.[764]

Third, commenters criticized the agency for purportedly limiting the scope of its technology assessment. NACAA urged the agency to conduct a comprehensive assessment of all proven fuel-saving technologies—including advanced internal combustion engines, mass reduction, aerodynamic improvements, and hybridization/electrification—arguing that they must be included regardless of whether consumers actively demand them.[765] NACAA stated that excluding proven technologies artificially limits apparent feasibility and results in standards below the ''maximum feasible'' level.[766] Furthermore, ZETA and the Attorneys General objected to the agency's assertion that it need not account for every technology simply because many address fuel economy in ''similar ways.'' [767] They argued this justification is arbitrary because it fails to define ''similar ways'' and ignores significant cost differences among technologies.[768] The Attorneys General also noted that the agency's exclusive focus on technologies ''already being commercially applied'' constitutes an unexplained departure from past rulemakings, which evaluated all types of technologies capable of improving real-world fuel economy.[769]

NHTSA notes that several commenters appear to have misunderstood the agency's discussion regarding the crucial question to be addressed when evaluating the technological feasibility factor. The agency disagrees with the characterization that this discussion represented a new or restrictive statutory interpretation of the technological feasibility factor itself. Instead, this discussion was intended as supplemental framing to address the practical reality that standard setting involves complex policy considerations. This framing recognizes that while a specific technology might be available in an engineering sense, the agency must still determine the appropriate degree to which that technology is sufficiently mature and developed to be deployed across the fleet to achieve a fuel economy standard during the rulemaking period.

This contextualization does not change the underlying application of the technological feasibility factor, which continues to involve an assessment of whether a given technology is available for commercial deployment or reasonably expected to be available during the rulemaking period. The agency continues to perform robust engineering analysis to identify proven fuel-saving technologies, including all technologies that NACAA listed in their

[752] 77 FR 62624, 63015 (Oct. 15, 2012).

[753] *Id.*

[754] *Id.; see also* 75 FR 25324, 25605 (May 7, 2010).

[755] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 7.

[756] *Id.*

[757] *Id.*

[758] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 57.

[759] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 65.

[760] *Id.*

[761] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 5.

[762] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 5; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 57.

[763] *Id.*

[764] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 5.

[765] NACAA, Docket No. NHTSA–2025–0491–5884, at 13.

[766] *Id.*

[767] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 5; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 58.

[768] *Id.*

[769] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 57–58.

comment,[770] with the exception of electrification or other alternative fuel technologies that NHTSA is prohibited by statute from considering. However, the mere existence of feasible advanced technologies does not and cannot mandate that NHTSA set standards maximizing their application in the fleet, because the agency's obligation is to balance *competing* statutory factors to set maximum feasible standards in light of existing and expected circumstances. For example, even if a given technological pathway may be feasible, the statutory mandate that NHTSA consider economic practicability in setting standards requires that the agency evaluate cost ramifications and manufacturer refresh and redesign cycles to determine whether standards that tend toward implementation of that pathway would be appropriate in a rulemaking. By clarifying that technological feasibility does not require the agency to set technology-forcing standards, NHTSA is simply acknowledging the multi-factored balancing mandated by Congress. This is quite different than some regulatory schemes, generally in the environmental space, that require agencies to maximize stringency to the point technologically feasible.[771] Unlike such regulatory schemes, EPCA requires NHTSA to take a balanced approach, with feasible technological possibilities representing just one factor to be weighed against others, including economic and energy-related factors that may counsel toward greater or lesser stringency depending upon the circumstances.

Regarding comments on the agency's alleged duty to set technology-forcing standards, NHTSA notes that those comments were previously addressed in the 2012 and 2020 final rules,[772] and have since been incorporated in NHTSA's interpretation of the technological feasibility factor in every subsequent rulemaking. NHTSA's interpretation of the statute has not changed.

NHTSA also disagrees with commenters that the agency limited the scope of technologies considered in this rulemaking, and that the agency's technology assessment represents an unexplained departure from prior assessments. NHTSA has long maintained—specifically in response to identical comments—that the agency need not account for every conceivable fuel economy technology in its analysis.[773] In the 2020, 2022, and 2024 final rules, NHTSA used the example of high-speed flywheels as potential energy storage devices for hybrid vehicles: ''while such flywheels have been demonstrated in the laboratory and even tested in concept vehicles, commercially available hybrid vehicles currently known to NHTSA use chemical batteries as energy storage devices, and the agency has considered a range of hybrid vehicle technologies that do so.'' [774] NHTSA provided additional examples in the 2020 final rule in response to comment, including an example where one entirely speculative set of engine technologies was not modeled because proven combinations of technologies existed that provided similar fuel economy improvements.[775] NHTSA did not receive comments on the same interpretation in the 2022 or 2024 final rules.

The 2024 final rule and the 2025 proposal also discussed different technologies that improve fuel economy in similar ways in the context of technology effectiveness modeling. NHTSA provided the example that both turbocharging and cylinder deactivation technology improve fuel economy by reducing engine displacement and therefore using less fuel.[776] In contrast to the high-speed flywheel example, which represented a technology that the agency determined was better represented by a range of other types of hybrid technologies not merely in a laboratory or concept stage, NHTSA has continued to model several levels of turbocharging and cylinder deactivation technologies because both are prevalent in the fleet currently and are expected to continue to be in use or available for application on additional vehicles in the rulemaking timeframe.

NHTSA also exercises deliberate caution when expanding the suite of technologies included in its modeling, as each addition to the CAFE Model's technology pathways creates a substantial increase in computational complexity. As the agency has previously detailed, incorporating one singular additional technology option necessitates approximately 100,000 additional physics-based full-vehicle simulations through the Autonomie tool. As an example, adding ten technologies would effectively double the analytical workload to roughly two million simulations. Despite this necessary selectivity, the agency's existing technology tree remains remarkably comprehensive, featuring nearly thirty variants of advanced internal combustion and hybrid powertrain configurations, as well as multiple tiers of advanced transmissions and road load reduction levels. By iterating these options across ten distinct technology classes, the agency's assessment evaluates an expansive matrix of current and projected vehicle technology combinations. Although NHTSA remains open to incorporating

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[770] NACAA, Docket No. NHTSA–2025–0491–5884, at 13.

[771] *See, e.g.,* California Assembly Bill 32 of 2006, which mandated that ''[t]he regulations adopted by the [California Air Resources Board] pursuant to this section shall achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from those sources or categories of sources, in furtherance of achieving the statewide greenhouse gas emissions limit.'' *See also* California Assembly Bill 1493 of 2002, which provided that ''the [California Air Resources Board] shall develop and adopt regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from motor vehicles.'' These environmental regulatory schemes, which drive California's climate agenda still today, vary greatly from the CAFE program.

[772] 77 FR at 63015 (''It is important to remember that technological feasibility must also be balanced with the other of the four statutory factors. Thus, while 'technological feasibility' can drive standards higher by assuming the use of technologies that are not yet commercial, 'maximum feasible' is also defined in terms of economic practicability, for example, which might caution the agency against basing standards (even fairly distant standards) *entirely* on such technologies.''); 85 FR at 25130–1 (citing 77 FR 63015 (''Contrary to the assertion by several commenters that NHTSA has historically claimed that it *must* set technology-forcing standards, NHTSA has previously described the technological feasibility factor as *allowing* the agency to set standards that force the development and application of new fuel-efficient technologies.'')).

[773] 85 FR 24174, at 25130.

[774] *See, e.g.,* 85 FR 24174, at 25130.

[775] 85 FR 24174, at 25130–1 (''In response to commenters' apparent confusion regarding NHTSA's statement that it did not consider technologies that improved fuel economy in 'similar ways' as other technologies discussed in the NPRM, the meaning behind that statement was discussed at greater length in the section of the NPRM that substantively covered those technologies. For example, in discussing the 'HCR2' technology, the agencies explained that while the agencies were not modeling HCR2 expressly due to concerns that it remained 'entirely speculative,' '[t]he CAFE model allows for incremental improvement over existing HCR1 technologies with the addition of improved accessory devices (IACC), a technology that is available to be applied on many baseline MY 2016 vehicles with HCR1 engines and may be applied as part of a pathway of compliance to further improve the effectiveness of existing HCR1 engines.' In this and in other instances, technologies included in the analysis improved fuel economy in similar ways to other technologies not included. Here, HCR1, when combined with IACC, results in 'a step past' HCR1, which is similar to the unproven HCR2.'').

[776] 89 FR at 25601 (''Turbocharging allows a larger naturally aspirated engine to be reduced in size or displacement while still doing the same amount of work, and its fuel efficiency improvements are, in part, due to the reduced displacement. DEAC effectively makes an engine with a particular displacement intermittently offer some of the fuel economy benefits of a smaller-displacement engine by deactivating cylinders when the work demand does not require the full engine displacement and reactivating them as-needed to meet higher work demands; the greater the displacement of the deactivated cylinders, the greater the fuel economy benefit.'').

additional technologies based on public comment, the agency and commenters have yet to identify a ''silver bullet'' gasoline or diesel technology—including those in the research phase—that demonstrates a cost or effectiveness advantage over the robust set of technologies already utilized in the agency's analysis.

NHTSA addresses additional comments on how the agency balanced technological feasibility in determining the final standards below.

b. Economic Practicability

NHTSA has long interpreted ''[e]conomic practicability'' to focus on whether a standard is one ''within the financial capability of the industry, but not so stringent as to'' lead to ''adverse economic consequences, such as a significant loss of jobs or the unreasonable elimination of consumer choice.'' [777] In evaluating economic practicability, the agency considers the uncertainty surrounding future market conditions and consumer demand for fuel economy alongside consumer demand for other vehicle attributes. NHTSA has explained in the past that this factor can be especially important during rulemakings in which the auto industry is facing significantly adverse economic conditions, with a corresponding risk of significant job losses. Consumer acceptability is also a major component of economic practicability,[778] which can involve consideration of anticipated consumer responses not just to increased vehicle cost, but also to the way manufacturers may change vehicle models and vehicle sales mix in response to CAFE standards. In attempting to determine the economic practicability of attribute-based standards, NHTSA considers a wide variety of elements, including the annual rate at which manufacturers can increase the percentage of their fleet that employs a particular type of fuel-saving technology, as well as manufacturer fleet mixes. NHTSA also considers the effects on consumer affordability resulting from costs to comply with the standards and consumers' valuation of fuel economy, among other things.

NHTSA's consideration of economic practicability involves several elements. These include expected availability of capital to make investments in new technologies and production facilities; manufacturers' expected ability to sell vehicles with certain technologies; likely consumer choices; and other elements. NHTSA's analysis also incorporates assumptions to capture aspects of consumer preferences, vehicle attributes, safety, and other elements relevant to an impacts estimate. The agency accounts for safety as closely related to, and in some circumstances a subcomponent of, economic practicability. Because manufacturers have finite resources to invest in research and development, investment into the development and implementation of fuel-saving technology necessarily comes at the expense of investing in other areas, such as safety technology. Moreover, when making decisions on how to equip vehicles, manufacturers must balance cost considerations to avoid pricing more consumers out of the market. As manufacturers add technology to increase fuel efficiency, they may decide against installing additional safety equipment to reduce cost increases. As the prices of new vehicles increase beyond the reach of more consumers, these consumers continue to drive or purchase older, less safe used vehicles. In assessing economic practicability, NHTSA thus also considers the harm to the U.S. economy caused by highway fatalities and injuries.

The agency received a variety of comments regarding its interpretation and application of ''economic practicability.'' Commenters supporting the agency's approach, including the AmFree and Corn Growers Associations and one individual commenter, agreed that the economic practicability analysis must account properly for vehicle affordability and consumer choice.[779] AmFree and Corn Growers Associations contended that a standard is not practicable if it causes adverse economic consequences like the unreasonable elimination of buyer choice.[780] From the supplier perspective, MEMA urged the agency to take a measured approach that provides regulatory stability, requesting that NHTSA account for the economic practicability of stranded investments and warning that uncertainty could limit U.S.-based research and development.[781]

Conversely, commenters including NRDC *et al.,* IPI, ZETA, and the Attorneys General, opposed the agency's interpretation, arguing that it unlawfully subordinates the statute's goal of energy conservation to consumer preference and upfront costs.[782] NRDC *et al.* argued that the agency inexplicably departed from its historical framing—which evaluated whether standards were within the industry's financial capability without causing substantial hardship—in favor of an approach that attempts to correct ''market distortions,'' to provide automakers with improper relief for past investments, and to preserve the ability for manufacturers to focus on non-fuel efficiency related issues, such as safety, affordability, and consumer choice.[783] These commenters cited the D.C. Circuit's decision in *Center for Auto Safety* v. *NHTSA,* arguing that it is impermissible for the agency to rely on consumer demand to such an extent that it ignores the overarching goal of fuel conservation.[784] IPI and the Attorneys General also stated that NHTSA arbitrarily prioritized reducing upfront vehicle costs over substantial long-term fuel savings.[785]

NRDC *et al.,* ZETA, and the Attorneys General also opposed the classification of safety under economic practicability, arguing it lacks a statutory basis and departs from prior agency practice.[786] NRDC *et al.* argued that safety considerations, while a legitimate priority, are not appropriately part of the agency's economic practicability calculus. The Attorneys General noted that Congress already specified the precise and limited role safety should play in standard setting under subsection (f), which requires the agency to consider only whether separately adopted safety regulations limit the fuel economy improvements automakers could apply.[787] Both commenters contended that by elevating safety in this manner, the agency unlawfully substituted a non-statutory goal in place of the statute's express

[777] 67 FR 77015, 77021 (Dec. 16, 2002).

[778] *See Ctr. for Auto Safety* v. *NHTSA,* 793 F.2d 1322 (D.C. Cir. 1986) (Administrator's consideration of market demand as component of economic practicability found to be reasonable); *see also Public Citizen* v. *NHTSA,* 848 F.2d 256 (D.C. Cir. 1988) (Congress established broad guidelines in the fuel economy statute; agency's decision to set lower standards was a reasonable accommodation of conflicting policies).

[779] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 7; Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 8–11.

[780] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 7.

[781] MEMA, Docket No. NHTSA–2025–0491–5989, at 4.

[782] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 46; IPI, Docket No. NHTSA–2025–0491–6015–A2, at 5–6; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 3.

[783] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 47.

[784] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 6; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 5; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 59–60.

[785] IPI, Docket No. NHTSA–2025–0491–6015–A2, at 6; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 62.

[786] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 81; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 91.

[787] *Id.*

objective to maximize fuel economy.[788] NRDC *et al.* also argued that NHTSA incorrectly relied on the court's statement in *Competitive Enterprise Institute* v. *NHTSA* to justify its consideration of safety as a subcomponent of economic practicability, when the court merely recognized that NHTSA had historically considered safety in some form when setting CAFE standards.[789] ZETA commented that NHTSA had not provided support for the assertion that there is a tradeoff between investing in safety and fuel economy, and further that it is not necessarily true that is the case.[790]

NHTSA has considered the comments regarding its interpretation and application of the economic practicability factor and continues to believe that its approach is consistent with its long-standing statutory authority and the specific statutory goals. NHTSA disagrees with the characterization that the agency has elevated improperly vehicle affordability and consumer choice over the objective of energy conservation. The agency's approach to setting these standards remains not only well within the bounds of the D.C. Circuit's decision in *Center for Auto Safety* v. *NHTSA,*[791] but these elements also represent key components of the factor. Although the agency may not rely on consumer demand to the extent that it ignores fuel conservation, Congress tasked NHTSA with consideration of *all* enumerated factors in setting maximum feasible standards. A standard that results in severe economic disruption or makes vehicles unaffordable for a significant segment of the population cannot be considered economically practicable, even if technological pathways exist that make it possible to produce a fleet that complies with the standard. NHTSA must ensure that its standards do not result in serious market distortion, including situations where consumers are unable to find vehicles that meet their functional needs or where the cost of compliance results in price increases that would force consumers out of the market or force manufacturers to restrict essential investments in critical areas, including safety.

NHTSA disputes the assertion that the agency has departed from its historical framing of economic practicability and notes that the financial capability of the industry has always been a core component of this analysis.[792] Evaluating whether a standard causes substantial hardship involves an assessment of the market environment in which manufacturers operate, in addition to accounting for stranded investments and the need for regulatory stability, as noted by MEMA. NHTSA's analysis accounts for the concepts of vehicle technology investments quantitatively by assuming specific refresh and redesign years for specific vehicle models and shared technologies across vehicle models, as discussed in more detail above, and the agency also discusses in this section other factors related to stranded investments.

By ensuring that standards are set at levels that allow for the orderly application of technology and of U.S.-based research and development, the agency avoids creating the very hardships that the economic practicability factor was intended to prevent. NHTSA does not view its consideration of upfront vehicle costs as an arbitrary prioritization over long-term fuel savings, but rather as a necessary recognition of the budget constraints faced by many American households. If the upfront cost of fuel-efficient technology, combined with associated increased costs of insurance, taxes, and fees prevents a consumer from purchasing a new, more efficient vehicle, the projected long-term fuel savings and safety benefits of that vehicle—which accrue across multiple owners over a modeled 30-year period—will never be realized in the real-world fleet. The agency remains committed to energy conservation and believes that its current interpretation of economic practicability provides the most robust framework for achieving meaningful, long-term improvements in the fuel economy of the Nation's passenger car and light truck fleet in a way that comports with statutory legal restrictions while maintaining a healthy and competitive automotive market.

The agency also disagrees with the assertion that considering safety in this context lacks a statutory basis or unlawfully substitutes a non-statutory goal for the objective of energy conservation. While subsection 32902(f) explicitly directs the agency to consider the effects of other Federal motor vehicle standards, such as safety regulations, on fuel economy, this does not preclude the agency from considering the inherent relationship between fuel economy and vehicle safety under the broader umbrella of economic practicability. NHTSA maintains that the standard is not economically practicable if it forces a technological trade-off that compromises public safety or restricts manufacturer's ability to continue innovating in safety-critical areas.[793] Safety is not a competing interest to be balanced against fuel economy, but rather an integral component of the manufacturing and design process that dictates what is practically achievable for manufacturers.

Finally, in response to comments suggesting that the agency incorrectly relied on *Competitive Enterprise Institute* v. *NHTSA* to assess safety elements under the economic practicability factor, NHTSA clarifies that it did not rely explicitly on that case as the sole legal justification for its interpretation. Although the court in that case did recognize that NHTSA has historically considered safety when setting standards, the agency's authority to do so is derived directly from the statutory directive to consider the economic practicability of any proposed fuel economy level. ''Economic practicability'' encompasses the safety implications of fuel economy standards because a standard that leads to increased fatalities or injuries would impose significant societal and economic costs that the agency should and does consider in its decision-making.

NHTSA discusses additional comments related to how the agency balanced economic practicability in setting the final standards below.

[788] *Id.*

[789] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 81.

[790] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 5.

[791] *See, e.g., Ctr. for Auto Safety* v. *Nat'l Highway Traffic Safety Admin.,* 793 F.2d 1322, 1340 (D.C. Cir. 1986). The court determined, independent from NHTSA's own analysis, that ''a standard with harsh economic consequences for the auto industry also would represent an unreasonable balancing of EPCA's policies.''

[792] See, *e.g.,* 85 FR 24174, 24213–14 (April 30, 2020) (''Economic practicability' refers to whether a standard is one '*within the financial capability of the industry,* but not so stringent as to' lead to 'adverse economic consequences, such as a significant loss of jobs or the unreasonable elimination of consumer choice.' '' (emphasis added) (citing to the same text in 67 FR 77015, 77021 (Dec. 16, 2002))).

[793] *See, e.g.,* 90 FR 56438, at 56517 (''Safety trade-offs associated with MR have occurred in the past, particularly before standards were attribute-based, because manufacturers chose, in response to standards, to build smaller and lighter vehicles; these smaller, lighter vehicles did not fare as well in crashes as larger, heavier vehicles, on average. Though NHTSA now uses attribute-based standards, in part to reduce or eliminate the incentive to downsize vehicles to comply with the standards, NHTSA is mindful of the possibility of related safety trade-offs.'').

c. The Effect of Other Motor Vehicle Standards of the Government on Fuel Economy

The effect of other motor vehicle standards of the Government on fuel economy involves analysis of the effects of compliance with emission, safety, noise, or damageability standards on fuel economy capability and thus on average fuel economy. From the CAFE program's earliest years until recently,[794] the effects of compliance with such standards on fuel economy capability over the history of the CAFE program have been negative ones. For example, safety standards that have the effect of increasing vehicle weight typically lower fuel economy capability, thus decreasing the level of average fuel economy that NHTSA can determine to be feasible. For recent CAFE analyses, including the analysis accompanying these final standards, NHTSA has captured the added weight due to safety standards in baseline vehicle mass estimates. There are no safety standards with compliance dates within the time period of this action expected to impose further effects on light-duty vehicle mass. NHTSA had also previously considered EPA's motor vehicle emissions standards set pursuant to the CAA when both agencies had set separate yet related standards in joint rules. However, this final rule does not incorporate any non-criteria emissions standards due to EPA's rescission of its Endangerment Finding and all resulting GHG emissions standards for light-, medium-, and heavy-duty vehicles and engines.[795]

In the proposal and June 2025 interpretive rule NHTSA also elaborated the agency's approach to standards set by the California Air Resources Board (CARB).[796] Regardless of whether NHTSA explicitly considered those standards previously as ''other motor vehicle standards of the Government'' or otherwise, NHTSA now explicitly rejects such consideration. For the reasons explained in the proposal and reiterated in this section, CARB's standards are not ''other motor vehicle standards of the Government on fuel economy.''

NHTSA stated in the proposal that the agency believed that the best interpretation of the text of EPCA rebuts the conclusion that CARB's standards appropriately are considered under this subsection 32902(f) factor. As a threshold textual matter, statutory references to ''the Government'' are most naturally understood to denote the United States Federal Government, rather than other governments, including State governments. EPCA uses the singular ''the Government,'' which refers to the Federal Government, consistent with the 1994 recodification discussed below. This reference likely reflects that only the Federal Government has authority to set standards ''on fuel economy,'' as EPCA itself provides. Therefore, even if California were held to have authority to set vehicle emission standards pursuant to a waiver under the CAA, for purposes of the maximum feasibility determination, such standards should not be considered because they are not standards of ''the Government,'' as that term is used in EPCA. Congress easily could have referred to standards set by ''a government'' if it sought to authorize NHTSA to consider State standards in the maximum feasible determination. Congress did not do so.

NHTSA also described in the proposal how EPCA's history buttresses the plain meaning of the text. As initially passed in 1975, EPCA mandated average fuel economy standards for passenger cars beginning with MY 1978. The law required the Secretary of Transportation to establish, through regulation, maximum feasible fuel economy standards for MYs 1981–1984 with the intent to provide steady increases to achieve the standard established for 1985 and thereafter authorized the Secretary to adjust that standard. For the statutorily established standards for MYs 1978–1980, EPCA provided each manufacturer with the right to petition for changes in the fuel economy standards applicable to that manufacturer, based on the application of other Federal standards.[797] A petitioning manufacturer had the burden of demonstrating that a ''Federal fuel economy standards reduction'' was likely to exist for that manufacturer in one or more of those model years and that it had made reasonable technology choices. ''Federal standards,'' for that limited purpose, included not only safety standards, noise emission standards, property loss reduction standards, and emission standards issued under various Federal statutes, but also ''emissions standards applicable by reason of section 209(b) of [the CAA].'' Critically, all definitions, processes, and required findings regarding a Federal fuel economy standards reduction were located within a single self-contained subsection of 15 U.S.C. 2002, which applied only to MYs 1978–1980.[798]

In 1994, Congress recodified several laws related to transportation. As part of this recodification, the CAFE provisions were moved to title 49 of the United States Code. In doing so, unnecessary provisions were deleted. Specifically, the recodification eliminated subsection (d). The House report describing the recodification declared that the subdivision was already ''executed,'' and described its purpose as ''[p]rovid[ing] for modification of average fuel economy standards for MYs 1978, 1979, and 1980.'' [799] It is generally presumed, when Congress includes text in one section and not in another, that Congress knew what it was doing and made the decision deliberately. As part of the same recodification, the relevant language now found at 49 U.S.C. 32902(f) changed from ''effect of other *Federal* motor vehicle standards on fuel economy'' to ''effect of other motor vehicle standards of *the Government* on fuel economy'' (emphasis added).[800] The Senate report accompanying the legislation clarified that '''United States Government' is substituted for 'United States' (when used in referring to the Government), 'Federal Government', and other terms identifying the Government the first time the reference appears in a section. Thereafter, in the same section, 'Government' is used unless the context requires the complete term to be used to avoid confusion with other governments.'' [801] Accordingly, consistent with the statutory intent and text, NHTSA stated in the proposal that the agency limited its consideration to the effect of other Federal motor vehicle standards on fuel economy.

In addition, as NHTSA explained in the proposal, under EPCA's blanket preemption provision, States may not adopt or enforce regulatory requirements related to fuel economy standards.[802] This preemption mandate holds true regardless of whether EPA has granted waivers for emissions requirements under the CAA. In addition, the President has signed into law three resolutions adopted by Congress under the Congressional Review Act (CRA) to disapprove waivers EPA granted under CAA section

[794] 42 FR 63184, 63188 (Dec. 15, 1977); *see* 42 FR 33534, 33537 (June 30, 1977).

[795] 90 FR 36288 (Aug. 1, 2025).

[796] 90 FR 24518 (June 11, 2025).

[797] Public Law 94–163, 89 Stat. 871 (Dec. 22, 1975).

[798] As originally enacted as part of Public Law 94–163, that subsection was designated as sec. 502(d) of the Motor Vehicle Information and Cost Savings Act.

[799] H.R. Rep. No. 103–180, at 583–584, tab. 2A.

[800] *See* Public Law 103–272, 108 Stat. 745 (July 5, 1994) (to revise, codify, and enact without substantive changes certain laws related to transportation).

[801] S. Rep. No. 103–265, at 4 (May 19, legislative day, May 16, 1994).

[802] *See* 49 U.S.C. 32919.

209,[803] including for, as is relevant to the model years and vehicle classes under consideration in this final rule, EPA's notice of decision granting CARB's request for a waiver of Clean Air Act (CAA) preemption for the Advanced Clean Cars II regulations for light-duty vehicles.[804] In addition, to the extent that CARB purports to enforce its CO_2 emission standards or ZEV mandate to any model years, including for MYs 2025 and beyond, those standards are preempted and unenforceable under EPCA, regardless of their waiver status under the CAA.[805] Given the above, CARB standards cannot be justified as policies properly incorporated in the analytical baseline for EPCA purposes.

The agency received several comments on the interpretation that State standards are not ''other motor vehicle standards of the Government'' for purposes of EPCA and that certain standards related to CO_2 emissions and zero emission vehicles are preempted. The API commented that ''NHTSA is correct in not considering vehicle emissions standards previously set by the California Air Resources Board (CARB), or any other State,'' as ''[n]ot only did Congress revoke the waivers that allowed CARB to enforce its State regulatory programs, the term ''the Government'' clearly is a reference to the Federal Government and cannot reasonably be construed as including State or local governments.'' [806] API also stated that they supported NHTSA's proposal to not incorporate EPA's non-criteria emissions standards.[807]

Other commenters, including NRDC *et al.* and the Attorneys General, opposed the agency's interpretation that the term is limited exclusively to standards issued by the Federal Government.[808] NRDC *et al.* contended that NHTSA's reinterpretation contradicts the statute's plain text and legislative history, arguing that because the 1994 recodification was explicitly intended to restate the law without substantive change, the phrase ''other motor vehicle standards of the Government'' must retain the scope of the original 1975 EPCA text.[809] This original text, specifically within the Section 502(d) modification provisions for MYs 1978–1980, unequivocally defined ''Federal standards'' to include EPA-approved California emissions standards, a legal incorporation NRDC *et al.* asserted remains binding despite the later removal of those specific model-year provisions.[810] Consequently, they argued that NHTSA's current exclusion of California standards impermissibly reads a restrictive limitation into the statute that is unsupported by the historical record and violates established canons of construction against adding words to a statute that do not appear on its face.[811] The Attorneys General also rejected NHTSA's argument that the singular article in ''the Government'' restricts the meaning solely to the Federal Government, arguing that such a reading makes no sense given the provision's clear object to account for the effects of all criteria pollutant emissions standards that reduce fuel economy, which they stated California has specific authority to set.[812]

Commenters also criticized the agency for an unjustified and inadequately explained departure from decades of past practice. Both NRDC *et al.* and the Attorneys General pointed out that NHTSA has consistently considered California's standards under this factor across multiple previous administrations.[813] NRDC *et al.* argued that the agency failed to offer any practical or logical reason why Congress would have prohibited the consideration of CARB standards, given that they are mandatory legal obligations applying to automakers during the rulemaking timeframe.[814] Furthermore, NRDC *et al.* asserted that NHTSA entirely ignored Federal case law, specifically citing the *Green Mountain* and *Central Valley* decisions, which explicitly considered and rejected the agency's newly proposed interpretation.[815]

Commenters also stated that though California's ZEV standards are subject to litigation and EPA had (at the time of the comment period) proposed to rescind GHG standards, these standards remain in effect and NHTSA must consider them, in addition to considering that California and the ''Section 177'' States [816] may increase the stringency of their standards or penalties for non-compliance in response to NHTSA's weakening of the CAFE standards.[817]

NHTSA has carefully considered the comments regarding its interpretation of the phrase ''other motor vehicle standards of the Government'' under 49 U.S.C. 32902(f). NHTSA continues to believe that the most natural reading of the current statutory text, which refers to standards of ''the Government,'' refers to the United States Government. The 1994 recodification was intended to be non-substantive, and the accompanying Senate report specifically states that the term ''Government'' means the Federal or United States Government in subsequent sections. Furthermore, even if the historical statutory language were read to encompass certain State-level requirements, such consideration would be moot in the present context because there are currently no operative California standards that would impose additional, non-redundant obligations on manufacturers beyond the Federal requirements accounted for in this analysis. As discussed above, to the extent CARB purports to enforce its CO_2 emission standards or ZEV mandate to any model years, including for MYs 2025 and beyond, those standards are preempted and unenforceable under EPCA, regardless of their waiver status under the CAA.[818]

The agency also disagrees with the assertion that this interpretation constitutes an inadequately explained departure from past practice. While NHTSA has considered California standards in various capacities in previous rulemakings, the agency has not considered California standards in every past rulemaking.[819] NHTSA is not prohibited from refining its legal interpretations to align more faithfully with the language of the statute. NHTSA also recognizes the commenters' references to district court decisions in

[803] H.J. Res. 87 (Pub. L. 119–15); H.J. Res. 88 (Pub. L. 119–16); H.J. Res. 89 (Pub. L. 119–17); *see also* The White House, Statement by the President, last revised: June 12, 2025, available at: *https://www.whitehouse.gov/briefings-statements/2025/06/statement-by-the-president/* (accessed: May 29, 2026).

[804] 90 FR 642 (Jan. 6, 2025).

[805] NHTSA is actively petitioning for formal recognition and a declaration that CARB's CO_2 emission standards and ZEV mandate are inherently unenforceable. See *United States* v. *CARB,* No. 2:26–cv–847 (E.D. Cal.)

[806] API, Docket No. NHTSA–2025–0490–0053, at 4.

[807] *Id.*

[808] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 21–23; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 70.

[809] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 22.

[810] *Id.*

[811] *Id.* at 21–22.

[812] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 67–70.

[813] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 22; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 67.

[814] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 22.

[815] *Id.*

[816] The term ''Section 177'' States refers to States which had previously elected to adopt California's standards in lieu of Federal requirements, as allowed under section 177 of the CAA when a valid California standard (*i.e.,* a standard for which a waiver has been granted) is in place.

[817] Lucid, Docket No. NHTSA–2025–0491–6043, at 5.

[818] NHTSA is actively seeking a judicial declaration that CARB's CO_2 emission standards and ZEV mandate are preempted by EPCA and unenforceable. See *United States* v. *CARB,* No. 2:26–cv–847 (E.D. Cal.).

[819] *See, e.g.,* 85 FR 24174 (Apr. 30, 2020).

Green Mountain and *Central Valley;* NHTSA addressed those decisions in the SAFE I proposal, concluding that the agency did not agree with the district courts' preemption analysis, which suggested an apparent misunderstanding of the underlying concerns and the requirement to consider other standards.[820] Additional discussion of the agency's assessment of those decisions is located in the SAFE I proposal.[821] The agency maintains that those decisions do not foreclose NHTSA from re-evaluating its own statutory interpretation, particularly as the legal landscape surrounding Federal preemption and State regulatory authority continues to evolve. Lastly, regarding the comment that NHTSA must factor in the possibility that California or Section 177 States may increase the stringency of their standards or penalties in response to this rulemaking, NHTSA disagrees. Not only are State-level fuel economy standards and associated penalties unlawful and unenforceable, but the agency has no duty to model hypothetical future regulatory reactions, regardless of their purported legality or enforceability.

d. The Need of the United States To Conserve Energy

NHTSA has historically interpreted ''the need of the United States to conserve energy'' to mean ''the consumer cost, national balance of payments, environmental, and foreign policy implications of our need for large quantities of petroleum, especially imported petroleum.'' [822]

(1) Consumer Costs and Fuel Prices

Regarding NHTSA's consideration of the need for energy conservation, fuel purchases for vehicles are costly to vehicle owners and operators. Projections of future fuel prices help NHTSA to determine the value of fuel savings both to new vehicle buyers and to society and the amount of fuel economy that the new vehicle market is likely to demand in the absence of new standards. Future fuel prices also inform NHTSA about ''the consumer cost . . . of our need for large quantities of petroleum.'' [823] In this final rule, NHTSA's analysis relies on fuel price projections from EIA's AEO for 2026, Alternative Electricity and Alternative Transportation Combination case.[824] Federal agencies generally use EIA's price projections in their assessment of future energy-related policies.

(2) National Balance of Payments

The need of the United States to conserve energy has historically included consideration of the ''national balance of payments'' because of concerns that importing large amounts of oil created a significant wealth transfer to oil-exporting countries and left the U.S. economically vulnerable.[825] In the 20th and early 21st centuries, the U.S. trade deficit was driven mainly by petroleum.[826] As recently as 2009, almost half of the deficit was composed of petroleum imports.[827] However, this concern has largely abated in the timespan of more recent CAFE rulemakings, in part because other factors besides petroleum consumption have since played a bigger role in the U.S. trade deficit, and because of the substantial rebalancing of international petroleum markets largely driven by shale oil productivity in the United States. In light of significant increases in U.S. oil production and corresponding decreases in oil imports, this concern is likely to remain less pronounced for the foreseeable future.[828] Increasingly, changes in the price of fuel have come to represent transfers between domestic consumers of fuel and domestic producers of petroleum rather than gains or losses to foreign entities.

Though total energy independence is not possible for any country that participates in the global energy market, the fact that the U.S. is now a net oil exporter reduces risks from global price fluctuations. Even if the U.S. consumed only domestically produced petroleum and continued to export, the U.S. economy would still be subject to oil price fluctuations due to external events and situations. But changes in the oil market mean that the risk of damage to the U.S. economy and of potential strain on U.S. drivers is lower than it was in previous decades. To be sure, risk still exists, and both production and consumption of oil are relevant to how significant that risk might be. But the risk is much lower than it would have been in the absence of the rapid growth in U.S. oil production, and this diminished risk means that the need of the U.S. to conserve energy is significantly less than it was at earlier points in the history of the program.

PMI commented that the need of the United States to conserve energy should be given limited weight because the Nation's status as a net exporter of petroleum significantly reduces the energy security risks the statute was originally designed to address.[829] PMI stated that conservation under EPCA should be viewed as insurance against global supply shocks rather than a mandate for scarcity, as domestic abundance provides the economic insulation once sought through more aggressive consumption reductions.[830] One individual commenter also agreed that the energy conservation factor should be weighed differently now that the United States produces more energy than it consumes.[831] The commenter noted that while energy security remains important, the geopolitical and security implications of U.S. energy usage underwent a revolution in 2019 when the shale boom transitioned the country from a net importer to a net exporter.[832] The commenter argued that this fundamentally altered the landscape that existed when Congress originally passed EPCA in 1975 and EISA in 2007, during a 60-year period when the Nation consumed more energy than it produced.[833]

Conversely, commenters including NRDC *et al.,* ZETA, and the Attorneys General, opposed the agency's reliance on the Nation's net exporter status to weigh less heavily the national balance of payments and foreign policy

[820] 83 FR 42986, 43235–6 (Aug. 24, 2018).

[821] *Id.*

[822] 42 FR 63184, 63188 (Dec. 15, 1977).

[823] *Id.*

[824] EIA, Annual Energy Outlook 2026: Case Descriptions, EIA: Washington, DC (2026), available at *https://www.eia.gov/outlooks/aeo/assumptions/pdf/case_descriptions.pdf* (accessed: May 29, 2026). The Alternative Electricity and Alternative Transportation Combination case further explores the impact of policy uncertainty by combining the assumptions in the Alternative Electricity and Alternative Transportation cases. Those cases are described in more detail on page 6 of the Case Descriptions report.

[825] 42 FR 63184, 63192 (Dec. 15, 1977) (''A major reason for this need [to reduce petroleum consumption] is that the importation of large quantities of petroleum creates serious balance of payments and foreign policy problems. The United States currently spends approximately $45 billion annually for imported petroleum. But for this large expenditure, the current large U.S. trade deficit would be a surplus.'').

[826] EIA, Today in Energy: Recent Improvements in Petroleum Trade Balance Mitigate U.S. Trade Deficit, last revised: July 21, 2014, available at: *https://www.eia.gov/todayinenergy/detail.php?id=17191* (accessed: May 28, 2026).

[827] *Id.*

[828] Though future changes in trade policy and its potential macroeconomic impacts remain a source of uncertainty in EIA's outlooks, the most recent Short Term Energy Outlook projects U.S. crude oil production to increase from around 13.6 million barrels per day in 2025 to 13.8 million barrels per day in 2026, and U.S. crude oil inventories (excluding SPR) are expected to increase by about 5 percent from 2025 to 2026. See EIA, Short-Term Energy Outlook, last revised: July 7, 2026, available at: *https://www.eia.gov/outlooks/steo/.*

[829] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 33.

[830] *Id.* at 34.

[831] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 4.

[832] *Id.*

[833] *Id.*

considerations.[834] First, these commenters asserted that the United States remains highly susceptible to global oil market volatility, arguing that increased domestic oil production does not insulate consumers from global price shocks.[835] Commenters noted that the United States still relies heavily on foreign oil, importing millions of barrels of crude oil per day, with ZETA specifying approximately 8 million barrels per day,[836] and NRDC *et al.* citing 6.48 million barrels per day in 2023.[837] The Attorneys General emphasized that imports remain particularly critical for areas not well connected to domestic production, such as the West Coast and Hawai'i, the latter of which lacks domestic petroleum sources and relies on imports for roughly 80 percent of its energy consumption.[838]

Second, commenters pointed to recent geopolitical events as evidence of the Nation's ongoing vulnerability to supply shocks. NRDC *et al.* and the Attorneys General cited the surge in crude oil prices following Russia's 2022 invasion of Ukraine, as well as recent U.S. operations in Venezuela aimed at securing oil to reduce domestic prices.[839] The Attorneys General further argued that NHTSA's premise of diminished energy risk is contradicted by the President's recent declaration of a ''national energy emergency,'' which explicitly cited inadequate domestic energy production and transportation capacity as an ongoing threat.[840] Furthermore, the Attorneys General criticized NHTSA's rationale that fuel purchases represent a transfer between domestic consumers and producers; they argued it is implausible to treat increased profits for oil companies as an even trade for the negative economic consequences of adding cost pressures and price-shock exposure to everyday American households.[841]

NHTSA has considered the comments regarding the need of the United States to conserve energy and the agency's assessment of how the Nation's transition to a net petroleum exporter affects the weighing of this factor. As an initial matter, the agency recognizes that the statutory landscape governing the CAFE program was shaped during periods of relative energy scarcity and significant reliance on foreign petroleum. NHTSA agrees with PMI and other commenters that the United States shale revolution and the Nation's subsequent shift in 2019 to a net exporter status represent a fundamental change in the national energy profile that the agency must account for when determining the maximum feasible average fuel economy levels.

Historically, the national balance of payments was a primary driver of the need to conserve energy, as the massive outflow of capital to oil-exporting nations created systemic economic vulnerabilities. With the U.S. now producing record levels of crude oil and experiencing a substantial rebalancing of international markets, the macroeconomic risk associated with a wealth transfer to foreign entities has diminished. This shift supports NHTSA's view that the agency may weigh the ''need of the United States to conserve energy'' differently than the agency had weighted it in 1975 or 2007.

NHTSA recognizes the persistence of global market volatility and its impact on American consumers. The agency acknowledges, as it did in the proposal, that net exporter status does not equate to total energy insulation or price immunity. Geopolitical conflicts, including those in or near oil producing regions,[842] could result in short-term volatility in global oil markets because they introduce sudden uncertainty regarding supply continuity and maritime transit security. These events lead to price spikes driven by both physical disruptions and speculative trading, which could strain the domestic economy. That said, global energy markets are increasingly resilient in light of geopolitical conflicts compared to historic events.[843] In contrast, the CAFE program is a long-term structural intervention designed to address the underlying demand for petroleum by establishing fuel efficiency of the national fleet. CAFE standards can lower the baseline energy intensity of the U.S. economy, providing a hedge against price trends over decades, but are neither intended nor suited to manage transient fluctuations of a global commodity market.

Regarding the criticism of the agency's characterization of fuel price changes as transfers between domestic producers and consumers, NHTSA clarifies that this perspective is not a dismissal of consumer hardship, but rather a recognition that, as discussed in more detail in TSD Chapter 6, from a national accounting perspective, when a domestic consumer pays more for fuel produced within the U.S., that money remains within the domestic economy rather than being transferred to a foreign producer. NHTSA emphasizes that the standards established in this final rule consider consumer impacts of fuel costs by giving weight to economic practicability in considering upfront vehicle costs.

Ultimately, NHTSA must strike a balance between the reality of increased domestic abundance and the lingering risks of global market integration. As discussed below regarding the level of final standards, NHTSA has weighed the conservation of energy not as a response to an era of scarcity, but as a strategic tool to enhance economic resilience and reduce the exposure to a volatile global commodity, in light of the Nation's status as a net exporter.

(3) Environmental Effects

NHTSA has considered environmental effects in setting CAFE standards, in some cases in the context of the need of the United States to conserve energy, in the context of the agency's regulatory impact analysis and associated obligations under Circular A–4, and in the context of NEPA.[844] In addition to discussing how these effects are weighted in NHTSA's balancing of maximum feasible standards for this final rule, discussed below, NHTSA also summarizes information related to the environmental effects of this final rule in Chapter 8.2.5 of the FRIA, and in the section below titled ''National Environmental Policy Act.'' For more detail on the NEPA analysis conducted in conjunction with this final rule, please refer to the accompanying Final SEIS.

In the proposal, NHTSA sought comment on whether Congress had given it authority under EPCA to consider environmental effects when setting fuel economy standards. NHTSA stated that EPCA's charge is for the agency to set maximum feasible fuel economy standards to reduce national

[834] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 52; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 6; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 72.

[835] *Id.*

[836] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 6.

[837] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 54 (citing EIA, Frequently Asked Questions (FAQs): How Much Petroleum Does the United States Import and Export?, available at: *https://www.eia.gov/tools/faqs/faq.php?id=727&t=6* (accessed: May 28, 2026)).

[838] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 75–76.

[839] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 53–4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 75.

[840] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 72.

[841] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 76.

[842] See, *e.g.,* Domonoske, C., Why a War in the Middle East Hasn't Sparked an Oil Crisis, last revised: June 25, 2025, available at: *https://www.npr.org/2025/06/25/nx-s1-5444030/oil-prices-iran-israel* (accessed: May 29, 2026).

[843] *Id.*

[844] 53 FR 33080, 33096 (Aug. 29, 1988); 53 FR 39275, 39302 (Oct. 6, 1988).

vulnerability to supply shocks while balancing statutory factors—none of which includes environmental effects. Among those statutory considerations is the effect of other Federal Government standards on fuel economy. NHTSA stated that the agency had traditionally considered the fact that the vehicles NHTSA regulates are also subject to compliance obligations under EPA's criteria emission standards (*e.g.,* mass attributable to adding a catalytic converter) in setting fuel-economy standards. This is appropriate since EPA is the Federal environmental regulator. NHTSA noted that the agency is not an environmental regulator, and Congress directed NHTSA to consider the impact of regulations established by Federal environmental regulators (*i.e.,* in practice, primarily EPA) on fuel economy when establishing standards. NHTSA also stated that the question of the appropriateness of NHTSA's historic consideration of environmental effects when setting fuel economy standards has become more relevant considering the United States' recent emergence as a net petroleum exporter. NHTSA solicited comments on whether consideration of potential effects of upstream activity such as domestic extraction and refining of petroleum conflicts with or is otherwise not contemplated by Congress's delegation of fuel-economy regulatory authority to NHTSA, including because those upstream activities are subject to regulation by the EPA under the CAA. Considering EPCA's initial passage as an energy conservation statute and the United States being a net energy exporter, the agency sought comment on whether environmental effects should remain relevant under ''the need of the United States to conserve energy,'' or any other factor.

Despite this request for comment, NHTSA presented the results of selected environmental metrics in its discussion of maximum feasibility, specifically with regard to the need of the United States to conserve energy, and presented the full suite of modeled environmental metrics in the agency's PRIA accompanying the proposal. The agency also discussed the results of its Draft SEIS, which considered more environmental effects in accordance with the agency's NEPA obligations.

The agency received a variety of comments focusing on whether the agency possesses the authority to and should consider environmental effects. Commenters, such as PMI, argued that the ''need to conserve energy'' does not encompass environmental or global climate change considerations and that the agency should discontinue consideration of environmental effects.[845] PMI argued that EPCA is fundamentally an energy security law, not an environmental statute, and pointed to the Supreme Court's decision in *Massachusetts* v. *EPA* to emphasize that environmental protection falls under the EPA's distinct mandate.[846] PMI stated that the proper statutory mechanism for NHTSA to account for environmental regulation is through the ''other motor vehicle standards of the Government'' factor, which requires the agency to evaluate the physical fuel economy impacts of installing EPA-mandated emission control components.[847] PMI also stated that even if NHTSA *could* consider environmental effects in setting CAFE standards, EPCA restricts that consideration to domestic effects.[848] API commented that, though it ''may be relevant to consider the environmental effects from the transportation sector, and related upstream activities on a lifecycle basis in considering the four statutory factors, NHTSA should not duplicate the policymaking and analysis of other agencies that regulate the environmental effects of activities linked to vehicles.'' [849] API stated that ''[i]t is paramount that CAFE standards be cost-effective and technology-neutral, providing consumer choice in transportation. NHTSA's own policy making, in so far as it considers environmental effects and achieves environmental outcomes, should have the buy-in of vehicle, fuel, and equipment manufacturers, to reflect that the policy is achievable to implement and acceptable to consumers.'' [850] AFPM commented that the law prohibits NHTSA from considering environmental impacts, including upstream or downstream emissions, because the statute explicitly limits the agency to considering only technological feasibility, economic practicability, the effect of other motor vehicle standards, and the need of the Nation to conserve energy.[851] Although AFPM acknowledged NEPA requires NHTSA to assess the environmental impacts of its proposed actions, it asserted that environmental modeling is not relevant to EPCA's central objective of conserving energy reserves and reducing reliance on energy imports.[852] Citing the substantial deference Federal agencies receive to determine the scope of the environmental effects they consider, AFPM concluded that NHTSA's decision not to consider these environmental impacts in its standard-setting process is legally appropriate.[853]

An individual commenter stated that the ''need of the Nation to conserve energy'' factor as Congress wrote it ''is both flexible and capacious enough to cover today's new energy reality, where the major geopolitical threat to U.S. energy security comes from China, rather than OPEC or the Arab League. However, this term is not capacious enough, and was never intended to be, to cover environmental effects unrelated to the energy security of the United States. To the extent that such environmental effects include vehicle electrification mandates that further strain the U.S. grid, and increase reliance on green energy and EV infrastructure from China, such environmental effects are not only unrelated to the statutory goals, but actively opposed to them. For these reasons, NHTSA's approach in this proposal represents important progress in advancing the energy conservation needs of the United States, as Congress intended.'' [854]

Conversely, commenters, including NRDC *et al.* and the Attorneys General, opposed the potential interpretation, arguing that excluding environmental effects violates congressional intent, statutory text, and decades of agency practice.[855] These commenters argued that the ordinary meaning of ''conservation'' inherently includes the long-term benefits of pollution reduction, and they pointed to legislative history from AMFA and EISA as evidence that Congress consistently recognized air quality improvements and greenhouse gas reductions as important justifications for strengthening the CAFE program.[856] The Minnesota Pollution Control Agency and the Minnesota Department of Transportation strongly urged NHTSA to consider environmental impacts, arguing that Congress inherently directed agencies to consider such effects when it called for the more efficient use of energy, and noting the statutory requirement to consult with EPA. OCT similarly asserted a legal and

[845] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 38.

[846] *Id.*

[847] *Id.*

[848] *Id.*

[849] API, Docket No. NHTSA–2025–0490–0053, at 4.

[850] *Id.*

[851] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 19–20.

[852] *Id.*

[853] *Id.*

[854] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 8.

[855] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 19; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 78–81.

[856] *Id.*

moral obligation to transition away from fossil fuels to prevent climate harm,[857] while an individual commenter characterized the agency's reliance on a narrow statutory interpretation that ignores other environmental laws as misguided.[858]

Both NRDC *et al.* and the Attorneys General criticized the agency for the potential departure from its historical precedent, stating that NHTSA has consistently evaluated environmental implications, including climate change, under the ''need of the United States to conserve energy'' factor since the late 1970s.[859] They also noted that three separate court of appeals decisions over the last 40 years have explicitly affirmed this interpretation.[860] Consequently, commenters asserted that abandoning this longstanding practice, especially given that the statute does not expressly prohibit the consideration of environmental and health impacts, would constitute a failure to consider an important aspect of the problem, thereby rendering the rule arbitrary and capricious.[861]

Finally, commenters rejected several of the agency's potential administrative and policy rationales for excluding environmental effects. The Attorneys General countered the argument that environmental impacts should be handled solely via the ''other motor vehicle standards'' factor by noting that NHTSA's duty to account for EPA emission standards is legally distinct from its broader duty to consider the social importance of reducing fuel consumption.[862] They added that relying on EPA regulations is particularly inadequate given EPA's (then) proposal to rescind its greenhouse gas standards.[863] In addition, the Attorneys General and NRDC *et al.* argued that the status of the United States status as a net energy exporter does not override the statutory mandate to conserve energy,[864] or diminish the pressing need to address climate considerations.[865] The Attorneys General also asserted that it is arbitrary for the agency to ignore upstream environmental effects, such as emissions from petroleum extraction and refining, while simultaneously evaluating upstream foreign policy and supply chain implications under the same statutory factor.[866]

NHTSA has carefully reviewed the comments regarding the scope of the ''need of the United States to conserve energy'' factor and the extent to which it may encompass environmental and climate change considerations. The agency continues to believe that its mandate under EPCA is focused on energy security and the reduction of petroleum consumption. Although some commenters point to a broad definition of the word ''conservation'' to include environmental conservation, NHTSA notes that in EPCA, Congress only uses ''conservation'' in the context of ''energy conservation,'' and specifically directs NHTSA to consider the need of the United States to ''conserve energy.'' [867] NHTSA's consideration of environmental mandates and factors is properly situated under the ''other motor vehicle standards of the Government'' factor, where the agency evaluates how compliance with EPA emissions standards impacts manufacturers' ability to improve fuel economy. The Supreme Court has similarly acknowledged EPCA's focus on energy conservation in motor vehicle regulation, while distinguishing EPA's focus in the same space to protect public health and welfare.[868] In addition, NHTSA considers environmental factors when assessing the effects of its actions under NEPA.

NHTSA does not agree that its interpretation constitutes an arbitrary departure from precedent. While the agency has discussed environmental impacts in the preambles of prior rulemakings, the agency's departure from that practice is not an arbitrary one, as NHTSA is not legally required to treat environmental impacts as a driver of the fuel economy levels under the ''need to conserve energy'' factor. NHTSA has concluded that the approach presented in the proposal and this final rule is appropriate because Congress directed the agency to set standards that are maximum feasible and has specified the four factors to be used in doing so. In focusing the application of this factor on energy conservation (as contrasted with the environmental consequences of energy conservation), NHTSA is ensuring that its decisions are based on the core energy-related objectives of the statute as Congress has directed. The agency has considered the relevant aspects of ''the need to conserve energy'' by focusing on the Nation's current energy posture, including the significant shift in the status of the United States to a net energy exporter, which fundamentally alters the domestic need to conserve energy compared to the era in which EPCA was originally enacted. Moreover, the referenced statements from EISA's legislative history do not evidence that CAFE standards were intended to address environmental factors, but rather that greenhouse gas emissions reductions were an ancillary byproduct of higher standards.

Regarding the assertion that NHTSA's consideration of environmental impacts under the ''other motor vehicle standards'' factor is inadequate, NHTSA believes this approach is consistent with the differing roles Congress created for NHTSA and EPA under their respective statutory schemes. The agency's obligation to consider the need to conserve energy is appropriately balanced alongside the other statutory factors, including economic practicability and technological feasibility. NHTSA disagrees that it is arbitrary to consider upstream energy security or supply chain implications while excluding upstream environmental effects; the former are directly tied to the availability and security of the Nation's energy supply, which is the central concern of EPCA, whereas the latter fall under the specialized expertise and regulatory jurisdiction of other Federal and State environmental agencies. Consequently, NHTSA believes its interpretation of the ''need to conserve energy'' is a reasonable and lawful exercise of its administrative discretion that remains consistent with the overarching goal of promoting energy independence, and that consideration of environmental factors is appropriate under the ''other motor vehicle standards'' factor, and also appropriate when fulfilling agency obligations under NEPA and when conducting analysis pursuant to E.O. 12866.

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[857] OCT, Docket No. NHTSA–2025–0491–4903, at 5.

[858] Laura Georgi, Docket No. NHTSA–2025–0491–6028.

[859] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 19–20; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 79.

[860] *Id.*

[861] *Id.*

[862] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 79–80.

[863] *Id.*

[864] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 52.

[865] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 80.

[866] *Id.*

[867] *See, e.g.,* 49 U.S.C. 32912(c)(1)(A)(i) (discussing the circumstances in which the Secretary can increase the civil penalty rate; specifically, when it ''will result in, or substantially further, substantial energy conservation for automobiles . . . .'').

[868] *Massachusetts* v. *E.P.A.,* 549 U.S. 497, 532 (2007) (''But that DOT sets mileage standards in no way licenses EPA to shirk its environmental responsibilities. EPA has been charged with protecting the public's ''health'' and ''welfare,'' 42 U.S.C. 7521(a)(1), a statutory obligation wholly independent of DOT's mandate to promote energy efficiency. See Energy Policy and Conservation Act, § 2(5), 89 Stat. 874, 42 U.S.C. 6201(5). The two obligations may overlap, but there is no reason to think the two agencies cannot both administer their obligations and yet avoid inconsistency.'').

(4) Foreign Policy Implications

U.S. consumption and imports of petroleum products can impose costs on the domestic economy that are not reflected in the market price for crude petroleum or in the prices paid by consumers for petroleum products such as gasoline. These costs include the risk of disruptions to the U.S. economy caused by sudden increases in the global price of oil and its resulting impact on fuel prices faced by U.S. consumers.[869] Higher U.S. consumption of crude oil or refined petroleum products could increase the magnitude of external economic costs, thus increasing the true economic cost of supplying transportation fuels above the resource costs of producing them. Conversely, reducing U.S. consumption of crude oil or refined petroleum products (by reducing motor fuel use) can reduce these external costs.

While these costs are considerations, the United States has shifted to become a net petroleum exporter,[870] as discussed above. The U.S. currently produces a surplus of petroleum relative to its needs and is projected to remain a net exporter for decades, though it continues to swap its light-grade oil for the heavier imports required by domestic refineries. In 1977, the U.S. consumed 18.43 million barrels of oil per day, producing 10.39 million, and importing 8.81 million. By 2007, when EISA was adopted, U.S. consumption had risen to 20.68 million barrels of oil per day, with production dropping to 7.85 million, and imports increasing significantly to 13.47 million. By 2022, the landscape had shifted dramatically, with U.S. production of total petroleum liquids skyrocketing to 20.08 million barrels per day, effectively matching domestic consumption of 20.01 million barrels of oil per day.[871] While these figures indicate the U.S. has reached a net exporter status by volume, the Nation remains integrated into the global market. Specifically, the U.S. still imported 8.32 MMb/d in 2022.[872] This continued importation is not driven by a lack of domestic volume, but rather that U.S. refineries are largely optimized to process heavy crude oil from abroad, while domestic shale production yields light crude, much of which is exported to international markets.[873]

Further, as petroleum imports have declined substantially, the source of such imports has shifted away from more volatile sources in the Middle East and towards North America. In 1977, 8.64 million barrels of oil per day were imported from OPEC and Persian Gulf countries, while only 540 thousand barrels were imported from Canada.[874] In 2007, 8.14 million barrels per day were imported from OPEC and Persian Gulf countries, but Canadian imports increased to 2.23 million.[875] By 2022, OPEC and Persian Gulf imports dropped to only 2.23 million barrels per day, while Canadian imports jumped to 4.37 million.[876] This significant change in circumstances has added new stable supply to the global oil market since the adoption of EPCA and EISA, even as U.S. imports shifted away from volatile and adversarial sources and toward North American sources. NHTSA's assessment of the weight of this factor in balancing the ''need of the Nation to conserve energy'' has shifted accordingly, as discussed in more detail below.

AFPM acknowledged that the United States cannot completely insulate itself from global oil price dynamics, noting that geopolitical disruptions such as Middle East conflicts, Russian supply shocks, or sanctions still ripple through the globally integrated oil market.[877] However, AFPM argued that, as fuel economy stringency increases, the marginal petroleum savings from each additional increase decline because manufacturers have already applied the most cost-effective technologies.[878] Because foreign policy benefits rely on actual petroleum reductions, AFPM concluded that these diminishing returns moderate the need for increasingly stringent standards.[879]

Other commenters objected to NHTSA's conclusion that foreign policy considerations have diminished, arguing that the proposed rule will increase oil dependency and associated military costs. NRDC *et al.* and the Attorneys General emphasized that reducing fuel use is a critical mechanism for mitigating the foreign policy costs associated with oil consumption.[880] The Attorneys General noted that relying on oil exacerbates vulnerabilities to supply disruptions, limits U.S. alliances, empowers hostile oil-exporting countries, and necessitates the costly maintenance of a U.S. military presence in regions like the Middle East.[881] By conserving energy, they argued, strong standards increase resilience and reduce revenue to regimes opposed to U.S. interests.[882]

These commenters further stated that the premise of diminished risk is factually contradicted by America's continued exposure to international market volatility and its reliance on heavy crude imports, with the U.S. still importing 6.48 million barrels per day in 2023 and in light of the agency's own assumption that 90 percent of any change in domestic gasoline consumption merely shifts crude exports rather than altering domestic production.[883] To illustrate these ongoing national security vulnerabilities, commenters highlighted the market shocks following Russia's 2022 invasion of Ukraine and the President's recent Executive Order aimed at safeguarding Venezuelan oil revenue to lower domestic prices.[884] Because the U.S. cannot dictate prices in a global market, NRDC *et al.* cited the agency's prior 2022 statement that reducing consumption is the only effective protection for consumers from

[869] While the U.S. continues to maintain a significant military presence in critical maritime transit corridors, such as the Strait of Hormuz, to ensure the stability of global energy markets and the free flow of commerce, such deployments serve a broad range of strategic, diplomatic, and security objectives that extend far beyond the protection of petroleum supplies. The specific operational requirements and mission profiles of U.S. forces in these regions are dictated by complex geopolitical dynamics and defense obligations that remain independent of domestic fuel consumption levels. Consequently, the incremental reductions in oil demand projected to result from the CAFE standards are not of a magnitude that would reasonably be expected to alter the scale or necessity of existing military missions dedicated to safeguarding the production and transportation of energy resources across the globe.

[870] EIA, U.S. Energy Facts Explained: The United States Has Been An Annual Net Total Energy Exporter Since 2019, available at: *https://www.eia.gov/energyexplained/us-energy-facts/imports-and-exports.php* (accessed: May 29, 2026).

[871] EIA, Oil and Petroleum Products Explained, last revised: Jan. 19, 2024, available at: *https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php* (accessed: May 29, 2026).

[872] *Id.*

[873] See, *e.g.,* EIA, Recent U.S. Imports of Oil Tend to Be Heavier Than Domestic Production, last revised: May 6, 2016, available at: *https://www.eia.gov/todayinenergy/detail.php?id=26132* (accessed: May 12, 2026).

[874] EIA, Oil and Petroleum Products Explained, last revised: Jan. 19, 2024, available at: *https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php* (accessed: May 29, 2026).

[875] *Id.*

[876] *Id.*

[877] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 18.

[878] *Id.*

[879] *Id.*

[880] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 64–5; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 7.

[881] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 7.

[882] *Id.*

[883] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 54.

[884] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 53–4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 75.

foreign policy price shocks.[885] The Attorneys General noted that NHTSA's proposal will instead raise fuel consumption by nearly 100 billion gallons through 2050, exacerbating demand that is inextricably linked to the estimated $81 billion spent annually on maintaining a U.S. military presence to secure imported oil.[886] Commenters thus contended that the agency acted arbitrarily and capriciously by departing from longstanding reasoning and not giving weight to these military and foreign policy factors, especially while the administration simultaneously spends resources on military action to secure oil infrastructure in places like Venezuela.[887]

NHTSA has considered the comments regarding the role of foreign policy and national security relating to the ''need of the United States to conserve energy.'' The agency continues to believe that the fundamental shifts in the domestic energy landscape since the enactment of EPCA necessitate a re-evaluation of how these considerations influence the stringency of fuel economy standards. As noted by AFPM, the United States has achieved a level of energy independence that was largely unforeseen when the CAFE program was first established, and the Nation's status as a net energy exporter significantly mitigates the traditional energy security risks associated with oil consumption. While the agency acknowledges that global oil prices remain integrated and subject to international volatility, the marginal security benefits of additional fuel-economy increases have diminished as manufacturers have deployed the most effective fuel-economy-improving technologies widely across the fleet.

The agency disagrees with the characterization by NRDC *et al.* and the Attorneys General that the proposed standards will actively increase oil dependency or jeopardize national security. While commenters highlighted recent geopolitical shocks and U.S. military actions in regions such as Venezuela and the Middle East, these events involve a complex array of national security and diplomatic objectives that are not driven primarily by domestic fuel consumption levels. A U.S. military presence in critical maritime transit corridors protects global commerce and regional stability broadly Commenters provided no evidence that incremental fuel savings associated with more stringent standards would lead to a measurable reduction in these overarching defense obligations, and the agency remains unconvinced of such a direct relationship. Specifically, regarding requests for additional quantification of the connection between CAFE standards and military spending, NHTSA explains that the prevailing literature concludes that policies to moderately reduce oil imports over time, which did not entirely eliminate import dependency, would have little benefit in terms of reducing U.S. military spending in any particular region. For this reason, most recent economics articles that quantify energy security-related benefits associated with policies like CAFE standards do not include changes in military spending.

Furthermore, the agency's obligation is to set the maximum feasible average fuel economy level based on a realistic assessment of the Nation's current energy needs. Given the record-breaking domestic production levels, the significant strategic reserves currently held by the United States, and the shift away from imported petroleum from volatile regions, the agency believes that the standards established in this final rule strike the appropriate balance between promoting energy conservation and recognizing the diminished role of petroleum-based foreign policy vulnerabilities.

In addition, in response to comments regarding the continued exposure of the United States to international volatility and reliance on specific crude grades, NHTSA observes that these market dynamics are better addressed through broader energy and economic policies rather than fuel economy standards. The agency's analysis, including incorporation of the most up-to-date fuel price projections, indicates that the domestic market is currently far more resilient than in previous decades, and the costs of forcing further, more expensive fuel economy improvements would disproportionately impact American consumers without providing a corresponding increase in national security. NHTSA remains committed to setting standards that conserve energy but maintains that this goal must be pursued in a manner that is economically practicable, reflective of the geopolitical realities of 2026, and in conformance with law.

NHTSA discusses additional comments on how the agency balanced the need of the United States to conserve energy in arriving at the final standards below.

e. Factors That NHTSA Is Prohibited From Considering

EPCA also provides that in determining the level at which NHTSA should set CAFE standards for a particular model year, the agency may not consider the fuel economy of dedicated automobiles, must consider dual-fueled automobiles to be operated only on gasoline or diesel fuel, and may not consider, when prescribing a fuel economy standard, the trading, transferring, or availability of credits under section 32903.[888] Because restrictions are set forth in 49 U.S.C. 32902(h), these are referred to as the ''subsection 32902(h)'' limitations.

On June 11, 2025, NHTSA published in the **Federal Register** an interpretive rule titled ''Resetting the Corporate Average Fuel Economy Program'' (the ''interpretive rule''), which set forth NHTSA's interpretation of how it could consider the subsection 32902(h) limitations when setting maximum feasible CAFE standards.[889] That rule described the history surrounding EPCA's passage in 1975: EPCA was passed in the context of the Arab oil embargoes of the 1970s when American consumers and the U.S. economy were impacted by gasoline shortages and high fuel prices. The House report accompanying EPCA noted that, as a result, the legislation sought to address the national security dangers of America's dependence on foreign oil.[890] Consistent with that context, the House report stated that the purpose of the CAFE program was to induce automakers into offering America's consumers more fuel-efficient vehicle options to advance the national goal of conserving energy, while simultaneously ''recogniz[ing] that the automobile industry has a central role in our national economy and that any regulatory program must be carefully drafted so as to require of the industry

[885] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 55.

[886] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 77.

[887] *Id.*

[888] 49 U.S.C. 32902(h).

[889] 90 FR 24518 (June 11, 2025).

[890] *See* H.R. Rep. No. 94–340, at 6–10, 87–88 (1975) (available in the docket for this rulemaking) (''In 1973 the embargo affected 14 percent of U.S. petroleum consumption and precipitated a $10- to $20-billion drop in GNP . . . In June of 1973 the average selling price for regular gasoline was reported to be approximately 38.8 cents per gallon, including tax. By June of 1974 that price had increased to 55.1 cents per gallon, an addition in excess of 42 percent. Yet in the same period, gasoline demand went from 6.8 million barrels per day to 7.0 million barrels per day. In other words, gasoline demand actually increased by 2.9 percent even though prices had jumped by over 42 . . . Part B of title V of the bill establishes a long range program for improving automobile fuel economy by requiring manufacturers and importers to meet increasingly stringent average fuel economy standards, and to disclose the fuel economy of each new automobile sold in the United States.'').

what is attainable without either imposing impossible burdens on it or unduly limiting consumer choice as to capacity and performance of motor vehicles.'' [891]

As originally enacted, EPCA did not specify matters that the Secretary may not consider when setting maximum feasible standards. The subsection 32902(h) limitations first appeared in the AMFA in 1988.[892] AMFA aimed to displace energy derived from imported oil to help achieve energy security and improve air quality by encouraging the development and widespread use of methanol, ethanol, and natural gas as transportation fuels by consumers and the production of motor vehicles powered by these fuels. The statute specified that, in carrying out responsibilities to set maximum feasible fuel economy standards, ''the Secretary shall not consider the fuel economy of alcohol powered automobiles or natural gas powered automobiles, and the Secretary shall consider dual energy automobiles and natural gas dual energy automobiles to be operated exclusively on gasoline or diesel fuel.'' [893] One member of Congress described AMFA's approach as ''evenhanded'' in that the bill did not favor one alternative fuel over another; rather, ''[i]t allow[ed] the market to pick the non-petroleum alternative fuel of the future.'' [894]

The conferees specifically noted their intent to ensure that the Secretary of Transportation did not erase the AMFA incentives by setting the CAFE standards for passenger or non-passenger automobiles ''at a level that assumes a certain penetration of alternative fueled vehicles.'' [895] Specifically, ''[i]t is intended that [NHTSA's maximum feasibility] examination will be conducted without regard to the penetration of alternative fuel vehicles in any manufacturer's fleet, in order to ensure that manufacturers taking advantage of the incentives offered by this bill do not then find DOT including those incentive increases in the manufacturer's 'maximum fuel economy capability.' '' [896]

The Energy Policy Act of 1992 expanded the subsection 32902(h) limitations to include all dedicated alternative-fueled vehicles.[897] The Energy Policy Act's accompanying House report acknowledged that the widespread use of alternative fuels faced several challenges, but expanded the AMFA requirements to keep the program ''fuel neutral.'' [898] The Energy Policy Act's legislative history explained that this expansion occurred because ''all the data, experience, and knowledge gathered concerning alternative fuels over the past two decades points to the fact that no one fuel is 'the winner.''' [899]

There have been no subsequent substantive changes to the language in subsection 32902(h),[900] including with the enactment of EISA in 2007.

In addition to examining the legislative history surrounding the subsection 32902(h) factors, the interpretive rule, among other things, set forth the bases for NHTSA's conclusion that the statute bars the agency from considering the fuel economy of dedicated automobiles in setting maximum feasible fuel economy standards. Specifically, NHTSA concluded that a lawful exercise of its standard-setting authority requires that the agency adhere to the prohibitions in subsection (h) at every stage of the standard-setting process. Consequently, when evaluating what level of fuel economy is ''maximum feasible,'' NHTSA must establish standards based solely on the capabilities of the gasoline-powered vehicle fleet. This interpretation differed from earlier approaches that considered the projected market penetration of alternative-fueled vehicles in establishing a baseline for considering and evaluating increasing stringency. NHTSA stated in the interpretive rule that if the agency were to set a standard that could be met by a manufacturer only through the production of electric vehicles or the purchase of credits, it would be effectively ''considering'' those very vehicles in contravention of subsection 32902(h). By ensuring that the ''maximum feasible'' level of standards is determined strictly by the performance and costs of gasoline and diesel vehicles, the agency avoids creating standards that serve as a mandate for electrification, rather than a production incentive as Congress intended.

The agency received a wide array of comments regarding its interpretive rule, and its underlying interpretation of the statutory restrictions in subsection 32902(h). Commenters were divided over whether the agency possesses the statutory authority to exclude alternative fueled vehicles entirely from the standard-setting process, with commenters providing feedback on both the procedural validity of the interpretive rule and substantive statutory interpretation.

Commenters including the Alliance, Hyundai, Kia, and Stellantis supported excluding EVs from the baseline analysis and standard-setting process.[901] They concurred that subsection 32902(h) explicitly prohibits the agency from considering dedicated AFVs when establishing maximum feasible fuel economy standards.[902] Stellantis emphasized that the legislative history of the Alternative Motor Fuels Act demonstrates Congress's intent to prevent the agency from using alternative fuel incentives to inflate an automaker's capability, noting that the prior inclusion of these vehicles exaggerated the fleet's capabilities and led to overly aggressive standards.[903] Kia added that excluding EVs provides stability to the CAFE program, as the large unknowns regarding EV sales volumes and PEF variability introduce a high degree of compliance uncertainty.[904]

API, AFPM, and a joint coalition of fuel marketers (NACS, NATSO, SIGMA, and EMA (hereinafter referred to as NACS *et al.*)) echoed support for the exclusion.[905] The joint coalition argued that the statute establishes a clear legislative boundary requiring fuel economy standards to be based exclusively on liquid or gaseous fuel consumption, which inherently

[891] *Id.* at p. 87.

[892] Alternative Motor Fuels Act of 1988, Public Law 100–494, 102 Stat. 2441 (Oct. 14, 1988).

[893] *Id.* at 102 Stat. 2450.

[894] 134 Cong. Rec. H25122 (Sept. 23, 1988) (statement of Rep. Sharp).

[895] *Id.* at 25124 (statement of Rep. Dingell).

[896] *Id.*

[897] Energy Policy Act of 1992, Public Law 102–486 (1992) (''Title V of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001 *et seq.*) is amended . . . in section 502(e)—(A) by striking 'alcohol powered automobiles or natural gas powered' and inserting in lieu thereof 'dedicated' '').

[898] H.R. Rep. No. 102–474, at 35 (1992).

[899] *Id.*

[900] In 1994, Congress restated the laws related to transportation in one comprehensive title in the recodification of title 49 of the United States Code, *see* S. Rep. No. 103–265 (1994); H.R. Rep. No. 103–180 (1993). The recodification, which was enacted to restate without substantive change all transportation laws in one title, substituted simple language for ''awkward and obsolete terms,'' and eliminated superseded, executed, and obsolete laws. The standard changes made uniformly throughout the revised section are explained in a report preceding the law. Important for this interpretation, ''[t]he words 'may not' are used in a prohibitory sense, as 'is not authorized to' and 'is not permitted to.' ''

[901] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at II–1; Hyundai, Docket No. NHTSA–2025–0491–4972, at 2; Kia, Docket No. NHTSA–2025–0491–5123, at 2; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 5.

[902] *Id.*

[903] Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 5.

[904] Kia, Docket No. NHTSA–2025–0491–5123, at 2.

[905] API, Docket No. NHTSA–2025–0490–0053, at 3; AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 3–6; NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 2–3.

excludes electricity.[906] AmFree and Corn Growers Associations further argued from an economic standpoint, contending that a standard becomes economically impracticable if it raises the cost of essential vehicles to subsidize luxury EVs, and that the statute does not permit the agency to consider EVs simply because they are produced in response to other regulations.[907]

A coalition of States, including the Commonwealth of Kentucky, the State of West Virginia, and 22 other States (Joint States), alongside the U.S. Chamber of Commerce, PMI, and the Institute for Energy Research (IER), agreed that standards must be entirely feasible and practicable for gas-powered vehicles without regard to non-gas-powered alternatives or compliance credits.[908] PMI emphasized that the statutory command that the Secretary ''may not consider'' EVs admits of no discretion, meaning the agency cannot read unwritten exceptions into the law to permit considering EVs at any point in the process.[909] Furthermore, PMI urged the agency to extend this regulatory exclusion to high-range PHEVs, arguing that treating them as gasoline-powered vehicles in regulatory modeling arbitrarily bypasses statutory constraints because their internal-combustion engines function primarily as a redundancy rather than a prime mover.[910]

API, IER, the U.S. Chamber of Commerce, PMI, and individual commenters also argued that the prior inclusion of EVs functioned as an unlawful backdoor attempt to force the electrification of the vehicle fleet and a ''de facto technology mandate.'' [911] They and other commenters asserted that the previous methodology substituted the agency's policy preferences for Congress's clear instructions, violating the major questions doctrine by exerting highly consequential economic and political power without the required clear congressional authorization.[912]

Several commenters concluded that removing consideration of prohibited technologies and credits from every aspect of the standards development process correctly restores the CAFE program to its statutory foundation.[913]

Conversely, several commenters, including NRDC *et al.,* Attorneys General, South Coast AQMD, ZETA, a coalition of local governments and the Sabin Center for Climate Change Law at Columbia, C40 Cities, Climate Mayors, ICLEI—Local Govts for Sustainability USA (Sabin *et al.*), and NACAA, objected to the agency's reliance on the interpretive rule, on both procedural and substantive grounds.[914] NRDC *et al.* and the Attorneys General argued that the agency incorrectly characterized the action as an interpretive rule to evade various APA requirements when it in fact constituted a substantive, legislative rule that drastically altered decades of agency policy and bound regulated entities.[915] These commenters also emphasized that the interpretive rule is currently the subject of consolidated legal challenges, making it an improper and arbitrary foundation for the current rulemaking.[916]

Substantively, these commenters argued that the agency's interpretation of subsection 32902(h) is flawed, is contrary to the plain text of the statute, and arbitrarily distorts the agency's modeling. NRDC *et al.,* the coalition of local governments and Sabin *et al.,* ZETA, and the Attorneys General noted that the text of subsection 32902(h) limits its prohibition to when the agency is ''carrying out subsections (c), (f), and (g),'' which govern setting standards and subsequent amendments and the weighing of feasibility factors, but not the baseline calculation.[917] ZETA argued that Congress's deliberate omission of subsections 32902(a), (b), (d), and (e) from subsection 32902(h) demonstrates that the statute does not prohibit the agency from considering existing EVs when establishing the baseline of what the real-world fleet has already achieved.[918] By applying the restriction to ''any point in the process,'' the Attorneys General asserted that the agency is unlawfully erasing over 4 million actual EVs from its model and pretending those vehicles do not exist.[919] Citing administrative law principles, they noted that reliance on facts that an agency knows are false at the time it relies on them is the ''essence of arbitrary and capricious decision-making.'' [920]

Also with regard to the analytical modeling supporting standards, ZETA and an individual commenter echoed that the agency is unlawfully creating a counterfactual scenario, while other commenters pointed out the internal inconsistency of the agency eliminating EVs from real-world baseline calculations while simultaneously acknowledging them when forecasting future fleet compositions.[921] AEG argued that because BEVs take up an increasing share of the fleet, completely excluding their emissions and fuel use makes the CAFE estimates increasingly unreliable.[922] A pair of individual commenters also stated that excluding EVs from the analysis contravenes D.C. Circuit precedent and longstanding administrative guidance (OMB Circular A–4), which requires that a regulatory baseline be the ''best assessment of the way the world would look absent the proposed action.'' [923] Lucid commented that the agency's assumption that there are no EVs permeates the entire rulemaking and forces NHTSA to calculate that complying with present CAFE standards is not ''economically

[906] NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 3.

[907] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 7.

[908] Joint States, Docket No. NHTSA–2025–0491–6017, at 2; U.S. Chamber of Commerce, Docket No. NHTSA–2025–0490–0030, at 2; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 21; IER, Docket No. NHTSA–2025–0491–6029, at 3.

[909] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 22.

[910] *Id.* at 55.

[911] API, Docket No. NHTSA–2025–0490–0053, at 3; IER, Docket No. NHTSA–2025–0491–6029, at 3; U.S. Chamber of Commerce, Docket No. NHTSA–2025–0490–0030, at 2; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 57–8; Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 1–4.

[912] U.S. Chamber of Commerce, Docket No. NHTSA–2025–0490–0030, at 2; API, Docket No. NHTSA–2025–0490–0053, at 3; IER, Docket No. NHTSA–2025–0491–6029, at 3; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 58; Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 1–4; NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 2–5.

[913] Joint States, Docket No. NHTSA–2025–0491–6017, at 5–7; API, Docket No. NHTSA–2025–0490–0053, at 3; AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 4–6; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 21; Competitive Enterprise Institute (CEI)/Marlo Lewis, Docket No. NHTSA–2025–0491–6038, at 10–14; U.S. Chamber of Commerce, Docket No. NHTSA–2025–0490–0030, at 2; Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 1–4.

[914] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 13; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 38; South Coast AQMD, Docket No. NHTSA–2025–0490–0064, at 1–2; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 9; Sabin *et al.,* Docket No. NHTSA–2025–0491–5808, at 8; NACAA, Docket No. NHTSA–2025–0491–5884, at 2, 11–12.

[915] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 13–4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 38.

[916] *Id.*

[917] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 16; Sabin *et al.,* Docket No. NHTSA–2025–0491–5808, at 7–8; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 10; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 43–47.

[918] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 10.

[919] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 47.

[920] *Id.*

[921] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 9; Oakley Vincent (O Kevin Vincent), Docket No. NHTSA–2025–0491–6036, at 1–2; NACAA, Docket No. NHTSA–2025–0491–5884, at 12.

[922] AEG, Docket No. NHTSA–2025–0491–5981, at 1.

[923] Will Schmidt and Juan Fernandez, Docket No. NHTSA–2025–0491–3469, at 3.

practicable.'' Furthermore, Lucid pointed out that by assuming manufacturers have not used credit trading to comply with prior standards, the agency overstates the costs manufacturers will incur to adopt new ICE technologies. MECA agreed that the statute does not allow the agency to factor alternative fueled vehicles into the design of standards but warned that completely omitting full-vehicle electrification from the baseline causes market distortion.[924] MECA argued this artificially reduces stringency so much that automakers might remove fuel-efficiency technologies from their internal combustion engine vehicles.[925]

NRDC *et al.* and the Attorneys General commented that excluding millions of highly efficient vehicles from the baseline artificially lowers the starting point of the agency's analysis, resulting in proposed maximum feasible standards that fall far below the fuel-economy levels the fleet is already achieving in the real world.[926] Furthermore, NRDC *et al.* pointed out that the interpretation would lead the agency to set a minimum standard for domestic passenger cars under subsection 32902(b)(2) that is mathematically higher than the ''maximum'' standard applicable to the entire fleet.[927] The Attorneys General expanded on this argument, asserting that the domestic minimum is already projecting five mpg higher than the maximum feasible standard, an anomaly they argued is contrary to common sense and irreconcilable with congressional intent.[928] These commenters concluded that the interpretive rule unlawfully and textually expands the statutory restrictions on dedicated EVs, dual-fueled vehicles, and credit trading in a manner that produces absurd results and undermines the long-term integrity of the CAFE program.[929] Several commenters also asserted that this new interpretation departs from years of established agency practice without adequate explanation and leads to nonsensical results that frustrate the purpose of EPCA.[930]

Lastly, the Attorneys General and ZETA commented that NHTSA improperly relied on the elimination of the credit trading program to justify reducing the stringency of the fuel economy standards starting in MY 2028.[931] They asserted that this approach directly violates the statutory prohibition against considering the trading, transferring, or availability of credits when prescribing a fuel economy standard.[932]

NHTSA has carefully considered the comments regarding the interpretive rule and the subsequent incorporation of its legal conclusions into the current rulemaking. The agency continues to believe that the interpretive rule provides a correct and necessary clarification of the mandatory restrictions set forth in subsection 32902(h). As noted by Joint States and the U.S. Chamber of Commerce, the statutory text explicitly prohibits the agency from considering the fuel economy of dedicated automobiles, the alternative-fuel capabilities of dual-fueled automobiles, or the availability of compliance credits when determining the maximum feasible average fuel economy level. The agency agrees that the phrase ''may not consider'' functions as a strict legislative boundary, divesting the agency of discretion to include dedicated AFVs at any stage of the maximum feasibility determination. By centering the analysis exclusively on technologies the law allows to be considered—that is, vehicles powered exclusively by gasoline or diesel fuels—the agency avoids creating the ''de facto technology mandate'' described by commenters and ensures that standards remain economically practicable without the distortive effects of cross-subsidization. This approach addresses concerns regarding the major questions doctrine—*i.e.,* that the CAFE program was being misused to force the conversion of the vehicle fleet to electrification without the necessary congressional mandate—by restoring the program to its original statutory foundation, providing the industry with the stability and legal certainty required for long-term compliance planning.

Moreover, NHTSA agrees that EPCA, as amended, does not provide a directive to use the CAFE program as a mechanism for mandating a wholesale transition from internal combustion engines to electric vehicles. Instead, the statutory text directs the agency to establish standards that are maximum feasible based on the technological and economic realities of the vehicles being regulated. By adhering to these defined criteria, the agency ensures that its standards remain consistent with its legal obligation to establish maximum feasible fuel economy standards without extending its regulatory reach into areas not specifically authorized by the text.

NHTSA disagrees with the contention raised by NRDC *et al.,* Sabin *et al.,* and the Attorneys General that these restrictions are limited only to a single step in the process or restricted to the carrying out of subsections (c), (f), and (g) by setting maximum feasible standards for vehicles only above a baseline that includes factors explicitly identified in subsection 32902(h). In establishing or amending maximum feasible fuel economy standards and determining the baseline by which those standards are established, NHTSA is, by definition, carrying out subsections (c), (f), and (g). A standard that is determined based on a baseline or analysis that includes prohibited factors *considers* those factors, in contravention of the statutory requirements regarding what NHTSA may not consider. To comply with the congressional mandate that standards be technologically feasible and economically practicable for the internal combustion engine fleet, the agency must exclude alternative fueled vehicles at every stage of its standard-setting calculus.

NHTSA believes that the statutory command in subsection 32902(h) is clear: the agency is restricted from considering these vehicles when ''carrying out'' its duty to set maximum feasible fuel economy standards. Inclusion of even a small number of electric vehicles in the baseline analysis fleet upon which stringency increases are applied has a serious impact upon fuel economy standards—an effect that has become apparent in recent years with increased fleet electrification. Specifically, the MY 2024 gasoline- and diesel-fueled analysis fleet achieves a combined 35.4 mpg, while the MY 2024 fleet including PHEV full fuel economy and EVs achieves 36.2 mpg, with the effect increasing significantly in the passenger car fleet, which achieves 43.2 mpg based solely on gasoline- and diesel-fueled vehicles, and 45 mpg considering all vehicles. These values would only continue to diverge if EV fuel economy became a greater portion of total fuel economy. If the agency were to include electric vehicles in its baseline, the resulting standard would inevitably be higher than what is

[924] MECA, Docket No. NHTSA–2025–0491–5331, at 6,.

[925] *Id.*

[926] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 18; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 47.

[927] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 18.

[928] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 52.

[929] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 18–9; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 47.

[930] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 17; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 44–49; GreenLatinos, Docket No. NHTSA–2025–0491–4967, at 1.

[931] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 109, 103–104; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 12.

[932] *Id.*

technologically feasible or economically practicable for the petroleum-powered fleet alone.

The nearly one-mile-per-gallon increase in standard stringency, representing an almost 2.5-percent increase in stringency between the MY 2024 gasoline- and diesel-powered fleet and the total fleet, and the nearly two-mile-per-gallon increase in stringency for the passenger car fleet, representing a 4.2-percent increase in stringency for the passenger car fleet, denotes what would otherwise be a substantial technological gap that places an immediate compliance burden squarely on the remaining internal combustion engine-powered fleet. This would thereby circumvent the very protections Congress prescribed to prevent the standard-setting process from being used to mandate a shift away from internal combustion engines. This approach does not create a counterfactual baseline but rather ensures that the regulatory burden is calibrated solely to the vehicles the agency is authorized to regulate under subsection 32902(h). The agency's interpretation of subsection 32902(h) likewise does not produce non-sensical results regarding the MDPCS because NHTSA correctly interprets the MDPCS to be set based on a projection of the standard, as discussed above.

Regarding comments that NHTSA's analysis approach breaks with years of established agency precedent, NHTSA disagrees. Dedicated vehicles were only included in appreciable numbers in recent rulemakings, and in fact NHTSA's assessment of maximum feasible fuel economy standards has considered the capabilities of the gasoline- and diesel-powered vehicle fleet for decades prior to assessments that included dedicated vehicles. In addition, NHTSA disagrees that the new interpretation frustrates the purpose of EPCA. As discussed in more detail below, excluding dedicated vehicles from the analysis does not limit NHTSA's ability to set maximum feasible standards; rather, it prevents artificially inflating the baseline and best aligns with EPCA's language and intent. Under a combined baseline, a manufacturer that produces gasoline and diesel vehicles would be inherently disadvantaged against one producing those vehicles and electric vehicles, and would be forced to react to more stringent standards simply because dedicated vehicles were considered in the baseline. To address compliance benefits for dedicated alternative fueled vehicles without distorting standard-setting, Congress enabled the Department of Energy to adjust the petroleum equivalency factor to ensure dedicated vehicles do not exert a disproportionate impact.

In response to the procedural concerns raised by NRDC *et al.,* South Coast AQMD, and Attorneys General, NHTSA maintains that the interpretive rule was properly classified as such. The rule did not create new legal obligations or alter existing regulatory text; rather, it set forth the agency's best understanding of its existing statutory constraints under EPCA. Because the rule explains what the statute has required of the agency since its enactment, it does not constitute a legislative rule requiring notice-and-comment procedures under the APA. Furthermore, while the agency acknowledges that the interpretive rule is currently the subject of litigation, NHTSA is not required to stay its regulatory activities or revert to a prior, incorrect interpretation of the law pending a judicial resolution. The agency's current reliance on this framework is intended to provide the regulatory stability requested by many stakeholders and to ensure that the resulting standards are legally robust and grounded in the plain text of the statute. Finally, the agency rejects the contention that incorporating the legal reasoning of the interpretive rule by reference into the standards proposal was procedurally defective, as this proposal's explicit identification of that rule as a prerequisite for the analytical updates provided all interested parties with a meaningful opportunity to evaluate the agency's logic and submit comments on its application within the scope of this rulemaking. NHTSA notes that several commenters did provide such comments on the subject from a number of different perspectives, which the agency considered in finalizing this rule. Should the interpretive rule be invalidated on procedural grounds, NHTSA would reach the same conclusions with respect to how to interpret the statute, as the agency articulated in the proposal and now this final rule.

Finally, NHTSA disagrees with the Attorneys General and ZETA's assertion that the agency improperly considered the removal of credit trading in MY 2028 when determining the proposed standards. NHTSA's tentative determination in the proposal was limited to the subsection 32902(f) factors; any discussion of the removal of credit trading in MY 2028 was part of a broader structural discussion of the program and had no bearing on any particular fuel economy level that NHTSA proposed or tentatively selected as the maximum feasible standard. The same holds true for the final standards set in this final rule, and the basis for those standards are discussed in more detail below.

Accordingly, NHTSA's conclusion from the interpretive rule and proposal remains that the statutory prohibition was clear at the time of enactment and has remained clear: it is impermissible for NHTSA to consider the fuel economy of dedicated automobiles in setting maximum feasible fuel economy standards. NHTSA's previous consideration of such vehicles has had a significant impact on the ability of gasoline- and diesel-fueled vehicles to achieve standards. NHTSA affirms that it did not consider any of these statutorily prohibited factors in determining the maximum feasible standards finalized in the present rulemaking.

f. Additional Considerations Relevant to NHTSA's Statutory Determination of Maximum Feasibility

There are additional considerations relevant to NHTSA's determination of maximum feasible standards that the agency evaluates in its analysis of the four enumerated subsection 32902(f) factors.

NHTSA historically has considered the potential for adverse safety consequences in setting CAFE standards,[933] including as a subset of economic practicability and the effect of other motor vehicle standards of the Government on fuel economy, utilizing NHTSA's experience as a safety regulator. NHTSA assesses the potential safety impacts of alternative standards and considers them in balancing the statutory considerations and determining the maximum feasible level of the standards. Courts have upheld NHTSA's implementation of EPCA in this manner.[934]

NHTSA received a comment from the Attorneys General stating that a non-statutory factor like safety may not lawfully displace the subsection 32902(f) factors that Congress specified.[935] In addition to objecting to NHTSA's projections of safety effects from different levels of standards, the Attorneys General stated that the presentation and description of safety effects signaled that this consideration played a driving role in the maximum

[933] *See* 42 FR 33534, 33551 (June 30, 1977).

[934] *See Center for Biological Diversity* v. *NHTSA*, 538 F.3d 1172, 1203–04 (9th Cir. 2008) (upholding NHTSA's analysis of vehicle safety issues associated with weight in connection with the MYs 2008–2011 light truck CAFE rulemaking).

[935] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 89–91.

feasibility determination.[936] The Attorneys General stated that NHTSA cannot substitute this goal for EPCA's explicit statutory criteria.[937]

NHTSA disagrees with the characterization that safety considerations have displaced the four statutory factors and maintains that its maximum feasibility determination is the result of a rigorous balancing of the criteria specified in subsection 32902(f). The agency is committed to ensuring that fuel economy improvements do not come at the expense of public safety, and the extensive analysis provided throughout this preamble demonstrates that the agency has focused appropriately on the enumerated statutory factors of technological feasibility, economic practicability, the effect of other Government standards, and the need to conserve energy. As detailed in the following sections, safety considerations have not displaced the statutory factors but rather the agency has included them in a comprehensive assessment of the effects of the final standards.

NHTSA also considers consumer demand, which is ''not specifically designated as a factor, but neither is it excluded from consideration; the factors of 'technological feasibility' and 'economic practicability' are each broad enough to encompass the concept.'' [938] As the D.C. Circuit has recognized, NHTSA ''is directed to weigh the 'difficulties of individual automobile manufacturers;' there is no reason to conclude that difficulties due to consumer demand for a certain mix of vehicles should be excluded.'' [939]

In concert with E.O. 12866, NHTSA also considers net benefits as relevant to determining maximum feasible CAFE standards. EPCA does not mandate that NHTSA set standards at the point at which net benefits are maximized, and NHTSA does not believe it is compelled to do so.[940] That said, this final rule is net beneficial, which fulfills NHTSA's responsibility under the DOT rule, Administrative Rulemaking, Guidance, and Enforcement Procedures, to make a reasoned determination that the benefits outweigh the costs,[941] and as required by DOT Order 2100.7, Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities.[942] While E.O. 12866 states that agencies should, ''in choosing among alternative regulatory approaches, . . . select those approaches that maximize net benefits,'' [943] even if NHTSA believed it could quantify enough relevant factors to determine the CAFE levels at which net benefits were maximized with reasonable accuracy, there may be other considerations that would lead the agency to conclude that maximum feasible CAFE standards are not the ones that maximize net benefits. For example, in 2012, NHTSA rejected the regulatory alternative that appeared to maximize net benefits (and all alternatives more stringent than that one) based on the conclusion that, even though estimated net benefits were maximized, the ''resultant technology application and cost'' were simply too high, and thus made those standards economically impracticable, and thus beyond maximum feasible.[944] In addition, NHTSA has historically considered that some manufacturers may choose to pay a civil penalty rather than meet their applicable CAFE standard if the cost of paying the civil penalty is less than the cost of adding fuel economy technology. NHTSA did so through an option in the CAFE Model's Market Data Input file that would stop applying additional technology to this manufacturer's product line when cost-effective technology solutions were exhausted.[945] NHTSA had historically justified programming the CAFE Model's technology selection algorithm accordingly because some manufacturers did choose to pay a civil penalty rather than apply technology, and NHTSA believed that its modeling was intended to reflect manufacturer decision-making in response to standards, even if that decision was to pay penalties.

In July 2025, Congress eliminated CAFE civil penalties by setting the statutory penalty rate to $0. In the proposal and in this subsequent final rule, notwithstanding the change in the CAFE penalty rate, NHTSA assumed, based upon its review and analysis of the relevant statutory provisions, that manufacturers will endeavor where practicable to attempt to comply with the finalized standards. ''Practicable'' in this context means subject to real-world constraints on technology application such as refresh and redesign cycles and technology applicability, concepts discussed in detail in Section II. This reading of EPCA's provisions best effectuates the statute's command that NHTSA establish maximum feasible standards that achieve industry-wide fuel economy improvements.[946]

To be clear, this does not mean NHTSA assumes all manufacturers will comply fully with standards for all fleets. For example, if a manufacturer could not redesign a portion of their fleet within the standard-setting years or if their baseline compliance position were simply lower than that of the rest of the industry, the CAFE Model would not assume that the manufacturer would nevertheless comply at any cost. This approach appropriately places the focus in standard setting on whether manufacturers could meet the standards through vehicle production decisions, consistent with the statutory direction to set maximum feasible standards without regard to the possible availability of compliance pathways that Congress has proscribed NHTSA from considering.[947]

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[936] *Id.*

[937] *Id.*

[938] *Ctr. for Auto Safety* v. *Nat'l Highway Traffic Safety Admin.*, 793 F.2d 1322, 1338 (D.C. Cir. 1986).

[939] *Id.* at 1339.

[940] See the 2010 final rule, which considered among the regulatory alternatives one that maximized net benefits, but explained that nothing in EPCA or EISA mandated that NHTSA choose CAFE standards that maximize net benefits (75 FR 25324, 25606 (May 7, 2010)); the 2012 final rule, which also considered among the regulatory alternatives one that maximized net benefits, and also explained that nothing in EPCA or EISA mandated that NHTSA choose CAFE standards that maximize net benefits, in fact, directly rejecting the regulatory alternative that maximized net benefits as beyond maximum feasible for the MYs 2017–2025 timeframe (77 FR 62624 (Oct. 15, 2012)); and the 2020 final rule, which stated that if the difference in net benefits between regulatory alternatives was within $20 billion, it was relatively small in the total context of the program and therefore the agency did not believe that the point at which net benefits were maximized was meaningful for determining maximum feasible CAFE standards in that final rule.

[941] 91 FR 22431 (Apr. 27, 2026); 49 CFR 5.13.

[942] See DOT, Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities, DOT Order 2100.7, DOT: Washington, DC (2025), available at: *https://www.transportation.gov/mission/ensuring-reliance-upon-sound-economic-analysis-department-transportation-policies-programs* (accessed: May 29, 2026), which requires DOT rulemaking activities to be based on sound economic principles and analysis supported by rigorous cost-benefit requirements and data-driven decisions regardless of whether the rulemaking falls below the economic threshold required for review by the Office of Information and Regulatory Affairs.

[943] 58 FR 51735 (Oct. 4, 1993).

[944] 77 FR 63050 (Oct. 15, 2012).

[945] See CAFE Model Documentation for 2024 FRM, at 82.

[946] NHTSA notes that in all modern CAFE analyses NHTSA employed a threshold at which regulatory costs (technology costs plus civil penalty payments) would be indicative that a standard exceeded maximum feasibility. NHTSA's longstanding position that a standard that would require significant civil penalty payment would exceed maximum feasibility remains unchanged.

[947] 49 U.S.C. 32902(h). It could be considered evading the statutory prohibition to instead consider an alternative means of addressing a shortfall, such as through the use of credit application.

NHTSA's modeling assumption that manufacturers will make maximum practicable efforts to comply with CAFE standards despite the $0 penalty rate is supported by longstanding real-world experience. For example, the 1979 ''Automotive Fuel Economy Program Third Annual Report to the Congress'' issued by DOT stated in its recommendation that the statutory scheme be amended to allow a longer period for credit carry-forward and carry back that ''[a] number of manufacturers have raised the point that failure to meet the fuel economy standards involves a violation of the law, regardless of whether the short fall involves a penalty or involves the use of credits being carried forward or backward. The manufacturers have expressed strong reluctance to engage in any corporate planning that would involve violations.'' [948]

Many manufacturers also have formal corporate policies committing themselves to complying with applicable legal standards. For example, JLR states in its Code of Conduct that the products and services that they offer ''shall comply with applicable laws, including emissions and safety standards.'' [949] In the proposal preceding the 2024 final rule, NHTSA sought comment on its manufacturer fine payment preference assumptions—which are differentiated by specific manufacturer and model year—and JLR commented that they do ''not view fine payment as an appropriate compliance route or as a flexibility in the regulation.'' [950] NHTSA changed this assumption for JLR for the 2024 final rule. Similarly, GM's global environmental policy states that the company is ''committed to complying with all applicable laws and regulations,'' [951] and Toyota's Code of Conduct states that Toyota will comply with ''applicable laws and regulations'' and ''international environmental standards.'' [952] Honda's corporate responsibility statement likewise states that Honda shall comply with all applicable environmental laws and regulations in all jurisdictions in which they operate,[953] and Stellantis' code of conduct and most recent Climate Policy Report state that the company is both committed to complying with applicable laws and to CAFE compliance specifically.[954] NHTSA does not assume that all companies listed have treated civil penalty payment as a violation of CAFE standards, but rather that when an applicable standard is in effect, manufacturers have reasons to give that standard due consideration even with a $0 penalty rate. NHTSA thus believes that it is reasonable to assume in its analysis of maximum feasibility that manufacturers will endeavor to comply with the applicable standards.

NHTSA sought comment on this assumption. JLR commented that the company does not consider civil penalty payment to be an acceptable route to compliance, consistent with their corporate Code of Conduct and as acknowledged in the proposal.[955] Similar to NHTSA's assessment presented in the proposal, ICCT reviewed the commitments of several automakers and found that ''industry is consistently committed to fully complying with environmental laws and regulations in markets where they operate.'' [956] Porsche recommended that NHTSA consider amending future fuel economy standards should Congress revisit and amend the civil penalty rate, though Porsche also recognized that was out of scope for this particular rulemaking.[957]

On the other hand, MECA commented that the $0 civil penalty rate raises serious concern that manufacturers could choose non-compliance as a business strategy and recommended that NHTSA evaluate the impact of the $0 civil penalty rate on compliance with CAFE standards.[958] NACAA similarly commented that ''without meaningful financial consequences for non-compliance, manufacturers face no economic imperative to meet fuel economy targets, potentially rendering CAFE standards aspirational and failing to drive any real-world improvements in vehicle efficiency and associated air quality benefits.'' [959] NACAA stated that the proposal does not address the absence of a regulatory driver for meeting fuel economy standards, and proposed instead that NHTSA consider ''alternative regulatory approaches that create meaningful regulatory drivers for fuel economy improvement even in the absence of civil penalties.'' [960] Finally, the NY DEC commented that by eliminating penalties, there is little reason for manufacturers to adhere to the standard, defeating the purpose of establishing standards in the first place.[961]

NHTSA has carefully considered the comments expressing concern over the potential for non-compliance as a business strategy in light of the $0 civil penalty rate. As a preliminary matter, the agency emphasizes that the current civil penalty rate is established by legislative action that is outside of NHTSA's discretion to alter. NHTSA's task is to ensure that the standards are modeled using appropriate assumptions about how the industry may choose to respond to the penalty rate. While commenters like MECA and NACAA expressed concern that the absence of a financial penalty removes the imperative to comply, the agency's modeling must be grounded in the existing law, and NHTSA believes its approach represents an appropriate one. The agency agrees with commenters such as JLR and ICCT who observed that for many manufacturers, compliance is not merely a matter of financial calculation but a corporate commitment. Internal codes of conduct that manufacturers have chosen to adopt provide reasons to attempt to meet CAFE standards, independent of whether a shortfall results in a monetary fine.

NHTSA would reach the same results regarding the stringency of the standards regardless of the applicable civil penalty level. NHTSA maintains an independent statutory obligation to establish standards at the maximum feasible level without regard to penalty

[948] 44 FR 5742 (Jan. 29, 1979).

[949] Jaguar Land Rover Automotive PLC, Jaguar Land Rover Code of Conduct, Jaguar Land Rover Automotive PLC: Coventry, England, p. 16 (2026), available at: *https://www.jlr.com/download-centre?_gl=1*1nnalls*_ga*MTkyNDk3NDUzNy4xNzUyNTk3MDE4*_ga_G78VTFVFM0*czE3NTI1OTcwMTckbzEkZzEkdDE3NTI1OTcwNTYkajIxJGwwJGgw* (accessed: May 29, 2026).

[950] JLR, Docket No. NHTSA–2023–0022–57296, at 5.

[951] GM, General Motors Global Environmental Policy (2023), available at: *https://investor.gm.com/static-files/f5f872bd-9612-47f9-a5e1-d6c0ce1e6772* (accessed: May 29, 2026).

[952] Toyota, Toyota Code of Conduct, pp. 14 and 17 (2023), available at: *https://www.toyota.com/content/dam/tusa/usa/our-story/code-of-conduct-en.pdf* (accessed: May 29, 2026).

[953] Honda, Honda Corporate Responsibility Statement, available at: *https://csr.honda.com/longform-content/honda-corporate-responsibility-statement/* (accessed: May 29, 2026).

[954] Stellantis, Code of Conduct, Stellantis: Hoofddorp, The Netherlands (2026), available at: *https://www.stellantis.com/content/dam/stellantis-corporate/group/governance/code-of-conduct/Stellantis_CoC_EN.pdf* (accessed: May 29, 2026); Stellantis, 2024/2025 Climate Policy Report, Stellantis: Hoofddorp, The Netherlands, available at: *https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/stellantis/2024/Stellantis-2024-Climate-Policy-Report.pdf* (accessed: May 29, 2026).

[955] JLR, Docket No. NHTSA–2025–0491–5196, at 4.

[956] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 24–26.

[957] Porsche, Docket No. NHTSA–2025–0490–0044, at 3.

[958] MECA, Docket No. NHTSA–2025–0491–5331, at 3.

[959] NACAA, Docket No. NHTSA–2025–0491–5884, at 16.

[960] *Id.*

[961] NY DEC, Docket No. NHTSA–2025–0491–5058, at 4.

rates—which are not a statutorily prescribed factor under EPCA—and must base its feasibility determination upon a careful balancing of statutory factors. By modeling compliance based on the assumption that manufacturers will strive to achieve the standards, NHTSA is carrying out EPCA's charge and providing the agency's best assessment of maximum feasible standards.

In response to recommendations that the agency pursue alternative regulatory drivers or redo its analysis of the penalty's impact, NHTSA notes that it must adhere to its delegated statutory authority. The agency is not empowered to create enforcement mechanisms that may impose consequences despite the $0 penalty rate. The agency has chosen modeling assumptions based on available indicia of manufacturers' likely choices regarding compliance. NHTSA will continue to monitor compliance trends and may revisit its modeling assumptions if facts and circumstances warrant doing so. Also, as suggested by Porsche, should Congress choose to revisit and amend the civil penalty structure in the future, NHTSA will assess future regulatory needs accordingly.

Regarding additional considerations relevant to NHTSA's maximum feasibility determination, the ME DEP commented that in addition to the subsection 32902(f) factors, NHTSA must ''also consider the stated statutory goal of EISA, to increase energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government.'' [962] NHTSA acknowledges the broad, overarching goals of EISA as cited by the ME DEP but maintains that its specific authority to set CAFE standards is governed by section 32902. Adherence to the operative language of section 32902 reflects an interpretation of the statute that the specific and detailed requirements of the text must take precedence over the generalized goals or prefatory remarks found in a statute's preamble. NHTSA properly considers factors related to the statutory goals of EPCA, as amended by EISA, that have been listed in the statutory text, and through the agency's regulatory impact assessment, which properly considers environmental effects relevant to NHTSA's CAFE standard-setting action.

B. Other Statutory Requirements

1. Administrative Procedure Act

The APA governs agency rulemaking generally and provides the standard of judicial review for agency actions. To be upheld under the ''arbitrary and capricious'' standard of judicial review under the APA, an agency rule must be rational, based on consideration of the relevant factors, and within the scope of authority delegated to the agency by statute. The agency must examine the relevant data and articulate a satisfactory explanation for its rulemaking, including a ''rational connection between the facts found and the choice made.'' [963] The APA also requires that agencies provide notice and comment to the public when proposing regulations,[964] as NHTSA did with this final rule and its accompanying materials.[965]

NHTSA received some comments raising procedural concerns regarding the rulemaking process. NRDC *et al.* commented that the process violated the APA due to an inadequate sixty-day comment period that overlapped with Federal holidays, the decision to hold only a single public hearing, the imposition of an arbitrary fifteen-page limit on comment letters, and the omission of relevant OMB correspondence from the public docket.[966] Furthermore, IPI and NRDC *et al.* requested that NHTSA disclose whether and how artificial intelligence (AI) tools were utilized in the drafting or analysis of the proposed rule, citing requirements under executive orders, OMB memoranda, and the APA to ensure transparency, prevent hidden biases, and maintain accountability in agency decision-making.[967]

As evidenced by the numerous extensive comments received addressing a wide array of issues, NHTSA believes 60 days to be adequate for commenters to have reviewed fully and commented meaningfully on the proposed rule and on the Draft SEIS.[968] This length of time comported with prior NHTSA CAFE comment periods and comment periods for other significant rules,[969] while balancing the public interest in timely completion of the final rule. NHTSA reserved two days for the agency's virtual public hearing to accommodate all potential requests to testify, but the agency received requests to testify that only covered part of one day. Given the number of requestors to testify, and that a virtual public hearing format allows the most flexibility for diverse public comments from commenters in multiple locations across the country, NHTSA did not need to extend the virtual public hearing into an additional day, nor did the agency schedule additional in-person public hearings. NHTSA also concluded that, given the ongoing opportunity for written comment, the requesters did not demonstrate a need for additional public hearings.

The APA provides an exception to providing notice and opportunity for comment, at 5 U.S.C. 553 when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefore for the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest. In this final rule, NHTSA is finalizing a few additional technical amendments that were not included in the NPRM. NHTSA finds that the agency has good cause that notice and public procedure are unnecessary. The most notable of these technical amendments is an amendment to 49 CFR part 578 that revises the civil penalty amount for fuel economy shortfalls to $0, in accordance with OB3. Since the technical amendment merely aligns NHTSA's regulation on civil penalties with statute and NHTSA has no discretion, NHTSA finds that it is unnecessary to seek public comment.

In addition, NHTSA has made an update to language regarding manufacturers' submission of CBI material to align with current practice and to eliminate outdated language requiring that CBI requests be submitted on CD–ROM and mailed to NHTSA. The new language instructs manufacturers to submit CBI requests using NHTSA's new portal, in line with how manufacturers are instructed to submit other CBI material. NHTSA is also making technical amendments to

[962] ME DEP, Docket No. NHTSA–2025–0490–0026, at 1.

[963] *Burlington Truck Lines, Inc.* v. *U.S.*, 371 U.S. 156, 168 (1962).

[964] 5 U.S.C. 553.

[965] NHTSA is finalizing a few additional technical amendments in this final rule that were not included in the NPRM. NHTSA's conclusion that there is good cause to finalize these without notice and comment is discussed in this section.

[966] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 110–1.

[967] IPI, Docket No. NHTSA–2025–0491–6015–A3, at 1–2; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 118–20.

[968] 91 FR 1494 (Jan. 14, 2026).

[969] 86 FR 49602 (Sept. 3, 2021); 88 FR 56128 (Aug. 17, 2023). See also *Regulations.gov*, Learn About the Regulatory Process, available at: *https://www.regulations.gov/learn* (accessed: May 28, 2026) (''In a typical case, an agency will allow 60 days for public comment. However, in some cases, they provide either shorter or longer comment periods.'').

include definitions where terms are referenced but not defined, using definitions that are already included in NHTSA's CAFE regulations. NHTSA finds that it has good cause that providing an opportunity for public comment is unnecessary and is finalizing these minor, clarifying technical amendments as described in Section VI.

Next, NHTSA has previously received comments on its requests that primary comments in response to proposed regulations be limited to 15 pages,[970] and the agency emphasizes that commenters have always been free to submit attachments without any page limit, which these commenters did. NHTSA's proposal specifically stated, as the agency has in all prior rules, that the agency established the page limit to encourage commenters to write primary comments in a concise fashion.[971] NHTSA also stated that commenters could attach additional documents to their comments, and there is no limit on the length of attachments.[972] NHTSA considered both primary comments and their attachments in this rulemaking as demonstrated by the response to comments discussed throughout this final rule. No commenter was prevented from submitting comments based on NHTSA's page limit for primary comments.

Lastly, in response to comments from IPI and NRDC *et al.* regarding the transparency and legality of AI use and the APA, NHTSA clarifies that while AI tools were not utilized in the proposed rule, the agency did leverage AI capabilities to assist with drafting and document synthesis for this final rule. NHTSA emphasizes that these tools were used in a strictly assistive and administrative capacity—such as organizing comment summaries—and did not perform independent regulatory analysis or make policy determinations. All AI-assisted tasks operated under the supervision of Departmental reviewers. Because every substantive analytical conclusion and textual formulation was subject to human review, this approach maintains accountability, prevents algorithmic bias, and fully satisfies the requirements for reasoned decision-making.

NHTSA also received several comments referencing the agency's obligation under the APA in various respects related to substantive issues presented in the proposal and those comments are addressed throughout this preamble in the relevant subject matter discussion area.

2. National Environmental Policy Act

NEPA directs that environmental considerations be integrated into the Federal decision-making process, considering the purpose and need for agencies' actions. To explore the potential environmental consequences of this action, NHTSA prepared a Draft SEIS to accompany the proposal and has prepared a Final SEIS to accompany this final rule. Though NHTSA is finalizing MYs 2022–2031 CAFE standards, the main analyses of reasonably foreseeable impacts of the final rule and alternatives presented in the Final SEIS cover expected environmental impacts associated only with the finalized MYs 2027–2031 standards because no change in manufacturer behavior is possible for MYs 2022–2026 passenger car and light truck fleets.

EPCA and EISA require that the Secretary of Transportation determine the maximum feasible levels of CAFE standards in a manner that disregards the potential use of CAFE credits or application of alternative fuel technologies toward compliance in model years for which NHTSA is issuing new standards.[973] NEPA, however, does not impose such constraints on analysis; instead, NEPA requires Federal agencies to consider reasonably foreseeable environmental impacts of their proposed actions.[974] NHTSA's Final SEIS therefore presents results of an ''unconstrained'' analysis that considers manufacturers' potential use of CAFE credits and application of alternative fuel technologies (including PHEVs using their charge depleting fuel economy values, BEVs and FCEVs) to allow consideration of real-world environmental consequences of the final rule and alternatives.[975] The rest of this preamble, and importantly NHTSA's balancing of relevant EPCA/EISA factors explained in Section V.C.1 and 2, employs the ''standard setting'' modeling to avoid consideration of the prohibited factors in subsection 32902(h) in determining maximum feasible standards. As a result, the impacts reported in Section V.C.3 may differ from those reported elsewhere in the preamble. NHTSA conducts modeling both ways (''standard setting'' and ''unconstrained'') to reflect the various statutory requirements of EPCA/EISA and NEPA, respectively.

NHTSA's Final SEIS describes the reasonably foreseeable impacts across a variety of environmental resources, including energy, air quality, emissions effects, and historic and cultural resources. The impacts of NHTSA's action and alternatives are discussed in proportion to their significance, as applicable.[976] The findings of the analysis are summarized in Section V.C.3, and more detailed discussion—in particular for any qualitative resource assessment—can be found in the Final SEIS.

The Final SEIS is one input among many into NHTSA's decision-making process in setting CAFE standards. In preparing the Final SEIS, NHTSA has considered and taken into account the Supreme Court's opinion in *Seven County Infrastructure Coalition* v. *Eagle County, Colorado* and its progeny.[977] Agencies are granted substantial deference to determine the scope of the environmental effects that they address and may decide whether to evaluate environmental effects from separate projects upstream or downstream from this action.[978] Because the final rule amends standards for vehicle model years for which CAFE standards have previously been established, the Final SEIS discusses certain potential environmental effects from sectors that EPCA does not delegate authority to NHTSA to regulate. NHTSA's prior CAFE EISs contained analysis of the potential environmental impacts from these sectors. *Seven County* made clear, however, that NEPA does not require NHTSA to analyze potential environmental effects from these sectors. Analysis of such effects is not necessary for reasoned decision-making with respect to setting CAFE standards, because Congress has not directed

[970] See, *e.g.,* 85 FR 24174, at 25155 (Apr. 30, 2020).

[971] 90 FR 56438, at 56622 (Dec. 5, 2025).

[972] *Id.*

[973] 49 U.S.C. 32902(h). See Resetting the Corporate Average Fuel Economy Program; Interpretive Rule, 90 FR 24518 (June 11, 2025).

[974] 42 U.S.C. 4332(2); DOT Order 5610.1D, sec. 13.f.

[975] See Appendix C of the Final SEIS for a discussion of the full range of modeled electrified technologies.

[976] Section 13.h(2) of DOT Order 5610.1D.

[977] *Seven Cnty. Infrastructure Coal.* v. *Eagle Cnty., Colorado*, 145 S. Ct. 1497 (2025); see also *Sierra Club* v. *FERC,* 145 F.4th 74, 88–9 (D.C. Cir. 2025).

[978] See *Seven Cnty. Infrastructure Coal.* v. *Eagle Cnty., Colorado*, 145 S. Ct. 1497, 1504 (2025) (''Courts should defer to agencies' discretionary decisions about where to draw the line when considering indirect environmental effects and whether to analyze effects from other projects separate in time or place. See *Department of Transportation* v. *Public Citizen,* 541 U.S. 752, 767, 124 S. Ct. 2204, 159 L.Ed.2d 60. In sum, when assessing significant environmental effects and feasible alternatives for purposes of NEPA, an agency will invariably make a series of fact-dependent, context-specific, and policy-laden choices about the depth and breadth of its inquiry—and also about the length, content, and level of detail of the resulting EIS. Courts should afford substantial deference and should not micromanage those agency choices so long as they fall within a broad zone of reasonableness.'').

NHTSA to consider those when setting CAFE standards.

AFPM commented that the agency lacks the authority to consider environmental impacts when establishing maximum feasible fuel economy standards under EPCA.[979] AFPM emphasized that EPCA explicitly lists only four statutory factors for determining maximum feasible standards, and there is no mention of environmental impacts or upstream and downstream emissions.[980] While AFPM acknowledged that NEPA requires the agency to assess the environmental impacts of its proposed actions, they asserted that environmental modeling is not relevant to EPCA's central objective of conserving energy reserves and reducing reliance on energy imports.[981] Citing the substantial deference federal agencies receive to determine the scope of the environmental effects they consider, AFPM concluded that NHTSA's decision not to consider these environmental impacts in its standard-setting process is legally appropriate.[982]

Some commenters, however, disagreed with NHTSA's interpretation of *Seven County* and argued that the Final SEIS should contain analyses of potential environmental effects from sectors that EPCA does not delegate authority to NHTSA to regulate.[983] NHTSA appreciates these comments, but reemphasizes that the Supreme Court's ruling in *Seven County* made it clear that Federal agencies are not required to analyze environmental impacts from other projects separate in time, or separate in place, or that fall outside of the agencies' regulatory authority, or that would have to be initiated by a third party. As such, NHTSA disagrees with these commenters and maintains its interpretation of *Seven County,* as discussed in more detail in Appendix C of the Final SEIS.

In addition, other commenters requested that NHTSA consider broader impacts in its Final SEIS, such as battery production supply chains, national security risks from overseas sourcing, lifecycle vehicle emissions, localized community health disparities, and the ecological stresses of fossil fuel extraction.[984] As further explained in Appendix C of the Final SEIS, NHTSA reassessed its scope of analysis in light of these comments and determined that it has appropriately refined the scope of the proposed action in line with the Supreme Court's holding of *Seven County* and the DOT Order 5610.1D.

In addition, in light of the *Seven County* opinion, together with the 2023 legislative amendments to the NEPA statute and the 2025 rescission of Council on Environmental Quality (CEQ) NEPA regulations, NHTSA sought comment on whether the agency is required to prepare an EIS for any similar CAFE standard-setting action—that is to say, whether Congress has given NHTSA discretion, when setting CAFE standards, to take into account the potential environmental effects of its CAFE standards in terms of the environmental effects from the sector that those standards directly regulate (*i.e.,* the regulated vehicles themselves).

Several commenters, including NRDC *et al.,* as well as the Minnesota Pollution Control Agency and the Minnesota Department of Transportation (Minnesota state agencies), and ZETA, commented that NHTSA must prepare an EIS because CAFE standards are major Federal actions that significantly affect the human environment.[985] Minnesota state agencies noted that neither judicial deference, nor the 2023 legislative amendments to NEPA, nor the 2025 rescission of CEQ's NEPA regulations absolve the agency of its environmental review responsibilities.[986] They also highlighted that the Department of Transportation recently promulgated updated NEPA procedures specifically applicable to NHTSA to replace its rescinded 1975 procedures.[987]

NHTSA appreciates these comments and has prepared the Final SEIS for this proposed action.

C. Evaluating the Statutory Factors and Other Considerations To Arrive at the Final Standards

The following discussion contains NHTSA's explanation of how the agency has considered the analysis in this preamble and the accompanying Final TSD and FRIA and other relevant information in determining that the final standards are maximum feasible for MYs 2022–2026 and MYs 2027–2031 passenger cars and light trucks. As discussed in detail throughout the section below, NHTSA believes the small, steady, incremental increases in fuel economy standards over time, which preserve the ability for manufacturers to focus on safety, affordability, and consumer choice, are reasonable and appropriate, and best reflect and balance the various practical considerations and limitations mandated by Congress for the CAFE program.

1. Why is NHTSA's conclusion different from the 2020, 2022, and 2024 final rules?

NHTSA described in the proposal how the fuel economy standards the agency promulgated in recent years failed to satisfy EPCA's requirements in 49 U.S.C. 32902(h) because the prior standards considered the fuel economy of dedicated vehicles and dual-fueled vehicles in charge-depleting mode. Consequently, NHTSA concluded that the prior standards did not advance and, indeed, had come to undermine the goals established in EPCA for the CAFE program. In accordance with its authority to reconsider and modify past policy decisions,[988] and in the exercise of the Secretary's express authority to ''prescribe regulations amending'' CAFE standards,[989] NHTSA outlined in the proposal several reasons for resetting the CAFE program.

First, NHTSA summarized the agency's final rule published on June 11, 2025,[990] as well as the position the agency previously took in its 2020, 2022, and 2024 final rules that it could account for the factors prohibited from consideration in subsection 32902(h) by using a narrow construction of that provision. This narrow interpretation permitted the Model to add dedicated alternative and dual-fueled vehicles to the fleet of vehicles in response to reasons other than NHTSA's CAFE standards,[991] and outside of the years for which NHTSA was setting standards. Specifically, in the 2022 and 2024 final rule baselines, NHTSA

[979] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 19–20.

[980] *Id.*

[981] *Id.*

[982] *Id.*

[983] NRDC *et al.,* Docket No. NHTSA–2025–0491–5948, at 3; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 109–110.

[984] *See* CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 9, 11; China WTO/TBT National Notification & Enquiry Center (China WTO/TBT), Docket No. NHTSA–2025–0491–5056, at 4; Daniel Anderson, Docket No. NHTSA–2025–0491–5042.

[985] NRDC *et al.,* Docket No. NHTSA–2025–0491–5948, at 4; Minnesota state agencies, Docket No. NHTSA–2025–0491–5847, at 5–6; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11; Anonymous, Docket No. NHTSA–2025–0491–5040.

[986] Minnesota state agencies, Docket No. NHTSA–2025–0491–5847, at 6.

[987] *Id.*

[988] *See, e.g., Phoenix Hydro Corp.* v. *FERC*, 775 F.2d 1187, 1191 (D.C. Cir. 1985); *Alabama Educ. Ass'n* v. *Chao*, 455 F.3d 386, 392 (D.C. Cir. 2006) (quoting *Motor Vehicle Mfrs. Ass'n of U.S., Inc.* v. *State Farm Mut. Auto. Ins. Co.,* 463 U.S. 29, 57 (1983)); *Encino Motorcars, LLC* v. *Navarro,* 136 S. Ct. 2117, 2125 (2016); *FCC* v. *Fox Television Stations, Inc.,* 556 U.S. 502 (2009).

[989] 49 U.S.C. 32902(c).

[990] 90 FR 24518 (June 11, 2025).

[991] In accordance with E.O. 12866 and Circular A–4, to evaluate properly the benefits and costs of regulations and their alternatives, agencies must identify a ''no-action'' baseline: what the world will be like if the final rule is not adopted.

accounted for zero emission vehicle (ZEV) mandates applicable in California and the other States that have adopted them,[992] and some vehicle manufacturers' voluntary commitments to the State of California to continued annual nationwide reductions of vehicle greenhouse gas emissions through MY 2026, with greater rates of electrification than would have been expected under NHTSA's 2020 final rule. In addition, in the baselines for all three final rules, NHTSA accounted for manufacturer responses to previously promulgated fuel economy and greenhouse gas emissions standards, which included dedicated vehicles (like EVs) and dual-fueled vehicles (like PHEVs) operating in charge depleting mode. NHTSA prohibited the consideration of dedicated vehicles or dual-fueled vehicles operating in charge depleting mode only as a compliance option in response to the agency's fuel economy standards during ''standard-setting'' years (*i.e.,* the model years being evaluated as the subject of the active rulemaking) and similarly prohibited consideration of manufacturer use of compliance credits only during the standard-setting years. In other words, the model did not apply dedicated or dual-fueled technology to a manufacturer's fleet of vehicles when simulating a cost-effective pathway for the manufacturer to comply with a given level of CAFE standards in standard-setting years only, but application of the technology was otherwise permitted.

As NHTSA concluded in the June 2025 final rule, its prior consideration of the factors prohibited in subsection 32902(h) is inconsistent with a plain reading of subsection 32902(h). Consideration of those factors only in response to reasons other than NHTSA's standards and in non-standard-setting years did not somehow avoid the statutory inconsistency; EPCA prohibits NHTSA from considering those factors in any way in establishing the maximum feasible CAFE standards.

Next, NHTSA explained in the proposal that the large increases in the stringency of standards applicable to the succeeding model years through MY 2026 were not feasible or practicable, within the meaning of EPCA, for new gas-powered cars and trucks that manufacturers were likely to produce in those years. The inclusion of EVs inherently impacted the agency's determination of maximum feasible standards because EVs generally are imputed to have significantly higher fuel economy than ICE vehicles.[993] NHTSA would not have proposed or adopted those stringent standards if the agency had not considered the fuel economy of EVs in its modeling analysis. NHTSA reasoned in the 2024 final rule that this consideration of EVs was appropriate because ''accounting for technology improvements that manufacturers would make even in the absence of CAFE standards allows NHTSA to gain a more accurate understanding of the effects of the final rule.'' [994] However, the inclusion of dedicated vehicles in NHTSA's previous analysis impacted materially the standards that ultimately were promulgated.

The agency presented data showing the stringency of the existing CAFE standards for MYs 2022–2026 passenger cars and light trucks as estimated in the 2020 and 2022 final rules and compared those standards to the provisional (*i.e.,* not based on EPA final compliance data) fuel economy performance levels of gas-powered vehicles manufactured for sale in MYs 2022–2024.[995]

Table V-1: CAFE Standards Estimated in the 2020 and 2022 Rules and Provisional Gasoline- and Diesel-Powered Vehicle Fuel Economy Performance, MYs 2022-2026

	2022	2023	2024	2025	2026
Passenger Cars					
2020 Estimated Stds.	44.9	45.6	46.3	47.0	47.7
2022 Estimated Stds.	44.6	45.2	49.2	53.4	59.4
Provisional Performance	39.5	39.2	41.2	-	-
Light Trucks					
2020 Estimated Stds.	32.1	32.6	33.1	33.6	34.1
2022 Estimated Stds.	31.9	32.4	35.1	38.2	42.4
Provisional Performance	29.8	29.7	30.5	-	-

The gasoline- and diesel-powered vehicle fleet—the only fleet that NHTSA can consider in setting standards—was unable to comply with the previously estimated standards in all model years and all regulatory classes for which the agency had provisional gasoline- and diesel-powered vehicle fuel economy performance data. The agency observed that the non-compliance increased in each successive model year because the baseline fleet was inclusive of EVs that inflate overall fleet fuel economy performance. The agency noted that, though some may argue that such an analysis is not relevant when conducted across the entire U.S. fleet, because fuel economy standards apply to individual manufacturer fleets, the conclusion that the 2022 standards exceeded maximum feasibility is confirmed on a manufacturer-by-manufacturer fleet level analysis as well. On an individual manufacturer basis, only a single

[992] 42 U.S.C. 7507. Other States have adopted California's ZEV program requirements under sec. 177 of the Clean Air Act (so-called ''Section 177 states'').

[993] Fuel economy for EVs is determined using the PEF set by the Department of Energy. For example, one EV manufacturer had a fuel economy performance of 739.9 and 751.9 miles per gallon for its MY 2020 domestic passenger and light truck fleets as compared to the 43.4 and 30.2 miles per gallon overall performance of the same fleets for all manufacturers.

[994] 89 FR 52540, 52611 (June 24, 2024).

[995] Provisional performance values are based on non-final fuel economy performance (*i.e.,* submitted to NHTSA as part of manufacturers' pre- and mid-model year reports, but not EPA final compliance data) and are subject to change based on final verified fuel economy values and sales volumes.

manufacturer's passenger car fleet could meet the MY 2022 standard with their gasoline- or diesel-fueled vehicles produced for that model year (Hyundai's domestic passenger car fleet), and only a single manufacturer's gasoline- or diesel-fueled light truck fleet could meet their standard (Subaru). NHTSA concluded that this information confirmed that the existing standards were set in a way that considered factors beyond the capability of gasoline- and diesel-powered vehicle fleets at the time the standards were promulgated.

NHTSA also recognized in the proposal that its tentative conclusion that MYs 2022–2023 standards are legally impermissible differs from NHTSA's and EPA's joint 2020 final rule.[996] However, that final rule also suffered from some of the same deficiencies as the 2022 and 2024 final rules by including consideration of the subsection 32902(h) factors, though to a lesser extent than the 2022 and 2024 final rules because of the inclusion of CARB's ZEV standards in the baseline used for those later rules. Furthermore, the annual 1.5-percent rate of increase applied in the 2020 final rule, which reflected consideration of input provided by several major automakers and other interested parties, had not proven to reflect the real-world year-over-year fuel economy improvements feasible for gasoline- and diesel-powered vehicles.

NHTSA also presented data showing that the same faults apply to the existing standards for MYs 2027 and beyond. For passenger cars, based on NHTSA's updated estimates of manufacturer compliance with the No-Action Alternative, approximately 77 percent of the MY 2027 fleet would not be able to comply with the standard, and only three individual manufacturers' fleets would comply.[997] NHTSA reasoned that this was likely based on the significant (8 percent, 8 percent, and 10 percent) stringency increases in MYs 2024–2026, which, as discussed in the proposal and in more detail in Section III, greatly exceeded the ability of manufacturers to improve the fuel economy of their ICE fleets.[998] In fact, NHTSA estimated that the gasoline- and diesel-fueled passenger car fleet would not be able to comply with the standard in any year from MYs 2027–2031, with anywhere from 47 to 77 percent of the fleet out of compliance during those years. Similarly, NHTSA estimated that 91 percent of the gasoline- and diesel-fueled light truck fleet would not be able to comply with the MY 2027 standards, again most likely because of the overly stringent standards in MYs 2024–2026. By MY 2031, NHTSA projected the disparity between the standards and compliance would decrease, more so for non-passenger automobiles, likely because of the two years of flat standards. However, NHTSA projected the gasoline- and diesel-fueled passenger car fleet to miss the No-Action Alternative standards by more than three mpg in MY 2031.

NHTSA concluded that it was apparent that the existing standards depended upon the imputed fuel economy performance of EVs and PHEVs that NHTSA assumed would be manufactured in the relevant model years in contravention of both subsection 32902(h) and of the design and purposes of the CAFE program to avoid setting standards that cannot be met feasibly with gasoline- and diesel-fueled vehicles as part of a push toward alternative powertrains.

NHTSA observed that automakers are unable to meet the current standards without shifting significant capacity to EVs or purchasing credits from EV manufacturers, and that automakers could therefore not continue to produce at volume the full range of ICE-driven passenger cars and light trucks that American consumers continue to want and need. Many of the gasoline- and diesel-powered vehicle models would be unsustainable for manufacturers to produce under the existing standards, and it is unlikely that an EV alternative could provide the same performance, utility, or recreational value at a comparable price (or at all). Thus, NHTSA concluded in the proposal that the existing CAFE standards do not meet market demand, do not preserve consumer choice, and do not recognize the economic realities of the auto industry. The agency noted that automakers are free to invest in the production of EVs in response to market demand, but NHTSA's fuel economy standards should not compel them to do so; such industry-transforming regulatory compulsion is inconsistent with EPCA.

In addition, NHTSA detailed in the proposal how the analyses supporting the existing standards failed to consider countervailing costs to manufacturers, consumers, and society that may have led the agency to conclude that such stringent standards were in fact not feasible. NHTSA explained that the agency had substantially underestimated the technological costs the standards are expected to impose on manufacturers, including the direct expenditures made to redesign and reconfigure gasoline- and diesel-powered vehicles attributable to the acceleration in EV production caused by the regulatory force of the CAFE standards.[999] Nor did the agency's economic analysis adequately consider the dramatically different supply chain and manufacturing implications of such an acceleration.[1000] NHTSA stated that the agency underestimated the costs that the typical American would incur in owning and operating an EV (including, among others, charging costs, repair costs, battery-replacement costs, and insurance costs) as compared to the costs of owning and operating a gasoline- or diesel-powered vehicle. And NHTSA failed to quantify in its main analysis of maximum feasible standards costs to consumers from forgone features, including vehicle performance.

NHTSA also outlined that the additional costs to society more generally (not borne just by EV purchasers) include the costs associated with the massive and rapid national buildout of charging infrastructure and

[996] 85 FR 24174 (Apr. 30, 2020).

[997] Manufacturers that were projected to comply include Mazda, Mitsubishi, and Toyota.

[998] The stringency of the MYs 2024–2026 standards was one reason why NHTSA held non-passenger automobile standards flat in MYs 2027–2028 in the 2024 final rule. *See* 89 FR 52540, 52848 (June 24, 2024) (''Further stringency increases at a comparable rate, immediately on the heels of the increases for model years 2024–2026, may therefore be beyond maximum feasible for model years 2027–2032.'').

[999] See, *e.g.,* Isidore, C., Ford Just Reported a Massive Loss on Every Electric Vehicle It Sold, last revised: Apr. 25, 2024, CNN, available at: *https://www.cnn.com/2024/04/24/business/ford-earnings-ev-losses* (accessed: May 28, 2026); Miller, C., GM's Electric Vehicles Finally Earned More Than They Cost to Make, Car and Driver, last revised: Jan. 29, 2025, Car and Driver, available at: *https://www.caranddriver.com/news/a63608612/gm-stops-losing-money-on-evs/* (accessed: May 28, 2026) (noting that GM's ''variable profit positive'' metric does not include ''fixed costs such as creating new assembly lines, so GM's massive investments in its EV factories and the engineering of the new models are taken out of the equation.''). The production costs of EVs greatly exceed the manufacturers' current EV sales revenues and are cross-subsidized by the sale of gasoline- and diesel-powered vehicles. If the production of EVs actually did increase at the rate previously projected by NHTSA, which would require an unrealistic jump in consumer demand for EVs, automakers would no longer be able to subsidize the full extent of their losses on EVs through price increases on gasoline- and diesel-powered vehicles.

[1000] Manufacturers cannot easily add a new production line to an existing assembly facility to produce an EV, given differences in manufacturing processes and facility needs. Instead, manufacturers generally either convert an existing facility away from internal combustion vehicle assembly or build a new facility—adding to overall costs and reducing production capacity for internal combustion vehicles. Similarly, suppliers cannot simply add a propulsion battery production line to an existing facility, and much of the expertise and intellectual property for such technologies exists overseas—especially in China. These all add substantial expense for manufacturers, which is passed along to consumers in the form of higher prices.

electricity generation and transmission capacity necessary to accommodate the anticipated ramp up in EV sales,[1001] and the safety concerns accompanying lithium battery fires,[1002] specifically including costs incurred by State and local governments and first responders to prepare for and respond to the unique circumstances surrounding battery-related fires and emergency situations that will follow from more EVs on the road.[1003] Most importantly, NHTSA concluded that using the CAFE program to push automakers into producing EVs more rapidly than market demand would otherwise support undermines one of the national security goals behind EPCA because it moves the United States into a position of greater strategic dependence on foreign suppliers of critical automotive inputs, including the processed minerals needed for the manufacture of EV batteries. Such additional societal costs are avoided in the present final rulemaking, which is based on a faithful implementation of EPCA without improperly considering the factors prohibited by section 32902(h).

For those reasons, NHTSA concluded that the existing fuel economy standards for each of the model years covered in the proposal did not comply with the requirements of EPCA and the goals in EPCA for the CAFE program. NHTSA stated that, rather, the existing standards have undermined those goals, harming the freedom and economic interests of America's families, significantly degrading highway safety in all regions of the country, weakening the vitality of the U.S. auto industry, lessening the Nation's security by increasing America's strategic dependence on other countries for EV battery materials, and exacerbating the vulnerabilities of America's electricity grid. NHTSA determined that each of the factors discussed above in isolation would warrant the amendment of the prior standards. Accordingly, NHTSA proposed to set aside the previous light-duty fuel economy standards established for MYs 2022–2026 and MYs 2027–2031 and considered anew the ''maximum feasible'' replacement standards for the model years in question.

The agency received extensive and detailed comments regarding the legal, economic, and practical merits of the prior CAFE standards, and whether the agency's proposal to amend them was justified. Toyota Motor North America, Inc. (Toyota), NADA, SEMA, the National Association of Manufacturers (NAM), PMI, and AmFree and Corn Growers Associations, among others, commented that the prior CAFE standards contravened subsection 32902(h) by considering EVs in the regulatory baseline.[1004] NADA asserted that by doing so, NHTSA's 2024 final rule violated EPCA and distorted the fuel economy standards, pushing them beyond what could be achieved with traditionally fueled vehicles.[1005] Stellantis similarly commented that by including alternative-fueled vehicles in the baseline analysis, ''the fuel economy capabilities of the fleet were exaggerated, and led to standards that were overly aggressive and inconsistent with Congressional intent.'' [1006] Likewise, AmFree and Corn Growers Associations noted that the presence of EVs raised the fleetwide average to a level that ICE vehicles could not achieve,[1007] and IER stated this allowed standards to reach technologically infeasible levels for liquid-fueled vehicles, resulting in a de facto EV mandate because producing EVs became the only possible way for automakers to comply.[1008] A joint comment from NACS *et al.* also agreed with NHTSA's conclusion that the agency exceeded its statutory authority in prescribing the current standards by considering EVs in a manner that was unlawful.[1009]

Furthermore, several commenters stated that the prior standards represented an unlawful substitution of policy judgment that violated the major questions doctrine. AmFree and Corn Growers Associations, along with API and American Consumer Institute (ACI), asserted that the prior standards violated the major questions doctrine by attempting to force a transition in the U.S. economy to electric vehicles without clear Congressional authorization.[1010] Similarly, an individual commenter stated that NHTSA's previous fuel economy standards mirrored the EPA's Clean Power Plan, which was struck down by the Supreme Court in *West Virginia* v. *EPA*.[1011] The commenter asserted that using fuel economy standards to force a nationwide transition from gasoline-powered vehicles to electric vehicles represents an unconstitutional expansion of regulatory authority not delegated by Congress.[1012] Joint States and ACI commented that the prior rules unlawfully pursued a climate-focused agenda that ignored EPCA's energy conservation purpose and the realities of consumer demand.[1013]

Beyond the statutory interpretation concerns raised above, in addition to commenters noting that the previous stringency levels pushed far beyond what internal combustion engine

[1001] 87 FR 25888 (May 2, 2022). As the agency conceded in the previous rulemaking, there are massive costs involved with not only converting the fleets, but also the ''ancillary costs of electric vehicles, such as building additional charging stations [and] improving the grid.'' This includes costs borne by utility companies, and passed on to rate payers, to expand infrastructure to support an increased number of households charging vehicles at home or charging locations at private businesses or public locations—including high-powered DC fast charge equipment.

[1002] While internal combustion vehicles are also susceptible to fire risks (generally after a very severe high-speed crash), the risks presented by electric vehicle battery fires is on a significantly higher scale and can be presented in surprising situations. *See, e.g.,* Institute for Energy Research (IER), Hurricane Ian Is not a Friend of Electric Vehicles, last revised: Oct. 20, 2022, available at: *https://www.instituteforenergyresearch.org/renewable/hurricane-ian-is-not-a-friend-of-electric-vehicles/* (accessed: May 29, 2026). As happened in Hurricane Ian, during emergencies, these battery fires can force ''local fire departments to divert resources away from hurricane recovery to control and contain the fires.'' And these ''fires can become life-threatening if water-damaged electric cars are parked near houses or in garages. Some Florida homes were lost to fires caused by flooded electric vehicles.''

[1003] See Larsson, F. *et al.,* Toxic fluoride gas emissions from lithium-ion battery fires, *Scientific Reports,* Vol. 7: 10018 (2017), available at: *https://doi.org/10.1038/s41598-017-09784-z* (accessed: May 29, 2026). While electric vehicle fires occur less frequently than conventional vehicle fires on a fleet-wide basis, when lithium-ion battery thermal runaway events do occur, they generate intense heat and toxic fluoride gas emissions, making them more difficult to extinguish than conventional vehicle fires and increasing the costs and management challenges of maintaining effective first responder capabilities. See also International Association of Fire Chiefs (IAFC), IAFC's Fire Department Response to Electric Vehicle Fire's Bulletin, available at: *https://www.iafc.org/topics-and-tools/resources/resource/iafc-s-fire-department-response-to-electric-vehicle-fires-bulletin* (accessed: May 29, 2026). The unique operational hazards associated with suppressing these batteries are forcing fire departments around the country to expend significant resources to purchase equipment capable of managing prolonged and unpredictable battery fires.

[1004] Toyota, Docket No. 2025–0491–5997, at 2; NADA, Docket No. NHTSA–2025–0490–0036, at 5–6; SEMA, Docket No. 2025–0491–5891, at 2; NAM, Docket No. NHTSA–2025–0491–4970, at 2; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 13; AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 6.

[1005] NADA, Docket No. NHTSA–2025–0490–0036, at 5–6.

[1006] Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 5.

[1007] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 6.

[1008] IER, Docket No. NHTSA–2025–0491–6029, at 3.

[1009] NACS et al., Docket No. 2025–0491–6034, at 2.

[1010] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 13; API, Docket No. NHTSA–2025–0490–0053, at 3; ACI, Docket No. 2025–0491–4892, at 2.

[1011] Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 2.

[1012] *Id.* at 2–4.

[1013] Joint States, Docket No. NHTSA–2025–0491–6017, at 1; ACI, Docket No. NHTSA–2025–0491–4892, at 2.

technologies could achieve, Toyota noted the prior rules compelled an unrealistic 47-percent EV market share by MY 2031.[1014] NADA and Nissan highlighted that EV sales flatlined in late 2025 following the expiration of IRA tax credits, causing unsold EV inventories to surge to a 149-day supply, and forcing automakers to take billions in write-downs.[1015] Stellantis similarly commented that ''2024MY and 2025MY light-duty EV growth has remained flat, even showing some signs of decline despite even more EV models entering the market.'' [1016]

Commenters such as NACS *et al.,* ACI, the ID, MT, ND, SD, and WY DOTs, and an individual commenter emphasized that EVs remain impractical for many Americans due to long charging times, cold weather range degradation, and inadequate rural infrastructure.[1017] Other commenters also raised safety concerns regarding EV performance in cold weather, noting that significant range loss in winter creates hazards for drivers in mountainous or remote areas.[1018] The Congressional Western Caucus and NADA added that forced electrification drove the average transaction price of new vehicles to nearly $50,000, pricing middle-class families out of the market.[1019] Furthermore, PMI pointed to NHTSA's modeling indicating that without EVs, less than 14 percent of the conventional ICE fleet could meet the prior MY 2031 targets, proving they were not technologically feasible for gas-powered vehicles.[1020]

Commenters supporting the proposal also focused on how the prior standards negatively impacted investments in traditional energy sectors. NACS *et al.* commented that the prior standards threatened to chill multi-decade investments in liquid fuel infrastructure (such as tanks, terminals, and pipelines) by signaling the intended obsolescence of liquid fuels.[1021] They stated that returning the CAFE standards to a focus on vehicles that consume fuel provides the regulatory clarity needed for private-sector capital to flow into refueling infrastructure that benefits every driver.[1022]

Several commenters also agreed with the agency's assessment of the societal and security costs imposed by the prior standards. NACS *et al.* commented that other Federal analyses emphasized diversified energy pathways during grid disruptions.[1023] PMI commented that forced electrification exacerbates vulnerabilities in a struggling national electricity grid and increases the risk of foreign attacks on domestic power infrastructure.[1024] ACI similarly noted that widespread EV adoption requires significant upgrades to power distribution systems, the costs of which are passed on to utility ratepayers in the form of higher base rates.[1025]

Conversely, commenters opposing the agency's proposal stated that the current rulemaking violates the APA and EPCA. South Coast AQMD and Save the Sound argued that the agency's characterization of the prior standards as unlawful relied on unsupported suppositions and an interpretive rule that bypassed notice-and-comment procedures, failing to provide the robust administrative record required to reverse prior factual findings.[1026] The Attorneys General contended that the agency's rationale was pretextual, driven not by statutory factors but by recent Executive Orders.[1027]

Commenters also defended the feasibility of the prior standards and the growing demand for EVs. ZETA submitted data from three reports showing that EV battery costs have decreased by 90 percent since 2010, which they asserted brings the total cost of ownership (TCO) below that of comparable ICE vehicles.[1028] Several commenters also disputed the agency's statements regarding waning demand for more fuel efficient vehicles, including EVs,[1029] with the ME DEP noting that EV sales reached record highs in late 2025.[1030] Furthermore, NRDC *et al.* and ICCT argued that the prior standards did not force electrification; NRDC *et al.* submitted analyses demonstrating that automakers could meet the prior targets by shifting production to the most efficient ICE and hybrid trims they already offer, and ICCT commented that BEVs are present regardless of the existence of CAFE standards, as automakers have made investments and consumers are demanding them.[1031] Consumer Reports added that weakening the standards denies consumers thousands of dollars in guaranteed lifetime fuel savings in exchange for theoretical sticker-price cuts that historical data suggests will never materialize.[1032] Finally, several commenters stated their belief that weakening fuel economy standards would undermine U.S. global competitiveness and remove incentives for domestic innovation, causing automakers to stall technological advancement or shift production to other markets, which would ultimately cede the next generation of automotive manufacturing and global market share to foreign competitors.[1033]

Several commenters stated that the agency arbitrarily ignored reliance interests and sunk costs engendered by the prior rules. MEMA, AVE, NRDC *et al.,* ZETA, and ICCT asserted that automakers and component suppliers made billions of dollars in long-lead, irreversible investments based on the regulatory certainty of the previous rules.[1034] NRDC *et al.* presented data showing that $209 billion has been invested in EV supply chain facilities currently in operation or under construction.[1035] ICCT provided a detailed accounting showing that major automakers have committed nearly $70 billion by 2030 to retool U.S. plants for

[1014] Toyota, Docket No. NHTSA–2025–0491–5997, at 2.

[1015] NADA, Docket No. NHTSA–2025–0490–0036, at 2; Nissan, Docket No. NHTSA–2025–0491–5857, at 3.

[1016] Stellantis, Docket No. NHTSA–2025–0491–5968, at 3.

[1017] NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 6; ACI, Docket No. NHTSA–2025–0491–4892, at 6; ID, MT, ND, SD, and WY DOTs, Docket No. NHTSA–2025–0491–4948, at 1–2.

[1018] ID, MT, ND, SD, and WY DOTs, Docket No. NHTSA–2025–0491–4948, at 1–2; Diana Furchtgott-Roth, Docket No. NHTSA–2025–0491–5765–A1, at 10.

[1019] U.S. Congressional Western Caucus (USCWC), Docket No. NHTSA–2025–0491–6066, at 1; NADA, Docket No. NHTSA–2025–0490–0036, at 7.

[1020] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 29.

[1021] NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 5.

[1022] *Id.* at 6.

[1023] *Id.*

[1024] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 37.

[1025] ACI, Docket No. NHTSA–2025–0491–4892, at 5.

[1026] South Coast AQMD, Docket No. NHTSA–2025–0490–0064, at 1–2; Save the Sound, Docket No. NHTSA–2025–0490–0060, at 2–3.

[1027] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 112–114.

[1028] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 7 (citing BloombergNEF, December 2025; Atlas Public Policy, June 2025; ICCT, July 2025).

[1029] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 77–81; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 7–9; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 29–34.

[1030] ME DEP, Docket No. NHTSA–2025–0490–0026, at 5.

[1031] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 33; ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 17.

[1032] Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 1.

[1033] Anonymous, Docket No. NHTSA–2025–0491–5040; Cleveland, Docket No. NHTSA–2025–0491–4840, at 2; ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 21; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 2; AVE, Docket No. NHTSA–2025–0490–0033, at 4–5.

[1034] MEMA, Docket No. NHTSA–2025–0491–5989, at 5; AVE, Docket No. NHTSA–2025–0490–0033, at 4; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 2, 11, 104, 106–109; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 12; ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 20–21.

[1035] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 107.

advanced ICE, extended-range electric vehicles (EREVs), and hybrids to meet the prior standards.[1036] ZETA and NRDC *et al.* also argued that the proposal to eliminate inter-manufacturer credit trading selectively harms EV-only manufacturers by devaluing hundreds of millions of dollars in compliance credits they relied upon as part of their business models.[1037] Finally, Sabin *et al.,* the Colorado Energy Office and Colorado Department of Transportation (Colorado state agencies), and the Attorneys General outlined public and private investments in nationwide charging networks (such as National Electric Vehicle Infrastructure (NEVI) formula funding and municipal building codes) that rely on a growing EV fleet they claim will be severely undermined by less stringent standards.[1038]

Several commenters criticized the agency's findings regarding the societal and safety costs of the prior standards. In response to NHTSA's assertion that lithium-ion battery fires degrade highway safety, NRDC *et al.* and ZETA cited incident data from the U.S., Sweden, and Norway, showing that ICE vehicles catch fire at rates comparable to or even more than EVs.[1039] A coalition of Representatives commented that overturning the prior standards will dramatically increase emissions of nitrogen oxide and particulate matter, resulting in 450 premature deaths and nearly 14,000 asthma exacerbations, worsening the affordability crisis for American households facing skyrocketing healthcare costs.[1040] Regarding national security, ZETA and NRDC *et al.* challenged the agency's claim that EV production harms national security by increasing reliance on foreign critical minerals, arguing that continued dependence on global petroleum markets poses a far greater and historically established threat to U.S. security.[1041]

NHTSA has considered the comments regarding its authority to revise the CAFE standards and maintains that its primary obligation is to implement EPCA as enacted. Subsection 32902(h) contains an explicit, unambiguous prohibition: the agency may not consider the fuel economy of dedicated AFVs when determining maximum feasible average fuel economy levels. NHTSA's inclusion of electric vehicles in baseline calculations for the prior standards constituted a clear legal error that resulted in standards that were premised on impermissible considerations and beyond maximum feasible. NHTSA acknowledges the agency's prior position that exclusion of electric vehicles in the baseline would underestimate the standards that manufacturers could meet by making additional improvements to their gasoline- and diesel-powered vehicles.[1042] In this final rule, NHTSA has reassessed the CAFE standards in accordance with the statutory text. An administrative agency possesses the authority to correct a prior erroneous interpretation of law and should not maintain a legally unsound framework. Moreover, excluding electric vehicles from the baseline does not constrain the agency's ability to issue meaningful standards reflecting maximum feasible fuel economy levels. Among other things, appropriately estimating the fuel economy value of electric vehicles using an analytically sound petroleum equivalency factor (PEF) has the potential to harmonize the standards with real-world market conditions. NHTSA's prior position failed adequately to account for the potential of the PEF to preserve meaningful fuel economy levels in such a way.

In this final rule, NHTSA reassessed the CAFE standards in accordance with the statutory text. An administrative agency possesses the authority to correct a prior erroneous interpretation of law and should not maintain a legally unsound framework.

Regarding the feasibility of the prior standards, though some commenters stated that manufacturers could achieve compliance through advanced internal combustion engine refinements and hybrid configurations alone, the agency's modeling presented in the proposal and this final rule demonstrates that—regardless of balancing factors—there would be significant under-compliance with the existing standards based on the capability of the gasoline- and diesel-powered vehicle fleet. The agency has also carefully evaluated the comments concerning reliance interests and capital investments made by automakers, component suppliers, and charging network developers under the previous rules. Nothing in this rule prohibits vehicle manufacturers that have invested in EV manufacturing from producing and selling those vehicles. With respect to non-regulated entities, such as charging equipment suppliers and State programs, NHTSA's statutory authority is strictly limited to prescribing vehicle fuel economy standards and does not extend to implications of those standards for broader infrastructure investments; the economic expectations of market actors in these sectors cannot expand the agency's defined legislative authority.

Instead, NHTSA must remain within the boundaries established by its enabling legislation. Although the proposal contained a discussion of the market, infrastructure, and economic challenges currently facing electric vehicles, similar to observations made by other stakeholders, these observations provided context on the state of the light-duty vehicle market, and do not inform the methodology used by NHTSA in this standard-setting action. In compliance with subsection 32902(h), NHTSA excluded alternative powertrains when determining maximum feasibility, ensuring that the final standards are derived solely from what is feasible and practicable for the gasoline- and diesel-powered fleet.

The analytical conclusions reached in this final rule diverge from those underpinning the 2020, 2022, and 2024 rulemakings, a result necessitated by a corrected legal framework, as discussed in this section, and an appropriate balancing of the factors for assessing maximum feasibility, as discussed in more detail below. Unlike the analyses supporting the prior standards, the baseline and simulated fleets evaluated in this analysis are restricted to avoid the unauthorized consideration of dedicated alternative fueled vehicles under subsection 32902(h). Regarding comments stating that NHTSA failed to provide a comprehensive record or factual findings related to its tentative conclusion that the prior standards were beyond maximum feasible, the agency's quantitative analysis and discussion of the No-Action Alternative in the proposal and this final rule demonstrates that the prior standards were beyond maximum feasible. NHTSA provides additional discussion regarding the results of the agency's analysis, including the results of the No-Action Alternative modeling, in the following subsection. Because the agency must evaluate maximum feasibility based on the statutory factors,

[1036] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 21.

[1037] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 13–15; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 107–110.

[1038] Sabin *et al.,* Docket No. NHTSA–2025–0491–5808, at 9–10; Colorado State Agencies, Docket No. NHTSA–2025–0491–4975, at 2; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 35–36.

[1039] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 42–45; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 8.

[1040] Representative Matsui *et al.,* Docket No. NHTSA–2025–0491–6065–A1, at 2.

[1041] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 8–9; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 45–46.

[1042] *In re NHTSA,* Initial Brief for Federal Government Respondents, Case No. 24–7001, at 31–33 (6th Cir.) (Jan. 17, 2025).

subsection 32902(h) limitations, and updated economic assumptions reflective of the current broader context, these compounding legal and factual shifts require a standard-setting determination and analysis distinct from prior administrative actions.

In sum, the overriding purpose of this reconsideration is to bring the CAFE program into compliance with subsection 32902(h). Having reviewed the legal and analytical record from the prior rules, in addition to the agency's updated quantitative and legal analysis, NHTSA has determined that, pursuant to its delegated authority, resetting the standards promulgated in 2020, 2022, and 2024 is necessary to align those standards with the statutory text. This adjustment restores the program to its proper statutory text-based foundation, ensuring that fuel economy targets remain strictly within the parameters authorized by EPCA.

2. Considerations Justifying the Final Standards

NHTSA discussed in the proposal that EPCA authorized the Secretary of Transportation (and NHTSA by delegation) to prescribe maximum feasible fuel economy standards for the light-duty vehicle fleet, and to exercise discretion in weighing the factors for determining maximum feasibility in section 32902(f): technological feasibility, economic practicability, the need of the United States to conserve energy, and the effect of other motor vehicle standards of the Government on fuel economy. For the proposal, NHTSA examined three regulatory alternatives that, in addition to the No-Action Alternative, represented distinct ways the agency could balance the four factors, consistent with the subsection 32902(h) prohibition on considering certain factors when setting maximum feasible standards.

NHTSA also discussed in the proposal that the agency considered other aspects of the statute in formulating the proposal's three regulatory alternatives. One original aspect of the CAFE program that the agency had abandoned in the development of existing standards is the concept of ''steady progress.'' EPCA's original provision for the MYs 1981–1984 standards included a requirement that the agency's standards ''will result in steady progress toward meeting'' the statutorily established ''standard . . . for model year 1985.'' [1043] EISA amended EPCA to include a similar provision for MYs 2011–2020 standards to ''increase ratably'' to the statutorily prescribed 2020 level.[1044] While EPCA does not include the same requirement for standards applicable to MYs 2021–2030, NHTSA stated in the proposal that small, steady, incremental increases in fuel economy standards over time, while preserving the ability for manufacturers to focus on safety, affordability, and consumer choice, are reasonable and balance EPCA's priorities appropriately. Further, NHTSA stated that while the agency cannot consider the availability of credits or credit trading in establishing standards, eliminating the credit trading system beginning with MY 2028 would encourage manufacturers to provide for steady improvement in fuel economy across their gasoline and diesel-fueled fleets over time, as opposed to abandoning such improvements in favor of transition to EVs or relying upon credits acquired from third-party EV manufacturers to cover non-compliance with unattainable standards.

The three regulatory alternatives increased standards at modest rates beginning in MY 2022. In support of the agency's proposed Preferred Alternative, Alternative 2, NHTSA examined several quantitative outcomes from the CAFE Model analysis, including estimates of technology penetration rates, manufacturer compliance levels compared to the standards, technology cost decreases, sales, labor, and safety measures, and changes in both estimated fuel use and changes in the pollutants emitted from vehicles as a result of changes in fuel use. The agency also discussed qualitatively several factors, including consumer demand for different types of vehicles and vehicle technologies, the tradeoffs between higher upfront vehicle prices and encouraging incremental technology improvements to spread throughout the fleet more quickly, and, importantly, whether there was a continued need for the United States to push for higher fuel economy standards given the Nation's status for several years as a net energy exporter.

The agency received extensive comments regarding its overall determination of maximum feasible fuel economy levels and how it balanced the statutory factors. AFPM noted that Congress intended the agency to set attainable standards that balance national energy needs with technological and economic realities, without imposing impossible burdens or limiting consumer choice.[1045] The Competitive Enterprise Institute (CEI) supported the agency's decision to weigh the Nation's need to conserve energy less heavily, pointing to diminishing returns from higher standards, rising domestic petroleum production, and an unaffordable new car market as valid justifications for setting standards at the proposed levels.[1046] CEI noted that large percentages of the fleet could not meet the existing MY 2022 standards, necessitating a rollback driven by the statutory restriction on considering alternative fueled vehicles.[1047] AmFree and Corn Growers Associations similarly commended the agency for prioritizing vehicle affordability and safety, arguing that the removal of the electric vehicle baseline correctly aligned the program with statutory constraints.[1048] AmFree and the Corn Growers Associations also recommended that the agency go even further than the proposed alternatives and adopt a zero percent stringency increase to protect American families.[1049]

NACS *et al.* submitted comments regarding the analytical baseline used to calculate the costs and benefits of the rule.[1050] They recommended that the agency present the MY 2021 standards as a primary or alternative No-Action baseline, rather than the existing MY 2022–2031 standards.[1051] They argued that because the existing standards are legally flawed, using them as a baseline creates incongruities in the analysis, whereas reverting to the MY 2021 standards would better reflect actual implementation and align with longstanding agency practice and administrative guidance.[1052]

Conversely, the agency received several comments arguing that the proposal unlawfully deprioritized energy conservation. NRDC *et al.,* ZETA, and the Attorneys General stated that the fundamental, overarching purpose of the statute is energy conservation, and that the agency impermissibly elevated what they consider non-statutory factors such as safety, affordability, and consumer choice over this explicit goal.[1053]

[1043] Public Law 94–163, sec. 502(a)(3)(B), 89 Stat. 871 (Dec. 22, 1975).

[1044] 49 U.S.C. 32902(b)(2).

[1045] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 2.

[1046] CEI, Docket No. NHTSA–2025–0491–6038, at 13.

[1047] *Id.*

[1048] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 7.

[1049] *Id.* at 10.

[1050] NACS *et al.,* Docket No. NHTSA–2025–0491–6034, at 8–10.

[1051] *Id.*

[1052] *Id.*

[1053] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 46–50; ZETA, Docket No. NHTSA–

Continued

Furthermore, the Attorneys General commented that the agency reversed its long-held position that conserving energy provides massive economic, environmental, and national security benefits, arguing that this reversal was executed without adequate acknowledgment or explanation.[1054] NRDC *et al.* also commented that the agency's focus on correcting perceived market distortions misunderstands the fundamental purpose of the fuel economy program, which is designed to address market failures by pushing automakers to apply more fuel-saving technology than market forces alone would dictate.[1055]

The agency also received several comments that the proposed stringency levels fell far below the fleet's demonstrated capabilities, which violated the statutory requirement to set maximum feasible standards.[1056] Similarly, several commenters pointed out that the proposed targets are weaker than what the gasoline and diesel fleets have already achieved.[1057] Based on the existing vehicle classification regulations, the Attorneys General noted that the MY 2024 passenger car and light truck fleets achieved 41.2 mpg and 30.5 mpg respectively, yet the proposal would require only 37.4 mpg and 28.6 mpg for the reclassified fleet by MY 2031.[1058] AVE commented that the statute requires maximum feasible improvements and does not permit the agency to default to incremental adjustments or prioritize compliance convenience over petroleum savings.[1059]

Furthermore, NRDC *et al.* and the Attorneys General emphasized that the agency's modeling projected significant over-compliance by the gasoline and diesel fleets, relative to the proposed standards.[1060] The Attorneys General pointed to data in the proposal showing that the modeled fleet is projected to outperform the new standards by anywhere from 2.7 to 17.4 mpg.[1061] NRDC *et al.* and UCS submitted comments that, based on the agency's assumptions, the proposed standards would have the exact same effect on fleet fuel economy as a one mile-per-gallon standard, effectively providing no regulatory incentive for improvement and rendering the standards a mere nullity.[1062]

Finally, NRDC *et al.* commented on what they perceived to be a lack of explanation regarding the agency's balancing of the statutory factors.[1063] They noted that while NHTSA claimed to have balanced the criteria appropriately, it failed to provide a reasoned explanation for how competing policy priorities were resolved to arrive at the conclusion that the proposed levels represent the maximum feasible standards.[1064] In addition, they commented that because the agency claimed its preliminary judgment was not based on its model, the agency unlawfully failed to disclose the actual information and evidence it relied upon to make its stringency determinations, violating its obligations under the APA.[1065]

The standard-setting process must remain within the boundaries established by subsection 32902(h). The empirical compliance data confirming industry-wide shortfalls under the prior standard-setting framework demonstrates that past standards exceeded the level achievable by the gasoline- and diesel-powered fleet. However, NHTSA is declining to adopt a zero percent stringency increase as suggested by some commenters. By selecting a framework of predictable increases achievable through gasoline and diesel technologies, the agency achieves the maximum feasible standard by giving appropriate weight to both the need of the United States to conserve energy and the range of factors that contribute to an economically practicable standard.

Regarding comments on the agency's choice of baseline, NHTSA's selection of the analytical baseline is governed by long-standing regulatory accounting practices and the directives of OMB Circular A–4. The No-Action baseline must accurately reflect the regulatory environment that would exist in the absence of proposed agency action. Because the standards for MYs 2022–2026 and MYs 2027–2031 were formally promulgated and remain legally binding upon the regulated industry until amended or vacated, they constitute the necessary baseline for measuring the potential economic impacts of the rulemaking. The legal conclusion that the prior framework improperly incorporated AFV technologies is correct and unavoidable. Utilizing the previously codified standards as the baseline ensures a transparent accounting of the potential cost reductions, technology penetration changes, and energy conservation adjustments. NHTSA performed additional sensitivity analyses for this final rule that removed the requirement that manufacturers attempt to comply with standards for MYs 2024–2026,[1066] and the results of that analysis are discussed below and in FRIA Chapter 9. This sensitivity analysis also allowed the modeled compliance solution to differ from the No-Action Alternative during these years.

NHTSA disagrees with the premise that energy conservation must be pursued to the exclusion or minimization of the other statutory criteria—the statute quite literally instructs otherwise. While energy conservation is a foundational goal of the statute, subsection 32902(f) explicitly commands the agency to consider four distinct factors: technological feasibility, economic practicability, the need of the United States to conserve energy, and the effect of other motor vehicle standards of the Government. As discussed above, the text of the statute does not subordinate economic practicability to energy conservation. In an era of domestic petroleum abundance enabling the United States to become a net exporter of petroleum (quite different from the Nation's historical reliance upon petroleum imports from foreign adversaries during the passage of EPCA and even EISA), placing less weight upon the factor of energy conservation is reasonable, and, indeed, natural. That said, NHTSA has not disregarded the benefits of petroleum conservation, and is, in fact, placing heavier weight on this factor in selecting a more stringent final standard than proposed, as discussed further below.

NHTSA recognized in its proposal that the Preferred Alternative, Alternative 2, set standards for MY 2031 below what the fleet had achieved in

2025–0491–6039–A1, at 5; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 59–62, 89–92.

[1054] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 56–57.

[1055] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 47.

[1056] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 47; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 38–39, 50.

[1057] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 48; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 50.

[1058] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 49–50.

[1059] AVE, Docket No. NHTSA–2025–0490–0033, at 2.

[1060] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 66–68; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2 at 49–50, 55–56.

[1061] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 55–56.

[1062] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 48; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 50.

[1063] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 48–50.

[1064] *Id.*

[1065] *Id.*

[1066] The analysis fleet used for this rulemaking is based on MY 2024 data and therefore any modeling solutions begin in MY 2025.

MY 2024. NHTSA explained in the proposal that besides the obvious effects of considering the subsection 32902(h) technologies in prior standards, the seemingly high compliance levels in the light truck fleet in MY 2024 are related to the current inclusion of passenger-focused vehicles in that fleet. Moving high-volume crossover and SUV models out of the light truck fleet and into the passenger car fleet structurally lowers the mathematical average of both individual regulatory fleets, even though the physical efficiency of the individual vehicles and combined fleet average fuel economy remain unchanged. Consequently, the previous classification of an overly restricted passenger car fleet alongside an overly broad light truck fleet created a structural imbalance that artificially inflated baseline fuel economy levels in each fleet, obscuring the true operational capabilities of each independent vehicle category. NHTSA also stated that it was reasonable to reset standards at levels that did not artificially inflate vehicle fuel economy capabilities, noting that that the agency had previously overestimated manufacturer ability to apply technologies based on incongruent product design cycles and manufacturing capabilities, or underestimated manufacturer needs to deploy capital for necessary reasons unrelated to fuel economy (like safety technology).

Regarding the modeling projections showing fleet over-compliance between 2.7 and 17.4 mpg, NHTSA discussed in the proposal that this outcome was driven in part by the application of technologies by the CAFE Model to comply with the unachievable MYs 2024–2026 standards embedded in the No-Action baseline. While NHTSA maintains that the MYs 2024–2026 standards constitute the appropriate No-Action baseline for purposes of the central analysis, the agency conducted supplemental sensitivity analyses that project significantly less over-compliance when the Model excludes hypothetical technology applications that manufacturers never actually integrated into their fleets. NHTSA discusses these cases in more detail below and in FRIA Chapter 9. In addition, NHTSA also recognized in the proposal that the agency must set standards applicable to the entire automotive industry; NHTSA stated that it does not intend for its proposed reset standards to penalize manufacturers that increased their fleet fuel economy values using EV or PHEV technology, which left them with a lower fleet fuel economy value when only vehicles powered by gasoline and diesel fuels are considered. Rather, NHTSA tentatively concluded that resetting standards at a level where manufacturers can respond to market demand, consider affordability, and consider safety—all while being subject to continuously increasing standards—would better reflect consumer needs and preferences, and promote a healthier and better-balanced CAFE program.

Finally, in response to NRDC *et al.'s* comment that NHTSA failed to disclose its exact balancing of the subsection 32902(f) factors, NHTSA reminds commenters that standards are not generated by plugging inputs into a model and receiving an objectively correct result. Instead, NHTSA undertakes a balancing process that complies with EPCA, and the reasoned decision-making required by the APA. EPCA granted the Secretary broad administrative discretion to synthesize and balance the qualitative and quantitative factors set forth in subsection 32902(f). The agency's determination represents a holistic exercise of this discretion, balancing the quantitative engineering and economic outputs of the CAFE Model against qualitative, real-world market constraints. All data inputs, baseline fleet configurations, and model parameters used to inform the agency's technical analysis were disclosed in the proposal and the accompanying technical documents. The proposal's Preferred Alternative represented the point at which the agency determined preliminarily that continuous, steady efficiency progress could be sustained against economic practicability concerns facing consumers and manufacturers, and without encroaching upon the statutory prohibitions of subsection 32902(h). The determination of what constitutes maximum feasible fuel economy levels has consistently been recognized as a fluid and dynamic inquiry based on the four statutory factors, rather than a static calculation. The agency's standard-setting methodology maintains a careful equilibrium between rigid quantitative modeling data and qualitative consideration. This long-standing analytical flexibility ensures that NHTSA can reconcile shifting macroeconomic conditions and real-world market constraints while remaining anchored within the boundaries established by Congress.

For the final rule, in response to comments and the agency's own updated analysis, NHTSA considered both the three alternatives considered in the proposal and two additional alternatives for each set of MYs, 2022–2026 and 2027–2031. The following sections discuss the agency's consideration of each factor as applied to the range of alternatives considered in the proposal, comments on the agency's analysis, and the agency's updated assessment of each factor in response to comments and the updated range of regulatory alternatives.

a. Technological Feasibility

NHTSA tentatively concluded in the proposal that technological feasibility continued to be less constraining than in the past: manufacturers could comply with standards under each proposed alternative by applying existing technology to their vehicles. NHTSA noted that whether that technology could be applied to vehicles in the rulemaking timeframe and at what cost is a question of economic practicability and not technological feasibility; as NHTSA stated in 2020, all alternatives could be considered technologically feasible, but that does not mean that any of them could be maximum feasible.[1067] Put another way, ''[a]ny of the alternatives could thus be achieved on a technical basis alone if the level of resources that might be required to implement the technologies is not considered.'' [1068] However, the level of resources needed to apply those technologies and whether consumers will purchase vehicles equipped with those technologies are still prescient factors to consider, and the agency included those discussions with regard to the economic practicability of the standards.

The proposal evaluated baseline technology penetration and achieved fuel economy levels under the rubric of economic practicability because the agency had tentatively concluded that all technologies evaluated in the analysis are available for commercial application in the rulemaking timeframe. However, given the close intersection between projected required and projected achieved fuel economy levels and technology penetration rates, the following discussion further examines the technology penetration rates and fuel economy levels for the standards modeled in this final rule, while the discussion in Section V.C.2.b (Economic Practicability) discusses the cost of each associated level of technology application.

The proposal observed that different manufacturers had taken different pathways to fuel-economy-improving technology application, resulting in a

[1067] 85 FR 24174, 25174 (Apr. 30, 2020).

[1068] 77 FR 62624, 63037 (Oct. 15, 2012).

fleet that was relatively bifurcated in terms of technology solutions. Some manufacturers had deployed capital into EVs at the expense of ICE improvements, while others invested in hybrid powertrains. The agency noted that when evaluating the actual capabilities of the ICE fleet—which is required by EPCA's command to base standards on vehicles powered by liquid or gaseous fuel, as defined by the statute—the data revealed significant under-compliance. The agency reasoned that this under-compliance demonstrated that the prior standards exceeded maximum feasibility, as manufacturers could only meet the targets by utilizing compliance flexibilities such as dedicated AFVs and credit transfers that NHTSA is prohibited from considering.

The proposal also discussed NHTSA's belief that prior standards forced the application of technologies that consumers may not demand. For instance, the agency noted that consumers frequently choose to deactivate stop-start (SS12V) systems when able to do so, entirely negating the technology's projected fuel economy benefits. The agency also explained that manufacturers have limited capital. Requiring manufacturers to apply expensive fuel-saving technologies that consumers do not seek requires manufacturers to sacrifice investments in vehicle safety technologies. NHTSA tentatively concluded that maximum feasible standards must allow manufacturers to deploy both proven efficiency and safety-enhancing technologies while keeping new vehicles affordable.

The agency's modeling in support of the proposal illustrated the economic impracticability of leaving the prior standards in place. The CAFE Model projected that attempting to meet the No-Action Alternative for MYs 2027–2031 without the use of EVs or PHEVs in charge-depleting mode would necessitate a massive increase in the production and sale of strong hybrid vehicles. Even with this forced hybridization, the model showed manufacturers failing to comply with the baseline standards, by more than one mile per gallon. The agency also cautioned that such aggressive hybrid penetration rates may be unrealistic. While the market share of strong hybrids has doubled since 2020 alongside rising gas prices, real-world data shows that strong hybrid penetration has historically grown by no more than approximately five percentage points year-over-year.[1069] Because the baseline MY 2024–2026 standards increased at rates of 8 and 10 percent per year—far exceeding historical ICE technology improvement rates—the model was forced to assume unrealistic hybridization pathways. By resetting the standards, the agency projected that less effective technologies like SS12V would drop, and strong hybrids would remain a viable option for gas-price-conscious consumers, rather than required to meet overly stringent standards.

Finally, the proposal addressed how overly stringent CAFE standards can drive adverse changes in vehicle attributes and market offerings. The agency noted that EPCA established separate categories for passenger and non-passenger automobiles to preserve consumer access to vehicles with necessary cargo and off-highway capabilities. However, past CAFE standards created market distortions by establishing a mismatch in stringency that incentivized manufacturers to alter vehicle attributes to ensure passenger-carrying vehicles would be classified as less stringently regulated light trucks.

To correct this, the agency proposed to update the regulatory class definitions, starting in MY 2028, moving many models classified as light trucks into the passenger car fleet to which they properly belong by virtue of their being designed and used primarily to transport passengers. The agency tentatively concluded that this reclassification would ensure the light truck fleet consists strictly of vehicles with attributes contemplated by the statute for non-passenger capabilities. Although this shift lowers the average fuel economy values of both individual fleets (even while leaving the actual average fuel economy of the combined fleet unchanged), the agency tentatively concluded that coupling this reclassification with a reset of the footprint coefficient curves at sustainable levels would eliminate the incentive to manipulate vehicle attributes, thereby preventing the CAFE program from improperly disincentivizing the production of affordable passenger automobiles.

The agency received several comments on technology availability and how that availability impacts the projected manufacturer-achieved fuel economy levels. Honda noted that advanced internal combustion engine technologies are capable of supporting year-over-year stringency improvements that exceed the proposed 0.25-percent floor, which they stated would provide long-term investment certainty and maintain global competitiveness.[1070] MEMA and MECA commented that reducing stringency to the levels in Alternatives 1 or 2 would create a technological deployment gap, weakening the market signals required to sustain the domestic manufacturing of fuel efficiency technologies.[1071] To illustrate this impact, MECA pointed to the agency's PRIA, which showed that under the proposal's Preferred Alternative, only two out of eleven ICE and powertrain technologies would see modest single digit increases in market penetration, while five would experience decreases.[1072] MEMA recommended the adoption of Alternative 3 or a modified Alternative 3+ to preserve continuity with prior planning assumptions.[1073]

Several commenters also pointed to specific over-compliance projections generated by the CAFE Model within the rulemaking timeframe.[1074] SELC highlighted that the agency expects many manufacturers to exceed their targets by 15 percent or more across all evaluated alternatives.[1075] MECA, among other commenters, noted that projections showed industry-wide over-compliance by 11.8 mpg in MY 2027 and 6.8 mpg in MY 2031.[1076] Given these margins, MECA recommended that the agency's projected achieved fuel economy values should be adopted as the standards.[1077]

AVE provided a detailed inventory of technologies already deployed at production volumes that allow vehicles to exceed the proposed targets, including advanced combustion, direct injection, turbocharging, CVTs, improved thermal management, waste-

[1069] EIA, Hybrid Vehicle Sales Continue to Rise as Electric and Plug-In Vehicle Shares Remain Flat, last revised: May 30, 2025, available at: *https://www.eia.gov/todayinenergy/detail.php?id=65384#:~:text=*About%2022%25%20of%20light%2Dduty,the%20first%20quarter%20of%202024 (accessed: July 20, 2026).

[1070] Honda, Docket No. NHTSA–2025–0491–6013, at 9.

[1071] MEMA, Docket No. NHTSA–2025–0491–5989, at 8–9; MECA, Docket No. NHTSA–2025–0491–5331, at 2, 4.

[1072] MECA, Docket No. NHTSA–2025–0491–5331, at 6, 12.

[1073] MEMA, Docket No. NHTSA–2025–0491–5989, at 9.

[1074] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 49–50, 55–56; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 67–68; MECA, Docket No. NHTSA–2025–0491–5331, at 3, 6; SELC, Docket No. NHTSA–2025–0490–0035, at 5; ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 14.

[1075] SELC, Docket No. NHTSA–2025–0490–0035, at 5.

[1076] MECA, Docket No. NHTSA–2025–0491–5331, at 3.

[1077] *Id.*

energy recovery, engine friction reduction, start-stop systems, cylinder deactivation, and aerodynamic improvements.[1078] NRDC *et al.* and Consumer Reports noted that consumer demand for highly efficient strong hybrid vehicles is expanding rapidly, adding that these configurations frequently offer superior performance, reliability, and safety compared to conventional internal combustion engine vehicles.[1079] Regarding component-level technologies, the Attorneys General challenged the agency's assertion that consumers frequently deactivate start-stop systems, stating that the agency provided no empirical data to support this conclusion.[1080] They further commented that the engineering capability to disable a feature manually expands, rather than restricts, consumer choice and vehicle utility.[1081]

The agency has carefully evaluated the detailed technical data submitted by AVE, MEMA, and MECA regarding currently deployable, multi-pathway efficiency technologies—including advanced combustion, direct injection, turbocharging, continuously variable transmissions, engine friction reduction, and aerodynamic improvements. As discussed above, NHTSA considers these technologies in its analysis, except for technologies that the agency cannot consider under subsection 32902(h).

In response to comments suggesting that the achieved fuel economy levels should be adopted as the standards, the agency emphasizes the fundamental distinction between regulatory modeling projections and statutory mandates. The CAFE Model's optimization simulations often indicate that certain manufacturers will, for assorted reasons including baseline technology levels or product mix, outpace other individual manufacturers in the adoption of fuel-saving technologies. However, though NHTSA has long rejected a ''least-capable'' manufacturer approach to setting standards, converting these achieved levels into a uniform, industry-wide standard would ignore the compliance constraints faced by less capable manufacturers, which may render such average achieved levels economically impractical for substantial portions of the industry. Regarding comments about technology forcing or mandating standards, NHTSA does not mandate any technology pathway to meet standards but instead models potential cost-effective technology pathways that manufacturers could use to do so. NHTSA also discusses comments regarding ''technology forcing'' standards in Section V.A, above.

In response to NRDC *et al.* and Consumer Reports' comments on consumer technology preferences, NHTSA intends for the final fuel economy standards to align with technology application at a pace that maintains a diverse product mix and that does not incentivize the application of any technology. If manufacturers find that their consumers benefit from having SS12V technology on their vehicles, they can continue to employ it. NHTSA does not disagree that consumer demand for strong hybrid vehicles is growing; rather NHTSA's discussion in the proposal addressed whether the demand could conceivably grow as much as the results from the CAFE Model showed. As discussed in the proposal and in more detail below, the aggressive strong hybrid penetration rates are a result of the Model's applying technology to meet extremely aggressive MYs 2024–2026 standards. Because many manufacturers have not met the projected strong hybrid electric vehicle penetration rates in the pre-standard-setting years (MYs 2025 and 2026), NHTSA performed two sensitivity analyses that may more accurately model how ICE fleets added technology in those early years.

However, in response to comments and the agency's reevaluation of its regulatory analysis considering updated assumptions and information, NHTSA examined additional regulatory alternatives for the final rule analysis that resulted in increased required and projected achieved fuel economy levels, and that resulted in additional technology application.

As in the analysis presented in the proposal, the final rule analysis developed using the CAFE Model estimates a significant amount of technology application in the vehicle fleet in all simulated scenarios by assuming the prior MYs 2024–2026 standards exist in the regulatory baseline. The CAFE Model does not remove technology from vehicles in the face of less stringent standards, meaning that any technology applied by the model to reach the existing stringent MYs 2024–2026 standards (modeled in accordance with Circular A–4's definition of a ''No-Action baseline'') will continue to exist in the fleet in the model for MYs 2027–2031. While manufacturers invest significant capital in developing new vehicle technologies and may try to recoup their investments, it is entirely possible that manufacturers may choose to discontinue employing particular technologies earlier than anticipated or may price their vehicles in a way that would shift sales from a vehicle model using one technology to a vehicle model using another when faced with the proposed standards. NHTSA presents technology penetration rates for MYs 2027–2031 below but recognizes that manufacturers' responses to standards will be different in ways that the simulated analysis cannot capture.

The CAFE Model projections for MY 2031 demonstrate specific adjustments in fleetwide technology penetration rates across the regulatory alternatives relative to the No-Action baseline. The largest adjustments occur in SHEV penetration, which declines by 25 to 30 percent under Alternatives 1 through 4, compared to a 3.6-percent reduction under Alternative 5. PHEV penetration rates decrease consistently by approximately five percent across all action alternatives. For conventional powertrains, HCR engine technology increases by a few percentage points beginning in MY 2027, the first standard-setting year, in all options except the No-Action baseline and Alternative 5, while basic engine and advanced gasoline technologies decrease across all scenarios. Turbocharged engine deployment remains stable under Alternatives 1 through 4 but decreases at similar rates under the No-Action baseline and Alternative 5. In addition, the application of the highest-level road load reduction technologies decreases from the baseline to the lower alternatives but increases progressively as the regulatory alternatives become more stringent, with the exception of the highest levels of high rolling resistance tires, which are applied at consistent levels across the alternatives.

Table V–2 shows selected technology penetration rates for each alternative.

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[1078] AVE, Docket No. NHTSA–2025–0490–0033, at 2–3.

[1079] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 78–81; Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 7–8.

[1080] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 60–61.

[1081] *Id.*

Table V-2: Fleetwide Technology Penetration Levels in Percent, MYs 2024-2031 by Alternative and Technology – Central Analysis

Technology group	Alternative	2024	2025	2026	2027	2028	2029	2030	2031
Basic Engine	No-Action	24.9	19.8	17.2	12.2	7.4	1.9	0.3	0.3
	Alt. 1	24.9	19.8	17.2	13.5	10.3	5.0	3.3	0.9
	Alt. 2	24.9	19.8	17.2	13.5	10.3	5.0	3.3	0.9
	Alt. 3	24.9	19.8	17.2	13.0	9.9	4.5	2.9	0.5
	Alt. 4	24.9	19.8	17.2	12.2	9.1	3.7	2.1	0.4
	Alt. 5	24.9	19.8	17.2	12.2	7.4	2.0	0.4	0.4
Turbo	No-Action	41.6	35.4	30.8	20.1	14.5	8.7	6.3	5.0
	Alt. 1	41.6	35.4	30.8	25.9	27.2	26.6	26.8	27.1
	Alt. 2	41.6	35.4	30.8	25.7	27.0	26.3	26.6	26.9
	Alt. 3	41.6	35.4	30.8	24.9	26.2	25.6	25.8	26.1
	Alt. 4	41.6	35.4	30.8	24.0	24.1	22.8	22.5	22.1
	Alt. 5	41.6	35.4	30.8	20.8	15.8	11.5	10.3	9.5
Advanced engine	No-Action	8.6	8.1	8.2	5.3	3.1	3.5	2.8	0.9
	Alt. 1	8.6	8.1	8.2	7.9	5.7	4.9	4.4	3.8
	Alt. 2	8.6	8.1	8.2	7.8	5.6	4.8	4.3	3.7
	Alt. 3	8.6	8.1	8.2	6.9	4.7	3.9	3.3	2.8
	Alt. 4	8.6	8.1	8.2	6.1	3.8	3.2	2.6	2.0
	Alt. 5	8.6	8.1	8.2	5.5	3.3	3.7	3.1	1.3
HCR	No-Action	14.6	12.0	10.2	7.6	6.2	6.0	6.1	5.2
	Alt. 1	14.6	12.0	10.2	11.6	13.0	16.2	16.6	17.4
	Alt. 2	14.6	12.0	10.2	11.6	13.0	16.2	16.6	17.4
	Alt. 3	14.6	12.0	10.2	11.6	13.0	16.2	16.6	17.4
	Alt. 4	14.6	12.0	10.2	10.8	12.1	15.1	15.5	16.3
	Alt. 5	14.6	12.0	10.2	9.9	8.8	9.6	9.6	8.5
SHEV	No-Action	10.4	24.4	33.5	51.5	62.8	72.8	77.0	81.0
	Alt. 1	10.4	24.4	33.5	40.5	43.1	45.5	46.5	47.6
	Alt. 2	10.4	24.4	33.5	40.8	43.4	45.9	46.9	47.9
	Alt. 3	10.4	24.4	33.5	42.9	45.5	48.0	49.0	50.0
	Alt. 4	10.4	24.4	33.5	46.3	50.2	53.7	55.2	56.3
	Alt. 5	10.4	24.4	33.5	51.0	63.3	70.7	73.7	77.5
PHEV	No-Action	2.9	2.9	2.9	5.6	7.5	7.5	7.6	7.6
	Alt. 1	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 2	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 3	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 5	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0
Advanced transmission	No-Action	70.2	60.3	54.9	41.2	28.4	18.9	14.7	10.6
	Alt. 1	70.2	60.3	54.9	51.9	49.6	47.8	46.8	45.8
	Alt. 2	70.2	60.3	54.9	51.6	49.2	47.4	46.5	45.4
	Alt. 3	70.2	60.3	54.9	49.5	47.1	45.3	44.3	43.3
	Alt. 4	70.2	60.3	54.9	46.3	42.6	40.6	39.8	38.7
	Alt. 5	70.2	60.3	54.9	44.1	32.2	25.5	22.6	18.8

Advanced mass reduction (MR3+)	No-Action	40.7	48.4	52.7	70.5	78.3	84.5	87.6	91.2
	Alt. 1	40.7	48.4	52.7	59.6	65.0	68.4	68.9	70.5
	Alt. 2	40.7	48.4	52.7	59.6	65.0	68.4	68.9	70.5
	Alt. 3	40.7	48.4	52.7	60.4	65.8	69.2	69.7	71.3
	Alt. 4	40.7	48.4	52.7	61.4	68.2	71.9	72.8	74.6
	Alt. 5	40.7	48.4	52.7	68.7	75.7	80.1	81.7	83.9
Advanced aero (AERO15+)	No-Action	5.2	19.9	31.8	56.2	74.3	86.0	92.2	96.2
	Alt. 1	5.2	19.9	31.8	49.8	63.0	69.5	75.9	80.0
	Alt. 2	5.2	19.9	31.8	49.8	63.0	69.5	75.9	80.0
	Alt. 3	5.2	19.9	31.8	49.8	63.0	69.5	75.9	80.0
	Alt. 4	5.2	19.9	31.8	52.5	67.2	73.9	80.4	84.5
	Alt. 5	5.2	19.9	31.8	53.1	70.5	81.9	88.2	92.2
Advanced roll (ROLL30)	No-Action	3.7	34.7	61.1	92.8	96.7	97.9	98.0	98.0
	Alt. 1	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 2	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 3	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 4	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 5	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0

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The proposal discussed reasons why the modeled hybrid penetration rates would likely not come to pass. For the final rule, NHTSA performed two additional sensitivity analyses, one assuming that standards in MYs 2024–2026 were set to 1 mpg and allowing the action alternative solutions to differ from the No-Action Alternative during those years, and one capping SHEV technology adoption rates at 25 percent by MY 2030 and PHEV technology adoption rates at two percent by MY 2030.

Table V–3 shows technology penetration rates with a 1 mpg standard for MYs 2024–2026, which effectively assumes that manufacturers did not attempt to comply with the prevailing CAFE standards in those years and instead only applied the technology the Model deemed cost effective—*i.e.,* adding technology that would pay for itself in projected fuel savings within the initial 36 months of use.

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Table V-3: Fleetwide Technology Penetration Levels in Percent, MYs 2024-2031 by Alternative and Technology – Non-binding MY 2024-2026 Standards Case

Technology group	Alternative	2024	2025	2026	2027	2028	2029	2030	2031
Basic Engine	No-Action	24.9	19.8	17.2	12.2	7.4	1.9	0.3	0.3
	Alt. 1	24.9	20.0	17.4	13.7	10.5	5.8	4.2	1.7
	Alt. 2	24.9	20.0	17.4	13.7	10.5	5.8	4.2	1.7
	Alt. 3	24.9	20.0	17.4	13.2	10.0	5.2	3.6	1.2
	Alt. 4	24.9	19.9	17.3	12.3	7.5	2.2	0.6	0.5
	Alt. 5	24.9	19.8	17.2	12.3	7.4	2.0	0.4	0.4
Turbo	No-Action	41.6	35.4	30.8	20.1	14.5	8.7	6.3	5.0
	Alt. 1	41.6	42.3	41.4	38.9	40.1	39.5	39.7	40.0
	Alt. 2	41.6	42.3	41.4	38.4	39.7	39.1	39.3	39.6
	Alt. 3	41.6	42.1	41.2	36.6	37.3	36.8	36.3	36.3
	Alt. 4	41.6	41.1	38.8	30.8	29.6	26.2	23.1	22.8
	Alt. 5	41.6	36.6	32.6	22.5	16.0	11.2	9.8	8.8
Advanced engine	No-Action	8.6	8.1	8.2	5.3	3.1	3.5	2.8	0.9
	Alt. 1	8.6	7.7	7.8	5.5	3.7	3.1	2.5	2.1
	Alt. 2	8.6	7.7	7.8	5.5	3.7	3.1	2.5	2.1
	Alt. 3	8.6	7.7	7.8	5.6	3.8	3.4	2.8	2.4
	Alt. 4	8.6	7.7	7.8	6.1	4.2	4.9	4.3	3.9
	Alt. 5	8.6	7.8	7.8	4.8	2.9	3.4	2.8	0.9
HCR	No-Action	14.6	12.0	10.2	7.6	6.2	6.0	6.1	5.2
	Alt. 1	14.6	17.6	20.1	21.4	22.9	26.1	26.5	27.3
	Alt. 2	14.6	17.6	20.1	21.4	22.9	26.1	26.5	27.3
	Alt. 3	14.6	17.6	20.1	21.4	22.9	26.1	26.4	27.2
	Alt. 4	14.6	17.6	19.8	20.4	20.4	22.9	21.6	21.2
	Alt. 5	14.6	15.9	15.6	15.2	14.0	13.7	12.3	11.2
SHEV	No-Action	10.4	24.4	33.5	51.5	62.8	72.8	77.0	81.0
	Alt. 1	10.4	12.0	13.1	19.8	22.0	23.7	24.7	25.6
	Alt. 2	10.4	12.0	13.1	20.2	22.4	24.1	25.1	26.0
	Alt. 3	10.4	12.1	13.4	22.4	25.2	26.9	28.8	30.1
	Alt. 4	10.4	13.3	16.1	29.7	36.7	41.2	47.5	48.6
	Alt. 5	10.4	19.6	26.7	44.7	58.3	67.3	71.7	75.7
PHEV	No-Action	2.9	2.9	2.9	5.6	7.5	7.5	7.6	7.6
	Alt. 1	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 2	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 3	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Alt. 5	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0
Advanced transmission	No-Action	70.2	60.3	54.9	41.2	28.4	18.9	14.7	10.6
	Alt. 1	70.2	70.8	69.9	68.1	66.2	65.1	64.2	63.3
	Alt. 2	70.2	70.8	69.9	67.7	65.8	64.7	63.8	62.9
	Alt. 3	70.2	70.7	71.0	66.7	64.2	64.3	63.4	62.1
	Alt. 4	70.2	69.5	69.3	61.3	54.6	52.2	47.0	45.9
	Alt. 5	70.2	64.2	60.2	49.1	37.1	29.2	24.8	20.8

Advanced mass reduction (MR3+)	No-Action	40.7	48.4	52.7	70.5	78.3	84.5	87.6	91.2
	Alt. 1	40.7	44.4	45.8	52.7	57.2	58.8	59.2	60.8
	Alt. 2	40.7	44.4	45.8	52.7	57.2	58.8	59.2	60.8
	Alt. 3	40.7	47.3	50.5	59.1	65.9	69.5	71.1	72.8
	Alt. 4	40.7	47.4	51.4	62.1	68.9	72.6	75.1	77.0
	Alt. 5	40.7	47.4	51.4	69.2	77.0	81.7	84.3	86.5
Advanced aero (AERO15+)	No-Action	5.2	19.9	31.8	56.2	74.3	86.0	92.2	96.2
	Alt. 1	5.2	17.0	24.9	43.1	56.1	62.5	69.0	73.2
	Alt. 2	5.2	17.0	24.9	43.1	56.1	62.5	69.0	73.2
	Alt. 3	5.2	17.2	26.6	44.8	59.5	66.1	73.0	77.1
	Alt. 4	5.2	18.5	29.0	50.0	67.5	78.6	85.3	89.3
	Alt. 5	5.2	19.0	30.7	52.0	70.6	82.3	88.6	93.3
Advanced roll (ROLL30)	No-Action	3.7	34.7	61.1	92.8	96.7	97.9	98.0	98.0
	Alt. 1	3.7	34.6	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 2	3.7	34.6	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 3	3.7	34.6	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 4	3.7	34.6	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 5	3.7	34.6	61.1	92.8	96.7	97.9	97.9	98.0

Even though the Model assumes that hybrid technology is cost effective to apply, manufacturers have not broadly applied SHEV or PHEV technology at rates reaching the levels estimated in the analysis, for various reasons including alternative compliance pathways. For instance, while SHEVs make up 50 percent of Toyota's MY 2024 fleet, GM's MY 2024 fleet consists of 0.05 percent SHEVs; the average SHEV penetration across an OEM's fleet is 4.6 percent.[1082] As such, NHTSA also performed a sensitivity case examining what a cap on modeled hybrid and PHEV technology penetration rates would mean for the application of other ICE technologies. Table V–4 shows a technology penetration rate using a phase-in cap for SHEV and PHEV technology.[1083] Further discussion on this sensitivity case can be found in FRIA Chapter 9.2.5.

[1082] These values report SHEVs as a share of manufacturers' gas- and diesel-powered fleets (*i.e.,* excluding EVs).

[1083] Phase-in caps and the phase-in start year determine the maximum adoption rate for a given technology in a particular model year. Phase-in caps do not dictate how much a technology is applied by the model; rather, they represent how much of the fleet could have adopted the technology by a given model year. Note that phase-in caps limit technology adoption but not necessarily the maximum technology penetration. For instance, consider a phase-in cap on SHEVPS technology of 0.5 percent per year with a phase-in start year of MY 2000. For an OEM that does not have any SHEVPS vehicles in its MY 2024 fleet, their maximum SHEVPS adoption is limited to 13 percent in MY 2025 (*i.e.,* 0.50 percent year over year accruing for 26 years, MY 2000 to MY 2025). However, if an OEM has 50 percent SHEVPS vehicles in their MY 2024 fleet, with a phase-in cap of 0.50 percent per year, it is limited to 51 percent SHEVPS adoption in MY 2026.

Table V-4: Fleetwide Technology Penetration Levels in Percent, MYs 2024-2031 by Alternative and Technology – Hybrid Powertrain Adoption Limits Case

Technology group	Alternative	2024	2025	2026	2027	2028	2029	2030	2031
Basic Engine	No-Action	24.9	19.8	17.2	13.4	8.6	3.2	1.6	0.8
	Alt. 1	24.9	19.8	17.2	13.8	10.7	6.1	4.4	1.8
	Alt. 2	24.9	19.8	17.2	13.8	10.7	6.1	4.4	1.8
	Alt. 3	24.9	19.8	17.2	13.7	10.6	6.0	4.3	1.7
	Alt. 4	24.9	19.8	17.2	13.3	9.8	5.2	3.6	1.5
	Alt. 5	24.9	19.8	17.2	13.5	8.6	3.2	1.6	0.8
Turbo	No-Action	41.6	36.0	32.0	21.9	15.5	10.1	7.2	6.5
	Alt. 1	41.6	36.0	32.0	28.4	29.8	29.6	30.0	30.8
	Alt. 2	41.6	36.0	32.0	28.4	29.8	29.6	30.0	30.8
	Alt. 3	41.6	36.0	32.0	27.9	29.3	29.3	29.5	30.3
	Alt. 4	41.6	36.0	32.0	23.6	21.1	18.8	17.8	17.4
	Alt. 5	41.6	36.0	32.0	22.0	18.2	13.7	11.8	11.1
Advanced engine	No-Action	8.6	11.5	14.6	25.0	32.4	38.3	41.6	42.4
	Alt. 1	8.6	11.5	14.6	19.1	19.3	19.3	19.6	19.7
	Alt. 2	8.6	11.5	14.6	19.1	19.3	19.3	19.6	19.7
	Alt. 3	8.6	11.5	14.6	19.5	19.7	19.8	20.1	20.2
	Alt. 4	8.6	11.5	14.6	23.8	27.6	29.7	31.2	31.8
	Alt. 5	8.6	11.5	14.6	25.0	29.2	33.3	35.7	36.6
HCR	No-Action	14.6	12.5	11.1	10.6	11.9	13.0	12.9	12.7
	Alt. 1	14.6	12.5	11.1	12.4	13.9	17.0	17.4	18.2
	Alt. 2	14.6	12.5	11.1	12.4	13.9	17.0	17.4	18.2
	Alt. 3	14.6	12.5	11.1	12.4	13.9	17.0	17.4	18.2
	Alt. 4	14.6	12.5	11.1	11.7	13.1	16.1	16.5	17.1
	Alt. 5	14.6	12.5	11.1	10.9	12.2	13.5	13.4	12.4
SHEV	No-Action	10.4	19.0	23.2	26.1	26.8	29.2	29.8	30.3
	Alt. 1	10.4	19.0	23.2	23.9	24.0	24.5	24.6	24.7
	Alt. 2	10.4	19.0	23.2	23.9	24.0	24.5	24.6	24.7
	Alt. 3	10.4	19.0	23.2	24.0	24.1	24.7	24.9	25.0
	Alt. 4	10.4	19.0	23.2	25.0	25.7	26.6	26.8	26.9
	Alt. 5	10.4	19.0	23.2	26.0	27.4	30.9	31.5	32.5
PHEV	No-Action	2.9	3.9	4.7	5.2	6.3	6.8	6.9	7.3
	Alt. 1	2.9	3.9	4.7	4.7	4.7	4.7	4.7	4.7
	Alt. 2	2.9	3.9	4.7	4.7	4.7	4.7	4.7	4.7
	Alt. 3	2.9	3.9	4.7	4.7	4.7	4.7	4.7	4.7
	Alt. 4	2.9	3.9	4.7	4.9	4.9	4.9	4.9	5.3
	Alt. 5	2.9	3.9	4.7	5.0	5.9	6.0	6.1	6.5
Advanced transmission	No-Action	70.2	64.5	63.1	66.5	66.0	63.7	63.2	62.4
	Alt. 1	70.2	64.5	63.1	66.7	66.9	66.9	67.0	66.9
	Alt. 2	70.2	64.5	63.1	66.7	66.9	66.9	66.9	66.9

	Alt. 3	70.2	64.5	63.1	66.6	66.7	66.8	66.7	66.6
	Alt. 4	70.2	64.5	63.1	65.4	65.0	65.6	66.8	66.4
	Alt. 5	70.2	64.5	63.1	66.6	65.5	62.6	62.5	61.0
Advanced mass reduction (MR3+)	No-Action	40.7	48.4	52.7	70.5	78.3	84.5	87.6	91.2
	Alt. 1	40.7	48.4	52.7	64.8	70.2	73.6	75.8	78.7
	Alt. 2	40.7	48.4	52.7	64.8	70.2	73.6	75.8	78.7
	Alt. 3	40.7	48.4	52.7	65.7	71.1	74.5	77.2	80.2
	Alt. 4	40.7	48.4	52.7	66.6	73.5	77.4	80.0	82.0
	Alt. 5	40.7	48.4	52.7	68.7	75.7	81.6	84.8	88.3
Advanced aero (AERO15+)	No-Action	5.2	19.9	30.9	55.2	73.3	85.0	91.2	96.2
	Alt. 1	5.2	19.9	30.9	48.9	62.0	68.4	74.8	78.9
	Alt. 2	5.2	19.9	30.9	48.9	62.0	68.4	74.8	78.9
	Alt. 3	5.2	19.9	30.9	48.9	62.0	68.5	74.9	79.0
	Alt. 4	5.2	19.9	30.9	51.9	66.6	74.6	80.9	85.0
	Alt. 5	5.2	19.9	30.9	52.2	69.5	80.9	87.2	91.8
Advanced roll (ROLL30)	No-Action	3.7	34.7	61.1	92.8	96.7	97.9	98.0	98.0
	Alt. 1	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 2	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 3	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 4	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0
	Alt. 5	3.7	34.7	61.1	92.8	96.7	97.9	97.9	98.0

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As expected, capping the SHEV penetration rate results in SHEV penetration levels more in line with expected levels going into MY 2027. On the other hand, NHTSA recognizes that the SHEV phase-in cap sensitivity case, like many of the cases presented in this final rule, represents a counterfactual world where manufacturers had not taken all available compliance pathways to comply with prior standards, including those pathways that NHTSA cannot consider when setting standards. SHEV adoption looks similar for Alternatives 1–3 across both sensitivity cases but increases in the non-binding MY 2024–2026 standards case as Alternatives 4 and 5 become more stringent in the standard-setting years. NHTSA expects manufacturer pathways to compliance for their gasoline- and diesel-powered fleets to fall across this range of sensitivity cases; for the half or so of manufacturers that had a robust SHEV program already, they might fall towards the central case on the spectrum, whereas the half or so of manufacturers that had pursued alternative compliance pathways that NHTSA cannot consider when setting standards would fall towards the other.

As discussed in Section II regarding compliance simulation, the CAFE Model applies technology subject to several real-world constraints, like accounting for manufacturers' product design cycles and sharing vehicle technologies across platforms. Based on a combination of factors unique to each manufacturer, the compliance simulation ends with different manufacturers achieving different fuel economy levels relative to the standards. In addition, some manufacturers' distinct regulatory fleets (*i.e.,* passenger car and light truck) may perform differently relative to each standard. With some exceptions, manufacturers are projected to meet or exceed standard levels in Alternative 3, the Preferred Alternative in this final rule. In the domestic car fleet, manufacturers meet targets through Alternative 4 except Ford, remaining short of target levels in MYs 2028 and 2029 before vehicle reclassification changes go into effect for MY 2030.[1084] The imported car fleet sees similar trends in compliance across manufacturers and model years. Ford enters this fleet with reclassification in MY 2030 and achieves compliance in all action alternatives other than Alternative 5. Volvo under-complies with its targets in MY 2027 for Alternatives 2 and 3 but over-complies once sufficient vehicles are eligible for refresh and redesign in subsequent model years. Across both passenger car regulatory classes, several manufacturers fall short of compliance under the higher stringency alternatives, Alternatives 4 and 5. Most manufacturers comply with standards in the light truck fleet across alternatives and model years. JLR does not meet compliance levels in Alternatives 4 and 5, while Mercedes-Benz, Nissan, and Stellantis miss targets in Alternative 5. Figure V–1 and Figure V–2 show manufacturers' estimated compliance positions relative to the standards. The figures report over-compliance or shortfall in mpg (cell shading indicates shortfalls):

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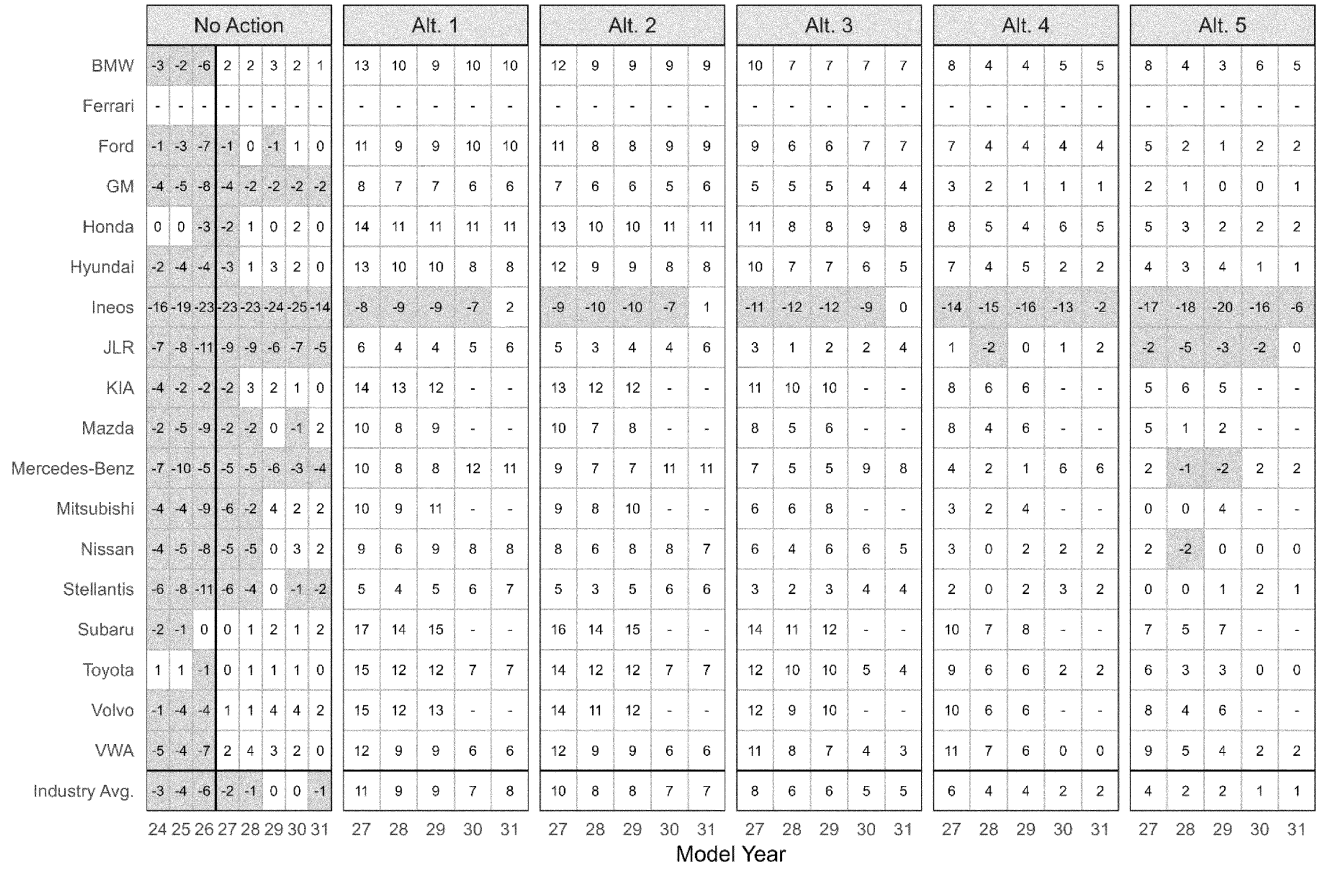
[1084] In MY 2028, Ford's domestic car fleet represents approximately eight percent of the manufacturer's light-duty sales and contains the Mustang (five percent of Ford's light-duty sales), Corsair (two percent), and Escape (one percent). After reclassification, the Bronco Sport enters the fleet and shifts this regulatory class into compliance.

Figure V-1: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Central Analysis, Passenger Cars

	No Action								Alt. 1					Alt. 2					Alt. 3					Alt. 4					Alt. 5				
	24	25	26	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31
BMW	-12	-11	-13	-13	-10	-11	-13	-11	10	10	10	8	8	9	9	9	7	7	7	6	6	4	4	2	2	2	0	0	-1	-1	-2	-3	-2
Ferrari	-26	-30	-36	-37	-38	-39	-39	-39	-14	-13	-13	-13	-12	-15	-14	-14	-14	-13	-17	-17	-17	-17	-16	-21	-22	-22	-22	-21	-25	-26	-27	-27	-26
Ford	-14	-19	-25	-20	-21	-23	-24	-25	3	1	1	4	4	2	0	0	3	3	1	-1	-2	2	1	-4	-6	-7	-1	-1	-7	-10	-12	-4	-4
GM	-9	-10	-10	-8	-10	-2	-4	-5	15	12	14	10	10	14	11	12	9	9	12	8	10	6	6	7	4	5	1	1	5	0	3	-1	-1
Honda	-1	-5	-9	-9	-1	7	6	5	15	11	12	9	9	14	10	11	8	8	11	8	8	5	5	7	3	3	0	0	4	3	6	0	0
Hyundai	-6	-9	-14	-4	1	3	2	0	12	10	10	7	7	10	9	9	6	6	8	7	7	3	3	4	3	3	0	0	8	9	10	1	1
Ineos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JLR	-18	-22	-12	-14	-15	-16	-17	-18	10	8	7	5	5	9	6	6	4	4	7	4	4	1	1	2	-1	-1	1	1	-1	-5	-6	-4	-4
KIA	-5	-4	-6	-5	-4	6	4	3	19	16	16	10	10	18	15	15	9	9	15	13	13	6	6	11	8	9	2	2	8	7	9	1	0
Mazda	-9	-14	-20	4	3	2	0	-1	12	10	9	4	5	11	8	8	3	4	8	6	6	0	1	19	15	14	0	1	18	13	12	-4	2
Mercedes-Benz	-11	-14	-18	-17	-17	-14	-13	-13	4	4	6	4	4	4	3	6	3	3	1	1	3	0	0	-2	-3	0	0	0	-6	-7	-5	-3	-3
Mitsubishi	0	-5	13	12	10	9	8	6	42	39	39	10	10	41	38	38	9	9	38	35	35	6	6	34	30	29	1	1	30	26	24	0	0
Nissan	-4	-4	-7	2	4	3	2	0	20	20	20	14	14	19	19	19	13	12	17	16	16	10	9	12	12	11	5	5	11	9	8	3	2
Stellantis	-10	-14	-20	-15	-16	-17	-18	-20	9	6	6	2	2	8	5	5	1	1	7	4	4	0	0	3	0	-1	0	-1	-1	-5	-6	-2	-2
Subaru	-13	-17	-17	-16	-18	-2	-3	-5	9	7	11	10	10	8	6	10	9	9	6	4	7	6	6	1	-1	2	1	1	-2	-6	8	0	0
Toyota	-2	-2	-4	5	6	5	5	5	22	19	19	16	16	21	18	18	15	15	19	16	16	12	12	14	11	10	7	7	11	7	5	2	2
Volvo	-8	-12	-7	-7	-6	-7	-8	-9	16	14	14	9	9	15	13	13	8	8	13	12	11	5	5	8	8	7	1	1	5	3	2	0	-1
VWA	-13	-13	-18	-14	-7	-9	-10	-11	9	8	8	5	5	8	6	6	4	4	6	5	4	2	2	2	3	3	0	0	0	4	2	-3	-3
Industry Avg.	-6	-8	-10	-6	-4	0	-1	-2	15	13	14	9	9	14	12	12	8	8	12	10	10	6	5	8	5	6	2	2	5	3	4	0	0

Model Year

Figure V-2: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Central Analysis, Light Trucks



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Consistent with the analysis presented in the proposal, the tables show most manufacturers under-complying significantly in each fleet under the baseline standards. While some manufacturers' shortfalls may not seem significant, the cost to each manufacturer to reach those levels must be considered alongside performance, and that cost is discussed below in more detail regarding the economic practicability of the standards. There is also more compliance with the baseline standards in the light truck fleet, where reclassification does not occur and manufacturers can continue using vehicles built largely for passenger-carrying purposes, like CUVs, to comply with the standards.

Under the regulatory alternatives, different manufacturers would have difficulties complying depending upon fleet. There remains some over-compliance in the least stringent alternatives because the existing fleets used to establish the baseline were designed to meet extremely stringent MYs 2024–2026 standards, and there is significantly more under-compliance for individual manufacturers under the more stringent regulatory alternatives. By Alternative 5 in MY 2031, major manufacturers are unable to comply by several mpg in each regulatory fleet, particularly in the passenger car fleet, which will contain the large majority of sales volumes after reclassification in MY 2030. The over-compliance in Alternative 2 that some commenters identified in the proposal is still present for approximately half of manufacturers, whereas the other half are still projected to achieve fuel economy levels much more in line with the standard levels. In Alternative 3, that over-compliance again decreases as the standards become more stringent.

Under the two sensitivity cases discussed above (one assuming that manufacturers did not attempt to comply with the MYs 2024–2026 standards, and one that capped hybrid and plug-in hybrid technology adoption rates), compliance with standards by MY 2031 decreases significantly under the MYs 2024–2026 non-binding standards case, and to a lesser extent under the SHEV/PHEV cap case. NHTSA expects that manufacturers that used a hybrid pathway in the real world to comply with standards would see over-compliance levels more similar to these levels, whereas manufacturers that used a combination of ICE and EV technologies to comply with standards would not.

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Figure V-3: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Non-binding MY 2024-2026 Standards Case, Passenger Cars

	No Action								Alt. 1					Alt. 2					Alt. 3					Alt. 4					Alt. 5				
	24	25	26	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31
BMW	-12	-11	-13	-13	-10	-11	-13	-11	5	4	4	2	3	4	3	3	1	2	2	2	2	0	0	0	1	0	0	0	-1	-1	-2	-3	-2
Ferrari	-26	-30	-36	-37	-38	-39	-39	-39	-14	-13	-13	-13	-12	-15	-14	-14	-14	-13	-17	-17	-17	-17	-16	-21	-22	-22	-22	-21	-25	-26	-27	-27	-26
Ford	-14	-19	-25	-20	-21	-23	-24	-25	2	0	0	1	1	3	1	1	1	1	1	-1	-2	1	0	-4	-6	-7	-1	-1	-7	-10	-12	-4	-4
GM	-9	-10	-10	-8	-10	-2	-4	-5	8	5	6	3	3	6	4	5	2	2	5	2	3	1	0	5	1	3	0	0	5	0	3	-1	-1
Honda	-1	-5	-9	-9	-1	7	6	5	15	11	12	7	7	14	10	11	6	6	11	8	8	3	3	7	6	6	0	0	4	4	9	0	0
Hyundai	-6	-9	-14	-4	1	3	2	0	10	9	9	4	4	9	8	8	3	3	7	6	6	0	0	3	4	6	0	0	7	8	10	1	1
Ineos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JLR	-18	-22	-12	-14	-15	-16	-17	-18	2	0	0	0	0	2	0	0	0	0	3	0	0	0	0	2	-1	-1	1	1	-1	-5	-6	-4	-4
KIA	-5	-4	-6	-5	-4	6	4	3	11	9	9	3	3	10	8	8	2	2	8	6	6	1	1	3	1	4	0	0	2	1	6	0	0
Mazda	-9	-14	-20	4	3	2	0	-1	12	10	9	4	5	11	8	8	3	4	8	6	6	0	1	19	15	14	0	1	18	13	12	-4	2
Mercedes-Benz	-11	-14	-18	-17	-17	-14	-13	-13	4	4	6	3	4	3	3	5	2	3	1	0	2	0	0	-2	-3	0	0	0	-6	-7	-5	-3	-3
Mitsubishi	0	-5	13	12	10	9	8	6	29	27	27	9	9	28	26	26	8	7	26	23	23	5	4	21	18	17	0	0	20	16	18	0	0
Nissan	-4	-4	-7	2	4	3	2	0	15	15	15	11	11	14	14	14	10	10	12	11	11	7	7	7	6	6	3	3	5	5	4	0	0
Stellantis	-10	-14	-20	-15	-16	-17	-18	-20	9	6	6	1	1	8	5	5	0	0	7	4	4	1	0	3	0	-1	0	0	-1	-5	-6	-1	-2
Subaru	-13	-17	-17	-16	-18	-2	-3	-5	5	3	4	4	4	4	2	3	3	3	2	0	2	1	1	1	-1	13	0	0	-2	-6	9	0	0
Toyota	-2	-2	-4	5	6	5	5	5	16	14	13	12	12	15	12	12	11	11	12	10	10	8	8	9	6	5	3	3	7	4	3	0	0
Volvo	-8	-12	-7	-7	-6	-7	-8	-9	8	6	6	6	6	7	6	5	5	5	5	4	4	2	2	1	0	0	1	1	3	2	0	-1	-1
VWA	-13	-13	-18	-14	-7	-9	-10	-11	5	4	4	2	2	5	4	3	1	1	4	3	3	0	0	0	5	4	0	0	-1	4	2	-3	-3
Industry Avg.	-6	-8	-10	-6	-4	0	-1	-2	11	9	9	5	6	10	8	8	4	4	8	6	6	3	2	5	4	4	1	1	4	2	4	-1	-1

Model Year

Figure V-4: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Non-binding MY 2024-2026 Standards Case, Light Trucks

	No Action								Alt. 1					Alt. 2					Alt. 3					Alt. 4					Alt. 5				
	24	25	26	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31
BMW	-3	-2	-6	2	2	3	2	1	9	6	6	10	10	8	6	6	9	9	8	5	5	8	8	8	5	5	6	6	9	4	4	7	6
Ferrari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ford	-1	-3	-7	-1	0	-1	1	0	9	7	7	9	9	8	6	6	8	8	7	5	5	6	6	5	3	3	4	3	5	2	1	2	2
GM	-4	-5	-8	-4	-2	-2	-2	-2	6	6	6	6	6	6	5	5	5	6	4	3	3	4	4	1	0	0	1	1	2	1	0	0	1
Honda	0	0	-3	-2	1	0	2	0	10	8	8	6	6	10	7	7	5	5	7	5	5	3	3	4	2	1	0	0	2	1	0	2	2
Hyundai	-2	-4	-4	-3	1	3	2	0	9	6	6	7	7	8	6	6	6	6	6	4	4	4	4	3	2	3	1	2	3	3	4	6	5
Ineos	-16	-19	-23	-23	-23	-24	-25	-14	-8	-9	-9	-7	2	-9	-10	-10	-7	1	-11	-12	-12	-9	0	-14	-15	-16	-13	-2	-17	-18	-20	-16	-6
JLR	-7	-8	-11	-9	-9	-6	-7	-5	3	2	3	4	6	3	1	2	4	6	3	0	2	2	3	1	-2	0	1	2	-2	-5	-3	-2	0
KIA	-4	-2	-2	-2	3	2	1	0	7	6	6	-	-	6	5	5	-	-	4	3	3	-	-	1	1	1	-	-	1	2	1	-	-
Mazda	-2	-5	-9	-2	-2	0	-1	2	10	8	9	-	-	10	7	8	-	-	8	5	6	-	-	8	4	6	-	-	5	1	2	-	-
Mercedes-Benz	-7	-10	-5	-5	-5	-6	-3	-4	7	5	5	8	8	7	5	5	8	8	5	3	2	5	5	3	1	0	4	4	2	-1	-2	2	2
Mitsubishi	-4	-4	-9	-6	-2	4	2	2	9	8	11	-	-	8	8	10	-	-	6	5	8	-	-	2	2	5	-	-	0	0	5	-	-
Nissan	-4	-5	-8	-5	-5	0	3	2	8	5	7	5	5	7	5	7	4	4	5	3	4	2	2	3	0	2	0	0	2	-2	0	0	0
Stellantis	-6	-8	-11	-6	-4	0	-1	-2	4	3	4	5	5	3	2	3	4	4	2	1	2	2	2	1	0	2	3	3	0	0	1	2	1
Subaru	-2	-1	0	0	1	2	1	2	12	9	9	-	-	11	8	9	-	-	9	7	8	-	-	8	5	6	-	-	6	5	8	-	-
Toyota	1	1	-1	0	1	1	1	0	13	10	10	6	6	12	10	10	5	5	10	8	8	3	3	7	4	4	0	0	5	2	2	0	0
Volvo	-1	-4	-4	1	1	4	4	2	13	10	10	-	-	12	9	10	-	-	10	7	8	-	-	7	4	6	-	-	8	4	6	-	-
VWA	-5	-4	-7	2	4	3	2	0	9	6	6	7	6	8	6	6	6	6	8	5	5	4	4	9	5	5	2	2	8	4	3	2	2
Industry Avg.	-3	-4	-6	-2	-1	0	0	-1	8	7	7	6	6	8	6	6	6	6	6	4	5	4	4	4	2	2	2	2	3	1	1	1	1

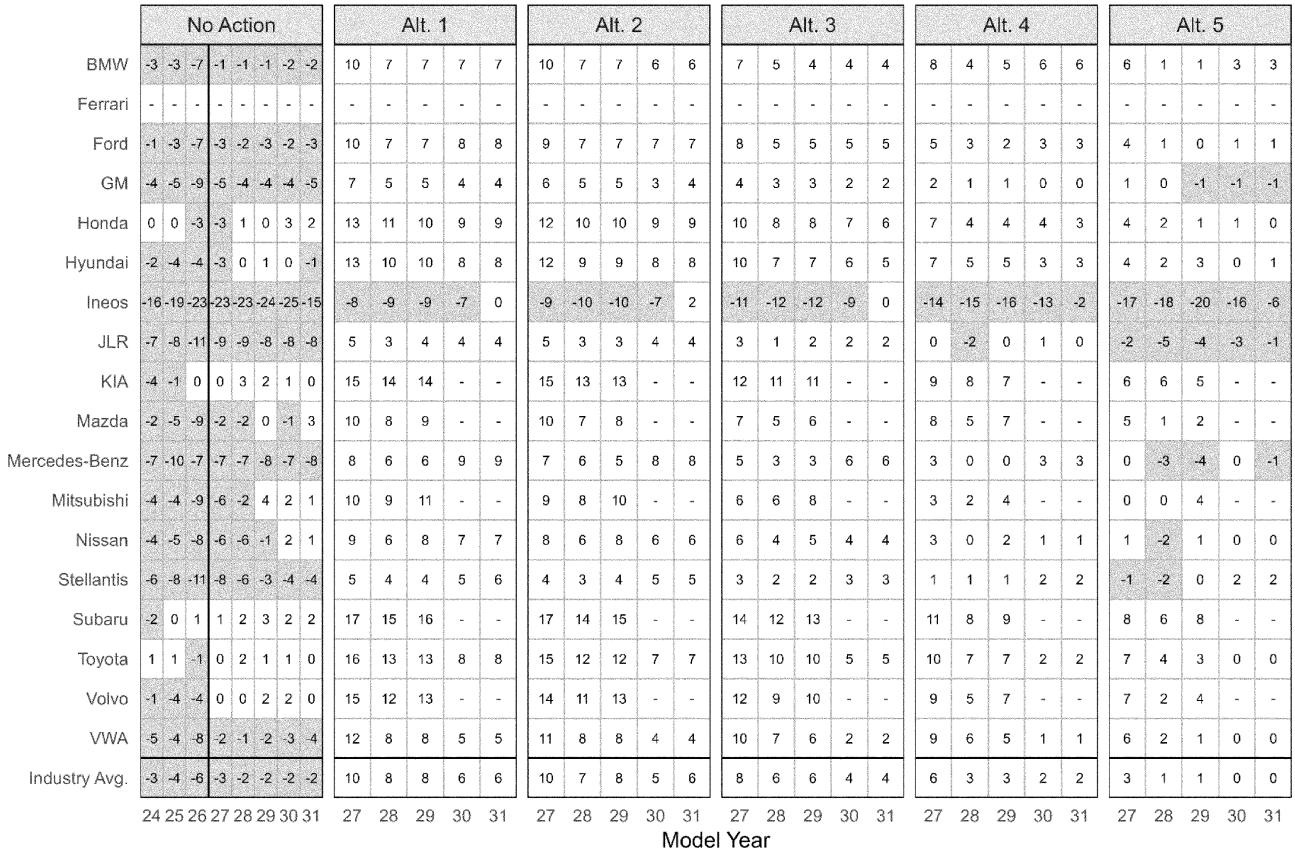
Model Year

Figure V-5: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Hybrid Powertrain Adoption Limits Case, Passenger Cars

	No Action								Alt. 1					Alt. 2					Alt. 3					Alt. 4					Alt. 5				
BMW	-12	-12	-15	-16	-14	-15	-16	-16	8	6	6	5	5	6	5	5	4	4	4	3	3	1	1	0	0	-1	-1	0	-3	-4	-6	-6	-5
Ferrari	-26	-30	-36	-37	-38	-39	-39	-39	-14	-13	-13	-13	-12	-15	-14	-14	-14	-13	-17	-17	-17	-17	-16	-21	-22	-22	-22	-21	-25	-26	-27	-27	-26
Ford	-14	-19	-25	-21	-22	-24	-25	-26	2	0	0	4	4	2	0	0	3	3	0	-2	-2	1	1	-4	-7	-8	-2	-2	-8	-11	-12	-7	-7
GM	-9	-11	-12	-11	-12	-7	-8	-9	13	10	10	8	8	12	9	9	7	7	10	6	6	4	4	5	1	2	0	0	3	-2	2	-2	-2
Honda	-1	-5	-9	-10	-1	7	6	5	15	11	12	9	9	14	10	11	8	8	11	8	8	5	4	7	4	4	0	0	3	2	7	0	0
Hyundai	-6	-9	-14	-5	-1	0	-1	-2	12	10	10	7	7	10	9	9	6	6	8	7	7	3	3	4	3	3	0	0	8	9	11	1	0
Ineos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JLR	-18	-22	-17	-18	-19	-20	-22	-22	6	4	3	3	2	4	2	2	2	2	2	0	0	2	2	-2	-5	-5	-2	-2	-6	-9	-10	-7	-7
KIA	-5	-4	-6	-6	-5	0	-1	-2	18	16	16	11	11	17	15	15	10	10	15	13	12	7	7	10	8	8	3	2	8	6	8	0	0
Mazda	-9	-14	-20	11	10	9	7	6	12	10	9	4	5	11	8	8	3	4	8	6	6	0	1	29	24	23	1	2	26	20	19	-4	4
Mercedes-Benz	-11	-14	-18	-18	-18	-18	-17	-18	4	4	4	3	3	3	3	4	2	2	1	0	1	0	0	-2	-3	-3	-2	-2	-6	-8	-8	-7	-7
Mitsubishi	0	-5	13	12	10	9	8	6	42	39	39	10	10	41	38	38	9	9	38	35	35	6	6	34	30	29	1	1	30	26	24	0	0
Nissan	-4	-3	-6	-1	2	1	0	-1	21	21	21	14	14	20	20	20	13	13	18	18	17	10	10	14	13	12	6	6	12	11	10	5	4
Stellantis	-10	-14	-20	-15	-17	-18	-19	-20	9	6	6	2	2	8	5	5	1	1	7	4	4	0	0	2	-1	-1	0	0	-1	-5	-6	-5	-5
Subaru	-13	-17	-16	-15	-16	-6	-7	-9	10	9	12	11	11	9	8	11	10	10	7	5	8	7	6	2	0	3	2	1	-1	-4	4	0	0
Toyota	-2	-2	-3	2	2	2	2	1	24	20	20	17	17	22	19	19	16	16	20	17	17	13	13	16	12	12	8	8	12	8	7	3	3
Volvo	-8	-12	-8	-8	-6	-8	-9	-10	16	13	13	9	9	14	13	13	8	8	12	11	11	6	6	8	7	6	1	1	4	3	1	-2	-2
VWA	-13	-14	-19	-17	-13	-14	-15	-16	7	6	5	4	4	6	4	4	3	3	4	2	2	1	0	1	4	3	0	-1	-3	-1	-2	-6	-6
Industry Avg.	-6	-8	-11	-8	-6	-3	-4	-5	15	13	13	9	9	14	12	12	8	8	12	9	9	5	5	8	5	5	2	2	5	3	4	-1	-1
	24	25	26	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31	27	28	29	30	31

Model Year

Figure V-6: Achieved Fuel Economy in MPG Relative to Required Levels Under Regulatory Alternatives, Hybrid Powertrain Adoption Limits Case, Light Trucks



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Considering the central case analysis and two sensitivity cases evaluated above, NHTSA views the general over-compliance in the early years in the lower stringency alternatives not as an anomaly, but as a correction to address distortions resulting from standards that had exceeded maximum feasibility in the past. In response to standards based upon consideration of prohibited factors, manufacturers invested significant capital into fuel-saving technology that has played a significant role in heightened new vehicle costs. Providing for less stringent standards in the early years of this rulemaking is not a reflection that the standards are too low, but an acknowledgement that previous standards were too high, and that manufacturers were forced by regulation to improve fuel economy performance at rates that exceeded those that would be maximum feasible had the agency adhered to statutory restrictions. By resetting the standards to comply with statutory restrictions and appropriately balance the statutory factors, NHTSA expects that manufacturers will reduce upfront vehicle costs, enhance consumer choice, and ensure a range of vehicles are easier to manufacture. Setting maximum feasible fuel economy standards that consider economic practicability for consumers helps protect entry-level, low-margin passenger cars from disproportionate regulatory burdens. This approach directly responds to concerns raised by manufacturers of small-footprint vehicles regarding recent stringency increases, while simultaneously addressing broader economic concerns over rising new-vehicle transaction prices. This approach prevents automakers from either passing steep, front-end technology costs directly onto budget-conscious consumers or pulling entry-level models from the market entirely. As NHTSA stated in the proposal, while consumer preferences change over time, the CAFE program should not set standards that drive changes in market offerings, particularly if it drives changes that decrease market offerings that are more affordable to consumers.

b. Economic Practicability

In the proposal, the agency explained that its consideration of economic practicability encompasses a broad array of elements, including available technology and application cadence, compliance shortfalls, increases in vehicle costs and resulting impacts on consumer demand, sales and employment impacts, and safety. The agency emphasized that while technological feasibility asks whether a fuel-economy-improving technology exists, economic practicability questions the economic consequences of implementing that technology in the fleet on a wide-spread basis, particularly when consumer demand for such technology is lacking.

A central focus of the economic practicability analysis presented in the proposal was vehicle affordability. The agency projected that the proposed alternatives would reduce technology costs by half compared to the baseline, saving consumers more than $900 in upfront vehicle costs by MY 2031. These upfront savings were projected to trigger cascading reductions in registration, insurance, and financing

costs. While the proposal estimated that, over a vehicle's expected lifetime, additional fuel costs would exceed these upfront savings by approximately $500 for the Preferred Alternative, NHTSA reasoned that the upfront savings would make new vehicles affordable for more consumers in the nearer term, while preserving the ability of manufacturers to produce more fuel-efficient vehicles for the consumers who demand them.

The proposal further examined how affordability improvements translated to sales, employment, and safety impacts. NHTSA projected that lower vehicle prices would increase overall sales, thereby getting Americans into newer, safer vehicles more quickly. NHTSA also observed that modeled employment impacts were estimated to change by less than one percent compared to the baseline but also noted that the agency had not highlighted the results of its analysis in recent rulemakings because of its limited scope and the uncertainty introduced by rapidly changing labor inputs for vehicle assembly and technology development.

Finally, NHTSA provided a detailed safety assessment, emphasizing that, as new vehicles become unaffordable, consumers hold onto older, less safe vehicles—a phenomenon that has pushed the average age of the fleet toward 13 years. Looking at changes in vehicle mass, fleet turnover (sales and scrappage), and vehicle miles traveled, the agency projected that the proposed reset standards would yield significant safety benefits. Specifically, the proposal estimated that the decrease in vehicle miles traveled and the accelerated entry of newer, safer vehicles into the fleet would prevent approximately 1,300 to 1,500 fatalities and hundreds of thousands of non-fatal injuries in total through CY 2050, compared to the No-Action Alternative. In addition, the agency noted that the proposed MY 2028 vehicle reclassification would reduce market distortions that had previously incentivized manufacturers to shift production from passenger cars to less stringently regulated light trucks, potentially further lessening mass disparities and improving overall safety in the light-duty fleet.

The agency received extensive comments regarding its assessment of economic practicability, with comments divided on whether the proposed regulatory alternatives appropriately balanced upfront vehicle costs, long-term fuel savings, consumer choice, employment, and safety.

Commenters supporting the proposal, including NADA and AmFree and Corn Growers Associations strongly supported the agency's focus on reducing upfront vehicle costs.[1085] NADA highlighted that reducing the average vehicle transaction price by approximately $1,000 will significantly expand the pool of households that can afford new vehicles.[1086] NADA also commented against relying on a TCO metric, explaining that lenders base financing decisions on loan-to-value ratios and will not extend more credit to account for future fuel savings, making upfront costs the primary barrier to vehicle access.[1087] CPAC–CRF added higher vehicle prices, including from increased compliance costs from CAFE standards, increase the burden on working families and middle-income households.[1088]

Conversely, several commenters, including NRDC *et al.,* Consumer Reports, ACEEE, Lucid, and several State environmental agencies, argued that the proposal harms overall affordability by trading upfront savings for increases in long-term fuel costs.[1089] ACEEE and Consumer Reports emphasized that low-income and rural drivers, who spend a larger percentage of their income on fuel and drive longer distances, are disproportionately harmed by less stringent standards that increase exposure to volatile gasoline prices.[1090] Lucid contended that TCO must be the benchmark for affordability, claiming that over a typical ten-year ownership period, additional fuel expenditures under the proposed standards will run into the thousands of dollars, far exceeding the agency's estimated $900 reduction in sticker price.[1091] Furthermore, Consumer Reports and Lucid argued that the primary drivers of rising vehicle transaction prices are industry-wide shifts toward larger, more expensive SUVs and trucks, as well as rising expenses from advanced safety systems, software, and tariffs, rather than CAFE compliance costs.[1092]

NHTSA has carefully evaluated the comments regarding the economic metrics used to measure consumer affordability. The agency agrees that exclusive reliance on a TCO metric does not account for the consumer automotive credit market, which is reliant on both consumers' liquidity constraints and underwriting practices. This is also why, in part, NHTSA stated in the proposal that the agency was exploring more appropriate ways to present the value of fuel savings, which accrue to multiple buyers over the vehicle's life, and sought comment on such alternative presentations of fuel savings that the agency could include for informational purposes in the final rule. NHTSA agrees with NADA's point that upfront vehicle costs are a primary barrier to new vehicle purchases; consequently, an incremental regulatory cost increases the upfront capital barrier, which can reduce the number of credit-eligible buyers and affect market access for consumers. If NHTSA's standards were to increase upfront vehicle costs such that consumers could not afford to purchase them, it would be more difficult for vehicles with increased fuel economy levels to enter the fleet, and for the overall fleet's average fuel economy level to increase. In addition, nothing in this rule prohibits manufacturers from producing more fuel-efficient vehicles for consumers who value fuel economy.

Although industry-wide vehicle pricing is also influenced by consumer preferences for larger vehicles, advanced safety content, and macroeconomic factors, NHTSA's economic practicability and regulatory impact assessments, performed in accordance with OMB Circular A–4, generally limit the evaluation to the specific incremental cost burdens imposed by the agency's own standards. That said, NHTSA does consider the increase in fuel costs resulting from reduced fuel economy standards as a subset of the need of the United States to conserve energy statutory factor, and not under economic practicability. The agency carefully weighed the potential impacts of upfront cost increases against the magnitude of potential increases in fuel costs from changes in the standards and cannot conclude that standards that result in a high upfront cost weigh in favor of maintaining more stringent standards. By considering upfront transaction costs within its economic

[1085] NADA, Docket No. NHTSA–2025–0490–0036, at 1, 10; AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 2, 7.

[1086] NADA, Docket No. NHTSA–2025–0490–0036, at 9.

[1087] NADA, Docket No. NHTSA–2025–0490–0036, at 11.

[1088] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 5.

[1089] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 71; Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 5–6; ACEEE, Docket No. NHTSA–2025–0491–5943, at 1; Lucid, Docket No. NHTSA–2025–0491–6043, at 8–9.

[1090] ACEEE, Docket No. NHTSA–2025–0491–5943, at 1; Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 3.

[1091] Lucid, Docket No. NHTSA–2025–0491–6043, at 8–9.

[1092] Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 5; Lucid, Docket No. NHTSA–2025–0491–6043, at 8–9.

practicability analysis, the agency accounts for consumer affordability concerns that create barriers to new vehicle acquisition.

NHTSA also received several comments critical of the agency's assumption that manufacturers will pass 100 percent of compliance cost savings on to consumers in the form of lower purchase prices. NRDC *et al.* commented that empirical literature, including studies on asymmetric cost pass-through, suggests manufacturers frequently retain cost reductions as increased profits rather than lowering prices, particularly when absorbing other costs like tariffs.[1093] Consumer Reports and an individual commenter presented data from a 2023 study covering MYs 2003–2021—a period of rising CAFE stringency—which found no statistically significant increase in inflation-adjusted vehicle prices, implying that automakers historically deployed fuel-saving technologies without passing net costs to consumers.[1094] An individual commenter similarly expressed skepticism, noting that prices rarely decrease once elevated and that savings from less efficient vehicles are unlikely to materialize for the buyer.[1095]

NHTSA believes that it is reasonable to assume that changes in production costs are ultimately reflected in consumer transaction prices. As discussed in more detail in Section II in regard to the effect of new vehicle prices on vehicle scrappage, because specific vehicle pricing decisions are proprietary and inherently differ between manufacturers, modeling them is beyond the scope of this analysis. Transaction price trends between 2003 and 2021 were influenced by multiple confounding variables. Isolating the cost impact of CAFE compliance within historical retail prices is difficult due to shifts occurring simultaneously in automaker cross-subsidization of certain vehicle models, vehicle size mixes, standard equipment content, manufacturing efficiencies, dealer incentives or other pricing strategies, and global supply chain conditions. NHTSA's current approach allows the agency to isolate and evaluate the potential economic impacts of the standards on a fleetwide level, and though this may cause the agency to overestimate some individual vehicle prices and underestimate others, having confidence in the aggregate changes is most important for this analysis. NHTSA also believes the agency's approach is more appropriate than one that does not assume that manufacturers would pass on cost savings from lower CAFE standards to consumers in the form of lower vehicle purchase prices because of the basic economic principle that if manufacturers do not pass on cost savings in the aggregate, then they will be undercut by competitors. Accordingly, NHTSA's higher level, aggregated assumptions are reasonable.

The agency also received several comments on how fuel economy standards interact with consumer choice and vehicle attributes. CPAC–CRF commented that the previous rules distorted markets and reduced consumer choice by implicitly disfavoring the trucks and SUVs that American consumers legitimately need for family, work, and geographic reasons.[1096] In contrast, the Attorneys General and NRDC *et al.* argued that the agency arbitrarily elevated consumer demand over the statute's primary goal of energy conservation, while simultaneously relying on unsupported assumptions about consumer preferences.[1097] NRDC *et al.* disputed the agency's claim that consumers reject fuel-efficient vehicles because they lack desirable attributes, pointing to EPA data showing that vehicle HP and acceleration reached record highs alongside increasing fuel economy.[1098] NRDC *et al.* also criticized the agency's reliance on particular studies to conclude that consumers fully value fuel savings, pointing to other behavioral economics research showing that consumers systematically undervalue future fuel savings due to uncertainty and information asymmetries.[1099]

In determining maximum feasible standards under EPCA, NHTSA is required to consider economic practicability, which inherently encompasses an evaluation of consumer choice. While the agency recognizes that historical data shows concurrent increases in both fuel economy and performance metrics like horsepower, standards must be set so that marginal compliance costs do not restrict the vehicle attributes required by consumers. In addition, at the analytical level, NHTSA evaluates maximum feasible standards based on maintaining performance attributes of the fleet, in order to isolate the effects of changes in vehicle fuel economy. Regarding consumer valuation of fuel savings, NHTSA has recognized in several prior rules that the range of estimates presented in literature is wide. NHTSA has relied on that wide range of studies, including several recent studies, in addition to information from manufacturers to conclude that its estimates of consumer valuation of fuel savings are reasonable.

Commenters also diverged on the macroeconomic impacts of the proposal. NADA projected that a $1,000 reduction in vehicle prices, using a price elasticity of demand of −0.4, would generate approximately 130,000 additional new light-vehicle sales.[1100] Conversely, NRDC *et al.* commented that vehicle sales are driven primarily by macroeconomic conditions (such as the COVID–19 public health emergency and semiconductor shortages) rather than CAFE standards, and noted that the agency's own estimated increase of 16,000 to 49,000 units represents a negligible 0.1-percent to 0.3-percent increase in total sales, which could not justify the stringency decreases.[1101] Regarding employment, Cleveland commented that the agency's own analysis estimated a loss of full-time equivalent employment positions across the three alternatives considered in the proposal, and noted that Ohio is home to nearly 19,000 auto manufacturing jobs.[1102] The Attorneys General commented that the agency arbitrarily failed to evaluate these employment effects in its analysis, breaking with past practice by assuming lost auto worker jobs are subsumed by other unmonetized benefits, and also by ignoring the proposal's negative impacts on employment associated with the electric vehicle sector.[1103]

NHTSA's price elasticity modeling uses a variety of parameters to estimate a sales response to incremental price changes in response to changes in standards. As discussed in more detail below regarding the results of the agency's final rule analysis, the estimated additional vehicle sales volumes are enough to increase meaningfully the rate at which older, less efficient, and less safe vehicles are retired. Regarding the labor analysis, as

[1093] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 71–72.

[1094] Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 5–6.

[1095] Evans Callis, Docket No. NHTSA–2025–0491–0109.

[1096] CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 5.

[1097] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 59–62; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 46–50.

[1098] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 74–75.

[1099] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 76–81.

[1100] NADA, Docket No. NHTSA–2025–0490–0036, at 10.

[1101] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 73.

[1102] Cleveland, Docket No. NHTSA–2025–0491–4840, at 2.

[1103] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 64–65.

noted in the proposal, NHTSA has used its approach to modeling labor effects in several recent rulemakings but had not highlighted its results because of its limited scope and the uncertainty introduced by rapidly changing labor inputs for vehicle assembly and technology development. NHTSA sought comment on alternative approaches to the labor analysis that the agency could consider, including approaches that could supplement the agency's current approach or succeed it in future rulemakings, but did not receive any suggestions suitable for inclusion in the agency's analysis. Accordingly, while the agency recognizes that mere translation of added required regulatory costs into additional labor utilization does not accurately reflect automotive labor, the labor utilization model does serve as an aggregate metric for directional tracking of total manufacturing hours directly tied to projected technology compliance costs. The agency also recognizes Cleveland's concerns about the labor utilization model's estimates but notes that these estimates represent an approximately one percent change from employment effects estimated under the existing standards, as shown in more detail below. Weighing these metrics against the other economic metrics associated with amending fuel economy standards, as the agency did in the proposal and now this final rule, contrary to the Attorneys General assertion, NHTSA concludes that the final standards represent maximum feasible standards, as discussed in more detail below. NHTSA also notes that real-world employment configurations remain dynamic and are heavily influenced by broader macroeconomic patterns, vehicle assembly locations, and international corporate choices outside the operational scope of this simulation. The agency will continue to develop an improved labor utilization model for future CAFE rulemakings.

Finally, AmFree and Corn Growers Associations commented in support of the agency's conclusion that lower vehicle prices will accelerate fleet turnover, getting consumers out of older vehicles and into newer models equipped with modern safety features like ESC and advanced driver assistance systems.[1104] Conversely, NRDC *et al.* and the Attorneys General commented that the agency unlawfully categorized safety as a subset of economic practicability to elevate it above explicitly enumerated statutory factors.[1105] NRDC *et al.* and Consumer Reports asserted that most of the agency's projected safety benefits do not stem from safety improvements in the vehicles, but from the assumption that people will drive fewer miles because it will be more expensive to drive under lower standards.[1106] These commenters also contended that historical data shows automakers have consistently delivered fuel efficiency gains and life-saving safety improvements simultaneously without trading one for the other, making the agency's concerns about safety trade-offs purely speculative.[1107]

While modeled safety benefits stem in part from changes in total driving distance through the rebound effect, lower upfront vehicle prices accelerate fleet turnover, which delivers a distinct safety benefit by introducing modern crash-avoidance and occupant-protection features to the road more quickly. Further, though historical data demonstrates that the industry has improved both fuel economy and vehicle safety over time, the agency must evaluate the marginal impacts of the specific regulatory options under consideration. The projected safety effects reflect established economic principles regarding how vehicle price increases influence consumer purchasing decisions and overall fleet exposure.

For the final rule analysis, NHTSA considered metrics relevant to the economic practicability of the standards with the expanded suite of regulatory alternatives. Continuing from the discussion of technological feasibility, which examined the technologies applied in response to standards, and the fuel economy levels achieved by the fleet through use of those technologies, NHTSA discusses in this section the cost to apply those technologies. At the individual manufacturer level, the No-Action Alternative imposes large annual technology cost increases on manufacturers despite yielding significant under-compliance with their gasoline- and diesel fueled fleets. Per-vehicle technology costs vary widely by manufacturer and across alternatives, in part due to estimated technology application choices. Manufacturers remain free to apply any fuel economy technologies they choose, to meet the needs of their customers. Relative to the No-Action Alternative scenario, Alternatives 1 through 4 would result in an average industry-wide decrease in per-vehicle technology costs of between $1,318 and $1,135 (a decrease of approximately 50 to 60 percent), while Alternative 5 result in a decrease of $538 (a decrease of 24 percent). As discussed above, NHTSA expects that manufacturers would pass these cost reductions on to consumers. These cost reductions would have significant ripple effects in the new vehicle market, including increasing sales and fleet turnover, as discussed in more detail below.

[1104] AmFree and Corn Growers Associations, Docket No. NHTSA–2025–0491–6000–A1, at 9.

[1105] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 82–83; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 91–92.

[1106] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 83–85; Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 12–13.

[1107] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 81–83; Consumer Reports, Docket No. NHTSA–2025–0491–5926–A1, at 11–13.

Table V-5: Industry-Average Technology Cost in Dollars per Vehicle

Model Year	No-Action	Relative to No-Action				
		Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
2025	484	-	-	-	-	-
2026	803	-	-	-	-	-
2027	1,525	-608	-605	-579	-478	-259
2028	1,929	-1,003	-1,000	-974	-853	-448
2029	2,143	-1,218	-1,215	-1,189	-1,043	-508
2030	2,200	-1,269	-1,266	-1,241	-1,083	-529
2031	2,238	-1,318	-1,315	-1,289	-1,135	-538

Under the No-Action Alternative, many manufacturers would see vehicle technology cost increases reaching or greatly exceeding $2,000, while in contrast seeing significant technology cost decreases relative to the No-Action Alternative under the regulatory alternatives. Technology cost decreases are presented for all regulatory alternatives in FRIA Chapter 8, and decreases for Alternative 3, the Preferred Alternative, are presented below for comparison. Across the industry, many manufacturers would see slight cost decreases in the early years, followed by increasing decreases by MY 2031.

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Table V-6: Average Technology Cost by Manufacturer in Dollars per Vehicle

	No-Action							Alt. 3 (Relative to No-Action)				
	2025	2026	2027	2028	2029	2030	2031	2027	2028	2029	2030	2031
BMW	977	1,236	1,834	1,961	2,281	2,295	2,691	-488	-573	-915	-955	-1,380
Ferrari	14	2,297	2,229	2,253	2,184	2,907	2,971	-1	-2	-4	-2	-2
Ford	525	514	1,419	1,687	1,669	1,908	1,888	-476	-747	-738	-942	-933
GM	604	1,039	2,480	3,299	3,607	3,663	3,745	-1,292	-2,089	-2,401	-2,477	-2,561
Honda	287	377	496	1,171	1,399	1,422	1,395	-75	-774	-1,069	-1,120	-1,153
Hyundai	254	797	1,433	2,481	2,956	2,905	2,846	-550	-1,579	-2,065	-2,017	-1,963
Ineos	0	0	0	0	0	0	2,731	0	0	0	0	-654
JLR	252	1,089	1,997	1,955	2,020	1,984	1,723	-611	-597	-1,094	-1,076	-1,420
Kia	1,344	2,025	2,048	2,614	2,974	2,927	2,897	-38	-636	-1,023	-1,004	-1,005
Mazda	16	16	1,435	1,412	1,687	1,664	1,930	-1,269	-1,247	-1,474	-1,452	-1,630
Mercedes-Benz	93	754	1,227	1,234	1,286	1,739	1,715	-444	-442	-547	-980	-982
Mitsubishi	124	451	921	2,007	2,021	1,987	1,940	-410	-1,440	-1,569	-1,548	-1,513
Nissan	490	735	1,492	1,454	1,621	1,787	1,760	-659	-650	-888	-1,038	-1,023
Stellantis	207	449	1,544	2,071	2,555	2,544	2,511	-815	-1,278	-1,620	-1,616	-1,578
Subaru	736	1,075	1,064	1,119	1,365	1,340	1,579	-2	-16	-207	-199	-453
Toyota	365	764	1,134	1,172	1,279	1,334	1,383	-342	-376	-468	-491	-526
Volvo	0	1,688	1,853	1,933	2,438	2,395	2,326	-227	-307	-731	-722	-709
VWA	691	863	1,920	2,458	2,420	2,383	2,372	-689	-1,215	-1,189	-1,090	-1,089
Industry Avg.	484	803	1,525	1,929	2,143	2,200	2,238	-579	-974	-1,189	-1,241	-1,289

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As NHTSA discussed in the proposal, in the face of increasing fuel economy standards under the existing rules, vehicle manufacturers have taken different approaches to adding fuel-economy-improving technology to their vehicles. Some manufacturers that invested heavily in early deployment of EVs to meet the standards set in 2024 may find themselves with gasoline- and diesel-fueled fleets with lower fleet fuel economy values. Manufacturers that invested in non-plug-in hybrid powertrains and complied only marginally with 2024's standards presumably have ICE fleets with higher fleet fuel economy values and lower associated technology cost reductions. For example, the fact that General Motors is projected to realize a $2,561 relative per-vehicle cost reduction by 2031 under the reset standards while Toyota is projected to realize a more modest $526 reduction demonstrates the effect across model years of the prior differences in powertrain technologies used in their baseline fleets. Automakers that have historically invested heavily in conventional hybrid architectures already possess highly optimized, low-cost compliance foundations, meaning the incremental transition from the No-Action Alternative to Alternative 3 provides smaller, yet still positive, relative cost reductions. Conversely, manufacturers that relied more exclusively on capital-intensive EV strategies to raise their fleet fuel economy values under previous standards are estimated to see larger technology cost reductions.

EPCA's command—to set maximum feasible fleetwide average fuel economy values for vehicles that run on ''fuel'' as

defined in the statute—becomes more difficult as manufacturers find themselves with different resulting potential technology costs. Analyzing whether technology can feasibly be applied to vehicles during the rulemaking timeframe, and at what cost, requires careful consideration of each individual manufacturer's technology levels and the potential economic consequences resulting from manufacturers' efforts to comply with different levels of standards.

NHTSA does not intend for its standards to penalize manufacturers that increased their fleet's fuel economy using EV technology. Rather, NHTSA recognizes that resetting standards at a level where all manufacturers can respond to market demand, consider affordability, and consider safety would better reflect consumer needs and preferences.

Alongside the significant up-front cost reduction for each of the regulatory alternatives compared to the No-Action Alternative, NHTSA expects that any standard lower than the No-Action Alternative would increase sales of the gasoline- and diesel-powered vehicles considered in the analysis. As stringency levels increase across scenarios (moving from Alternative 1 to Alternative 5) and technology costs increase, the overall magnitude of the increase in sales lessens. Sales are highest in Alternatives 1, 2, and 3, and lowest in Alternative 5. Though the sales variance across all action alternatives remains within 0.75 percent of the No-Action baseline through MY 2031, this fractional percentage represents a significant shift in absolute vehicle volumes. In a nationwide market with millions of annual transactions, a variance of nearly three-quarters of a percent translates into hundreds of thousands of additional new vehicles entering the fleet. This volume shift is meaningful as it materially accelerates the retirement of older, less efficient, and less safe models on the road.

Table V-7: Industry-Wide Sales Effects (in Thousands of Vehicles)

Model Year	No-Action Alternative	Difference from No-Action				
		Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
2024	13,706	0	0	0	0	0
2025	12,732	0	0	0	0	0
2026	12,189	0	0	0	0	0
2027	11,590	36	36	35	30	18
2028	11,263	60	59	59	53	33
2029	11,260	70	70	69	63	36
2030	11,622	74	74	73	66	37
2031	11,939	78	78	77	70	39

NHTSA also estimates the employment effects of the different regulatory alternatives, as discussed above. The agency's model for estimating labor impacts in parts supply is based on the premise that any reduction in costs translates directly to an assumed reduction in labor hours, as measured in ''person-years.'' The agency's methodology does not account for a diversion of such labor into development or production of different technologies. Based on the agency's method for calculating labor effects, NHTSA's analysis shows a very small decrease in cumulative person years from less stringent standards relative to the baseline, in part because of the decreased need for development and application of additional fuel-economy-improving technology. Employment utilization decreases in each action alternative relative to the No-Action Alternative. Alternatives 1 and 2 show almost identical decreases in labor utilization, while for each model year, Alternative 5 sees the smallest decrease over the No-Action Alternative. Because the decrease is largest in the less stringent alternatives, this indicates that the technology effects outweigh the sales effects in the action alternatives. The impact of decreased demand for fuel economy-improving technologies is larger in magnitude than the increase in demand that results from increased vehicle sales. The trend of incremental labor utilization in the action alternatives generally follows that seen in the No-Action Alternative: the incremental difference grows until MY 2033 and then steadily declines through MY 2050.

Table V-8: Industry-Wide Labor Utilization Effects (Percent Change in Person Years from No-Action)

Model Year	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 5
2024	0.0	0.0	0.0	0.0	0.0
2025	0.0	0.0	0.0	0.0	0.0
2026	0.0	0.0	0.0	0.0	0.0
2027	-0.6	-0.6	-0.5	-0.5	-0.3
2028	-0.9	-0.9	-0.9	-0.8	-0.4
2029	-1.2	-1.2	-1.2	-1.0	-0.5
2030	-1.2	-1.2	-1.2	-1.1	-0.6
2031	-1.3	-1.3	-1.3	-1.2	-0.6

As NHTSA stated in the proposal, though the agency's quantitative estimates of changes in employment effects capture certain factors related to how the automotive industry may respond to lower fuel economy standards, a number of potential employment impacts from lower fuel economy standards are not captured in the analysis. As an example, the analysis does not capture the effects of manufacturers' shifting vehicle and powertrain production to the United States in response to factors other than the agency's CAFE standards.[1108]

The agency's safety assessment evaluates three primary elements: changes in vehicle mass, reduced crash exposure via the rebound effect, and fleet composition shifts driven by new vehicle sales and older vehicle scrappage. Across the regulatory alternatives, the overall safety impact is influenced by the rebound effect, as less stringent standards result in higher per-mile driving costs, thereby reducing total miles driven and lowering overall crash exposure. This reduction in fatalities and injuries is further enhanced by accelerated fleet turnover; lower upfront vehicle prices encourage consumers to replace older, less secure vehicles with newer models featuring advanced safety technologies. In contrast, changes in vehicle mass play a minor and statistically offsetting role in the broader safety analysis. Although broad upward shifts in weight lead to small fatality reductions in the heaviest non-passenger automobiles, these gains are counterbalanced by slight increases in fatalities among the lightest passenger cars, leaving mass changes near the median weight distribution with a negligible net impact. Ultimately, as improved vehicle technologies and reduced exposure enhance occupant protection, many crashes that would have otherwise resulted in injury or fatalities are downgraded to property-damage-only incidents, which subsequently increases the cumulative costs associated with minor property damage. Table V–9 shows these results in more detail.

[1108] See The White House, TRUMP EFFECT: Mercedes to Shift More Vehicle Production to U.S., last revised: May 1, 2025, available at: *https://www.whitehouse.gov/articles/2025/05/trump-effect-mercedes-to-shift-more-vehicle-production-to-u-s/* (accessed: June 12, 2026); The White House, Fact Sheet: President Donald J. Trump Incentivizes Domestic Automobile Production, last revised: Apr. 29, 2025, available at: *https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-incentivizes-domestic-automobile-production/* (accessed: June 12, 2026).

Table V-9: Change in Count of Safety-Related Events Relative to the No-Action Alternative, CY 2024-2050, Total Fleet

Type	Event Description	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5
Fatalities	Fatalities From Mass Changes	0	0	0	0	0
	Fatalities From Rebound Effect Driving	-1,893	-1,886	-1,817	-1,507	-534
	Fatalities From Sales/Scrappage	-96	-95	-93	-77	-20
	Total - Fatalities	-2,006	-1,998	-1,910	-1,608	-618
Non-Fatal Injuries	Non-Fatal Injuries From Mass Changes	-370	-322	-1,229	-3,002	-10,903
	Non-Fatal Injuries From Rebound Effect Driving	-304,985	-303,675	-291,370	-242,539	-88,836
	Non-Fatal Injuries From Sales/Scrappage	-9,195	-9,185	-9,183	-8,475	-4,685
	Total - Non-Fatal Injuries	-314,578	-313,223	-301,779	-254,009	-104,454
Property Damage Crashes	Property Damage Crashes From Mass Changes	-2,380	-2,214	-5,074	-10,677	-36,704
	Property Damage Crashes From Rebound Effect Driving	-1,037,683	-1,033,241	-991,682	-826,002	-303,552
	Property Damage Crashes From Sales/Scrappage	40,427	40,410	40,192	36,446	20,617
	Total - Property Damage Crashes	-999,652	-995,077	-956,551	-800,253	-319,654

c. Effect of Other Motor Vehicle Standards of the Government on Fuel Economy

Regarding the effect of other motor vehicle standards of the Government on fuel economy, NHTSA has considered both the agency's own safety standards and EPA's criteria pollutant emissions standards in various aspects of the technical modeling. Neither presents a reason for the agency to pick one regulatory alternative over another. In addition, as discussed above, to the extent that non-Federal vehicle standards played a role in the agency's prior consideration of the effect of other motor vehicle standards of the Government on fuel economy, NHTSA has concluded that such consideration was improper. EPA has rescinded all greenhouse gas emission standards for all categories of new motor vehicles and engines, including light-duty vehicles, to effectuate its reading of CAA section 202(a).[1109] Accordingly, for purposes of this standard-setting rulemaking, there is no analysis associated with the regulatory alternatives that would distinguish those alternatives from one another, or from the No-Action Alternative.

d. The Need of the United States To Conserve Energy

NHTSA described in the proposal that in the past decade, the consumer costs (via fuel prices), national balance of payments, and foreign policy implications of the need to consume large quantities of petroleum in the United States, especially imported petroleum, have shaped the consideration of this factor in ways that Congress could not have foreseen in the 1970s when EPCA was enacted. As NHTSA previously acknowledged in the 2020 final rule, there are two paths to petroleum independence: the first is simply to use less petroleum, and the second is for the United States to produce more of its own petroleum and to use less petroleum purchased from abroad. NHTSA outlined in the proposal how the United States became a net exporter of petroleum on an annual basis in 2020 (and on a monthly basis for the first time in September 2019) for the first time since at least 1949 and continued to export more petroleum than it imported in 2021, 2022, and 2023.[1110] In fact, the United States currently produces the most oil (particularly shale oil) of any country.[1111] The sources of imports to the U.S. have also changed significantly since EPCA's passage; whereas OPEC nations were the source of 70 percent of U.S. total petroleum imports in 1977, Canada now represents the largest source at 52 percent of gross total petroleum imports, and imports from OPEC nations represent only 16 percent.[1112] This shift helps insulate the U.S. from supply shocks attributable to imports from the most volatile regions. A concurrent change in global oil market dynamics has helped steady the fuel prices that consumers experience in the wake of potential impacts to supply from foreign oil-producing countries:

[1109] 90 FR 36288 (Aug. 1, 2025).

[1110] EIA, Oil and Petroleum Products Explained, last revised: Jan. 19, 2024, available at: *https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php* (accessed: May 29, 2026); EIA, Frequently Asked Questions (FAQs): How Much Petroleum Does the United States Import and Export?, available at: *https://www.eia.gov/tools/faqs/faq.php?id=727&t=6* (accessed: May 29, 2026).

[1111] EIA, Today in Energy: United States Produces More Crude Oil Than Any Country, Ever, last revised: Mar. 11, 2024, available at: *https://www.eia.gov/todayinenergy/detail.php?id=61545#* (accessed: May 29, 2026).

[1112] *Id.*

the oil market is simply less reactive to global events.[1113] Isolated subnational events, like the 2021 Colonial Pipeline ransomware attack, still have the potential to cause short-term price spikes in specific areas of the country,[1114] but that national-level gasoline prices have held steady and have even modestly decreased through major global events evidences at least some decoupling of fuel prices and the concerns that led to EPCA's passage in 1975. Although further events have introduced temporary volatility into global crude markets since the proposal's publication, the agency does not expect these short-term disruptions to alter long-term fuel price trajectories, which remain governed by broader global supply and demand trends.

While shifts have occurred in the global oil market, fuel use has not decreased appreciably despite a dramatic increase in fuel economy standards over the past 15 years. Since the agency began setting fuel economy standards in the early 2010s, motor gasoline consumption in the United States has hovered in the realm of the upper 8 million to low 9 million barrels per day (with a brief decrease in 2020 to just 8 million barrels per day).[1115] There are a number of reasons why fuel consumption may hold steady as vehicle fuel economy increases (*e.g.,* vehicle miles traveled have increased substantially in response to the economy or the rebound effect), but the fact that even significantly increased vehicle fuel economy standards have not decreased fuel consumption at measurable levels in the real world should be considered by NHTSA in how heavily it weighs the need of the United States to conserve energy relative to other factors. This is particularly true given the diminishing effects attributable to fuel economy improvements: as fuel economy standards increase in stringency, the yield in reduced fuel consumption decreases. In mpg terms, a vehicle owner who drives a light vehicle 15,000 miles per year (a typical assumption for analytical purposes) and trades in a vehicle with fuel economy of 15 mpg for one with fuel economy of 20 mpg, will reduce their annual fuel consumption from 1,000 gallons to 750 gallons—saving 250 gallons annually. If, however, that owner trades in a vehicle that achieves 30 mpg for one that achieves 40 mpg, then the owner's annual gasoline consumption would drop from 500 gallons/year to 375 gallons/year—a fuel savings of only 125 gallons even though the mpg improvement is twice as large. Going from 40 to 50 mpg would save only 75 gallons/year. However, each incremental improvement in fuel economy becomes more expensive to achieve as the easiest to achieve low-cost technological improvement options are exhausted. Although fuel economy standards may support energy conservation, the agency must set maximum feasible standards based on the subsection 32902(f) factors.

Whether CAFE standards remain the most effective way to accomplish the goal of using less gasoline in the light-duty motor vehicle fleet to increase energy security is a decision for Congress, but for now, EPCA's directive to NHTSA is to set CAFE standards in each model year, and that is what the agency will continue to do. Within this framework, however, accounting for particular realities—specifically that oil consumption in the United States has remained steady or increased even in the face of significantly increased fuel economy standards while the country has simultaneously become a net petroleum exporter and the world's largest oil producer—led the agency to conclude that the weight of these three facets of the need of the United States to conserve energy did not lead the agency to consider higher CAFE standards than the proposal's Alternative 2 as maximum feasible.

In the proposal, NHTSA evaluated the environmental impacts associated with the action alternatives as part of its statutory assessment of the need for the United States to conserve energy. The agency explained that because the proposed standards would lower upfront vehicle costs relative to the baseline, they would incrementally stimulate vehicle sales, particularly among modestly less fuel-efficient models. Although this shift would result in a slight net increase in total fuel consumption and marginal increases in both upstream and downstream emissions, these factors would be partially counterbalanced by reduced driving demand stemming from higher per-mile driving costs. Ultimately, the agency's analysis in the Draft SEIS demonstrated that any overall emissions increases would remain marginal, and that both criteria and non-criteria emissions would continue to decline over time due to natural fleet turnover. Consequently, the agency tentatively concluded that these nominal environmental impacts affirmed that energy conservation goals did not weigh heavily enough against the countervailing factors of economic practicability and technological feasibility to merit more stringent standards.

In addition, the proposal reexamined the geopolitical and economic context governing the need of the United States to conserve energy, concluding that maximum feasible fuel economy standards should reflect America's modern energy landscape. Driven by the domestic shale-oil boom, the United States has achieved a level of energy independence and resource abundance that was entirely unforeseen when EPCA was enacted in 1975. Furthermore, the vulnerability of the United States to foreign oil shocks has been substantially mitigated as remaining petroleum imports have shifted away from volatile OPEC nations toward stable regional partners like Canada and Mexico. Given this diminished exposure to supply disruptions, NHTSA tentatively determined that fuel economy standards should function as an insurance policy against risk—increasing at steady, incremental, and manageable rates rather than imposing aggressive conservation mandates. Thus, the agency's proposal asserted that it is both reasonable and consistent with EPCA to require continuous fuel economy improvements over time, but at sustainable levels that protect manufacturers, consumers, and the broader economy.

The agency received extensive and highly detailed comments on its evaluation of the need of the United States to conserve energy. Major categories of comments included how the Nation's status as a net energy exporter should influence the stringency of the standards, whether NHTSA must consider environmental and climate impacts under this factor, and whether the agency adequately justified its departures from past analyses of energy and environmental effects.

Several commenters generally agreed with the agency's assessment that the Nation's need to conserve energy has fundamentally shifted due to recent increases in domestic energy production. IER and ACI noted that the CAFE program was created in response

[1113] See, *e.g.,* Domonoske, C., Why a War in the Middle East Hasn't Sparked an Oil Crisis, last revised: June 25, 2025, available at: *https://www.npr.org/2025/06/25/nx-s1-5444030/oil-prices-iran-israel* (accessed: May 29, 2026).

[1114] Thorbecke, C., Gas Hits Highest Price in 6 years, Fuel Outages Persist Despite Colonial Pipeline Restart, last revised: May 17, 2021, available at: *https://abcnews.go.com/US/gas-hits-highest-price-years-fuel-outages-persist/story?id=77735010* (accessed: May 29, 2026) (gas prices in Southern States jumped 18–21 cents, while the national average rose eight cents).

[1115] EIA, Petroleum & Other Liquids: U.S. Product Supplied of Finished Motor Gasoline, last revised: Aug. 29, 2025, available at: *https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MGFUPUS2&f=A* (accessed: May 29, 2026).

to the 1973 Arab oil embargo and strengthened under EISA when U.S. net oil imports surpassed 12 million barrels per day.[1116] Noting that the United States became a net petroleum exporter in 2020, IER commented that the original purpose of the CAFE program has been superseded, asserting that ''there is zero need for the U.S. to conserve oil'' and that this statutory factor should consequently be given no weight.[1117] PMI similarly commented that there is no need to conserve energy.[1118] ACI also commented that the original purpose of the CAFE program—to reduce dependence on OPEC—has already been achieved.[1119] AFPM commented that the U.S. oil industry now leads the world, producing roughly 13.6 million barrels of crude per day and accounting for 90 percent of global production increases between 2015 and 2024.[1120] They stated that this domestic growth stabilizes global prices and directly benefits U.S. consumers.[1121] PMI agreed with the agency that energy conservation under EPCA functions as a form of ''national economic insurance against the volatility of foreign energy markets.'' [1122] PMI commented that because the U.S. exported 1.64 million barrels of oil per day more than it imported in 2023, global price volatility now primarily results in a redistribution of wealth within the domestic economy rather than a transfer to foreign adversaries, making the original national security justification for strict energy conservation mandates outdated.[1123]

Although AFPM acknowledged that the U.S. cannot insulate itself from global oil price dynamics because crude oil is traded on an integrated worldwide market, it stated that marginal petroleum savings decline as vehicle fuel economy rises.[1124] Because the cheapest and most effective fuel-economy-improving technologies have already been applied, AFPM asserted that foreign-policy gains become progressively less significant as standards become more stringent, which moderates the need for even higher standards.[1125] Similarly, PMI commented that because the relationship between fuel economy and fuel consumption is non-linear, the marginal utility of each additional mile per gallon plummets at higher stringency levels, making aggressive conservation mandates an economically inefficient method for hedging against supply shocks.[1126]

Conversely, several commenters, including environmental groups and States, commented in opposition to the agency's analysis of the need to conserve energy in light of updated global conditions. The Oregon Department of Environmental Quality (OR DEQ) commented that, because EPCA expressly mandates the implementation of a regulatory program to reduce national energy consumption, the agency's proposal may violate the statute by knowingly proposing alternatives that will increase national energy consumption.[1127] NRDC *et al.* and the Attorneys General commented that the U.S. remains highly exposed to the global oil market.[1128] The Attorneys General noted that the U.S. still imports roughly 3 million barrels of crude oil per day to supply refineries tailored for heavy crude oil.[1129] As noted in Section V.A, above, they highlighted regional vulnerabilities, noting that Hawaii has no domestic petroleum sources, depends on petroleum for 80 percent of its energy, and remains highly exposed to geopolitical supply chain disruptions.[1130] NRDC *et al.* and the Attorneys General also stated that NHTSA arbitrarily assumes in its modeling that there will not be shocks or volatility in oil prices.[1131]

Commenters also included data demonstrating that the U.S. remains exposed to the global oil market despite domestic production gains. Members of Congress (Matsui *et al.*) noted that 40 percent of the oil refined by U.S. fuel refineries is still imported, keeping the American transportation system dependent on foreign nations and vulnerable to price shocks after events like Russia's 2022 invasion of Ukraine.[1132] NRDC *et al.* commented that the agency's own analysis assumes that 90 percent of any additional gasoline consumed due to the standards reset will come from imported crude oil, and thus, even with domestic production of crude oil, the United States can only supply a small portion of the fuel needed to sustain the transportation sector, and the country continues to rely heavily on foreign oil.[1133] The Attorneys General commented that NHTSA is basing permanent regulatory decisions on a temporary peak in domestic oil production, citing an International Energy Agency forecast that warns of a protracted period of turbulent markets and a precipitous stalling of U.S. shale growth.[1134] To underscore their point about risks of continued oil reliance, the Attorneys General also pointed to past NHTSA reliance on a Council on Foreign Relations report asserting that domestic consumption impacts national security by limiting U.S. alliances, empowering adversarial oil-exporting nations, and necessitating an ongoing military presence in the Middle East.[1135] ME DEP also stated that the proposal heightens national exposure to global oil price volatility.[1136] They pointed to the agency's PRIA, which estimates that the proposed standards reset will reduce energy security benefits by $4.21 billion to $7.84 billion compared to the No-Action Alternative.[1137] They also highlighted regional impacts, asserting that the 2022 Russian invasion of Ukraine caused petroleum prices in the Northeast to rise sharply, imposing severe burdens on Maine households.[1138]

These commenters also stated that the agency's reliance on net-exporter status to weaken standards is arbitrary and capricious. NRDC *et al.* noted that the U.S. became a net exporter in 2020, yet in the May 2022 and June 2024 CAFE rulemakings, the agency concluded that because oil prices are inherently volatile, ''the only means of reducing the exposure of U.S. consumers to global oil shocks is to reduce their

[1116] IER, Docket No. NHTSA–2025–0491–6029, at 2–3; ACI, Docket No. NHTSA–2025–0491–4892, at 2.

[1117] IER, Docket No. NHTSA–2025–0491–6029, at 2–3.

[1118] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 1.

[1119] ACI, Docket No. NHTSA–2025–0491–4892, at 7.

[1120] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 14.

[1121] *Id.* at 15.

[1122] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 54.

[1123] *Id.* at 36.

[1124] AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 17.

[1125] *Id.* at 18.

[1126] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 36.

[1127] OR DEQ, Docket No. NHTSA–2025–0491–5937, at 1–2.

[1128] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 52–55; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 73–74.

[1129] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 75.

[1130] *Id.* at 75–77.

[1131] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 54–55; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 73.

[1132] Matsui *et al.,* Docket No. NHTSA–2025–0491–6065–A1, at 1.

[1133] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 54.

[1134] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 73 (citing International Energy Agency (IEA), Oil 2025: Analysis and Forecast to 2030, IEA: Paris, France, p. 6 (2025), available at: *https://www.iea.org/reports/oil-2025* (accessed: May 28, 2026)).

[1135] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 7.

[1136] ME DEP, Docket No. NHTSA–2025–0490–0026, at 3.

[1137] *Id.*

[1138] *Id.*

consumption.'' [1139] The Attorneys General also stated that the agency failed to provide the required more detailed justification for abandoning its positions held as recently as the 2024 final rule that the U.S. still imported a substantial amount of oil from countries vulnerable to supply shocks even in light of the country's status as a net oil exporter, especially considering recent price shocks like those occurring following Russia's invasion of Ukraine.[1140] Furthermore, NRDC *et al.* argued that if Congress believed the need to conserve energy had diminished due to domestic production, it would have amended EPCA; absent such amendment, they stated that the agency lacks statutory authority to deprioritize the statute's core conservation mandate.[1141]

The agency notes that one of the strengths of the CAFE framework established by EPCA, and as amended by EISA, is that it charges NHTSA to *balance* competing factors, including the need of the United States to conserve energy. This framework enables the agency to carry out its obligations in different energy and economic circumstances. As the need of the United States to conserve energy is heightened—such as when the United States was heavily reliant upon petroleum imported from countries vulnerable to supply shocks—that factor should be weighed more heavily. At times when the United States is less susceptible to petroleum supply shocks, that factor appropriately bears less weight—but remains a significant factor in determining maximum feasible fuel economy standards. In addition, NHTSA recognizes, as the agency did in the proposal, that the U.S. remains connected to global energy markets, and that domestic consumers still feel the impact of international price shocks. However, the country's macroeconomic position has changed fundamentally since the CAFE program was created in the 1970s and expanded in 2007, and NHTSA must continue to weigh the impacts of increasing standards in light of changed circumstances against the other impacts to consumers. In addition, a measured approach to increasing fuel economy standards, such as that represented by the alternatives considered in this final rule, provides an institutional framework better suited to long-term manufacturer compliance than standards that rise too quickly, that manufacturers cannot functionally comply with and then cannot result in real-world energy conservation benefits.

Regarding comments that this position breaks with the 2022 and 2024 rulemakings, NHTSA recognized in the proposal that total energy independence is not possible for any country that participates in the global energy market, and that even if the U.S. consumed only domestically produced petroleum and continued to export, the U.S. economy would still be subject to oil price fluctuations due to external events and situations.[1142] However, the proposal and this final rule also recognize that risks from global oil price fluctuations are much lower than they would have been in the absence of the rapid growth in U.S. oil production, and this diminished risk means that the need of the U.S. to conserve energy is significantly less than it was at earlier points in the history of the program.[1143] Federal agencies are permitted to update their analytical frameworks when conditions change. In addition, Congress did not mandate in EPCA that the need of the United States to conserve energy must be the most heavily weighted subsection 32902(f) factor. Instead, Congress granted NHTSA the discretion to balance four distinct statutory considerations without establishing a hierarchy among them. EPCA authorizes the agency to weigh the other three factors—such as economic practicability or technological feasibility—more heavily than the need of the United States to conserve energy when contemporary data, market conditions, or other circumstances indicate that such a balance is appropriate to establish a maximum feasible standard.

Regarding comments that NHTSA's modeling does not capture volatility in oil prices, EIA's Annual Energy Outlook, which NHTSA has relied on for fuel price projections for almost two decades, incorporates comprehensive assumptions to project structural, long-term oil price trajectories based on underlying global supply and demand trends. For the purposes of NHTSA's modeling, relying on these stable, multi-decade projections is more important than attempting to capture highly volatile and unpredictable short-term market disruptions. That said, as in all past CAFE rulemakings, NHTSA has performed sensitivity analyses using various AEO side cases with diverse long-term oil price projections.

Commenters also debated the impact of the proposed standards on U.S. military spending and foreign policy. AEI supported the agency's decision to disregard military costs, arguing that defense assets serve multiple, long-term functions and that allocating a fixed portion of defense costs specifically to the defense of sea lanes for oil is analytically arbitrary.[1144] Other commenters disagreed with the agency's analysis of these costs. The Attorneys General and NRDC *et al.* commented the agency acted arbitrarily and capriciously by asserting that changes in petroleum use are unlikely to affect military activity.[1145] The Attorneys General commented that NHTSA's failure to quantify the military costs of securing global petroleum was arbitrary and capricious, stating that the agency lacked support for its claim that foreign policy considerations have shifted and failed to explain how the proposal's projected increase in oil consumption would avoid escalating U.S. military expenditures, particularly in light of recent interventions.[1146] NRDC *et al.* also cited a 2018 paper by Securing America's Future Energy estimating that the U.S. military spends at least $81 billion annually protecting global oil supplies, amounting to an implicit subsidy of roughly $0.28 per gallon of fuel consumed.[1147] As mentioned above, the Attorneys General and NRDC *et al.* also pointed to recent actions, including the seizure of Venezuelan oil tankers and executive statements prioritizing the flow of Venezuelan oil to reduce American gas prices, as evidence that U.S. military and foreign policy resources remain heavily tied to securing global oil supplies.[1148]

As NHTSA has long maintained,[1149] U.S. military spending cannot be reliably linked to marginal changes in fleetwide fuel economy. As discussed in more detail in TSD Chapter 6, while lower U.S. oil demand could theoretically enable the U.S. to reduce military spending on protecting foreign oil supplies, evidence shows these expenses do not change based on domestic consumption. For instance, neither the Nation's recent shift to becoming a net oil exporter nor the

[1139] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 55.

[1140] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 75–77.

[1141] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 53.

[1142] 90 FR 56438, 56587.

[1143] *Id.*

[1144] AEI, Docket No. NHTSA–2025–0490–0061, at 2–3.

[1145] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 77; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 64–65.

[1146] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 77.

[1147] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 64–65.

[1148] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 77; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 65–65.

[1149] *See, e.g.,* 89 FR 52540, 52685 (June 24, 2024).

dramatic increase in fuel economy in recent years have led to a drop in military spending. This is because U.S. military presence in oil-producing regions is aimed at maintaining overall global stability and not merely securing U.S. imports. U.S. military operations would continue near oil-producing regions regardless of the exact number of gallons of oil consumed by the domestic light-duty vehicle fleet.

NRDC *et al.'*s comment does not distinguish between the average spending associated with oil consumption and the marginal effect of changes caused by CAFE standards. As noted by Parry and Darmstadter (2002), ''[Military spending] does not really vary with (modest) changes in oil imports; military spending is more of a fixed cost than a variable cost. A policy to moderately reduce imports over time, and that did not entirely eliminate import dependency, would probably have little benefit in terms of cutting the costs of U.S. military involvement in the region.'' [1150] For this reason, most recent economic studies that quantify energy security-related benefits associated with policies like CAFE standards do not include changes in military spending.[1151] Using an average cost as NRDC *et al.* suggests would be inappropriate when measuring the costs and benefits of marginal reductions in fuel consumption associated with changes in the standards.

The agency also received conflicting comments on how increased fuel consumption affects consumer costs and welfare. Although commenters like PMI agreed with the agency's characterization that increased fuel expenditures are domestic wealth transfers,[1152] other commenters disagreed. NRDC *et al.,* ACEEE, and the Attorneys General commented that the proposal harms consumers by forcing them to pay an estimated $1,400 more in fuel costs over the lifetime of their vehicles.[1153] The Attorneys General and ACEEE commented that increased fuel costs disproportionately burden low-income households, who spend three times as much of their income on gasoline compared to higher income households.[1154] The Attorneys General cited NHTSA's statement from the proposal that the increased petroleum consumption from the proposal will increase global petroleum demand, which will exert upward pressure on worldwide gas prices, and concluded independently that this would raise gas prices for all drivers.[1155] The National Parks Conservation Association (NPCA) commented that increased household fuel costs lead to decreased national park visitation, subsequently reducing critical entrance fee revenues for the National Park Service.[1156]

NHTSA acknowledges that lower fuel economy standards mean consumers could, on average, spend more on gasoline over the lifespan of their vehicles. However, the agency must also recognize that, while higher standards can create downstream fuel savings, they require manufacturers to install potentially expensive technologies that raise the upfront sticker price of a vehicle. For many buyers, particularly low-income households with limited access to credit, a high vehicle cost can price them out of the new vehicle market entirely. This forces them to remain in older, less efficient, and less safe vehicles. NHTSA's purpose in evaluating the range of alternatives considered is to find the alternative that keeps upfront vehicle purchase prices manageable while allowing for steady efficiency improvements that control long-term fuel costs. In addition, nothing in this rule prohibits manufacturers from producing and consumers who value fuel economy from purchasing more fuel-efficient vehicles. NHTSA also acknowledges the connection between petroleum demand and market pricing, as the agency recognized in the proposal, but notes that the Attorneys General failed to include the second part of NHTSA's conclusion that because the United States is a net exporter, the transfer from global consumers to petroleum producers becomes a financial benefit to the U.S. economy.[1157] That said, as discussed in more detail below, none of the alternatives analyzed in this final rule would significantly increase fuel consumption compared with the levels of fuel estimated to be consumed under the No-Action Alternative.

Regarding quantified environmental and health impacts of the proposal, multiple commenters expressed strong opposition to the agency's treatment of the anticipated impacts on climate change and its estimates of GHG emissions and the assumptions surrounding the social cost of carbon. NRDC *et al.* stated that the tailpipe and upstream CO_2 emissions projected in the modeling would result in worsening global surface temperatures, sea-level rise, precipitation anomalies, and ocean acidification.[1158] ZETA, the Attorneys General, and NRDC *et al.* all commented that the agency improperly excluded the costs of increasing GHG emissions from its cost-benefit analyses, and asserted that incorporating the value of these climate benefits would prove increased fuel economy to be more cost-effective.[1159] In particular, the Attorneys General claimed that this omission ignored $230 to $351 billion in climate damages.[1160] Several commenters also commented that NHTSA's decision to exclude monetized estimates of changes in GHG emissions from the central analysis, stating that it was inconsistent with the 9th Circuit decision in *Center for Biological Diversity* v. *NHTSA.*[1161] NRDC *et al.* and the Attorneys General similarly criticized the domestic-only SCC sensitivity analysis, which they stated ignored global spillover effects on U.S. citizens and corporations and ignored OMB Circular A–4 guidance, among other things.[1162] The National Tribal Air Association (NTAA) commented that the transportation sector's increased CO_2 emissions would accelerate extreme weather events—including prolonged droughts, severe storms, wildfires, and ecological shifts—that uniquely threaten the economic stability, sustenance, and traditional lifeways of tribes and Alaskan Native Villages.[1163]

The Attorneys General also commented in opposition to the

[1150] Parry, I., & Darmstadter, J., The Costs of U.S. Oil Dependency, Resources for the Future Discussion Paper 03–59, Resources for the Future: Washington, DC (2003), available at: *https://www.rff.org/documents/1541/RFF-DP-03-59.pdf* (accessed: June 11, 2026).

[1151] See for example: Brown, S., New estimates of the security costs of U.S. oil consumption, *Energy Policy,* Vol. 113: pp. 171—92 (2018), available at: *https://doi.org/10.1016/j.enpol.2017.11.003* (accessed: June 9, 2026); Brown, S., & Huntington, H., Assessing the U.S. oil security premium, *Energy Economics,* Vol. 38: pp. 118—27 (2013), available at: 10.1016/j.eneco.2013.03.010 (accessed: May 26, 2026).

[1152] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 36.

[1153] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 56; ACEEE, Docket No. NHTSA–2025–0491–5943, at 1.

[1154] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 74; ACEEE, Docket No. NHTSA–2025–0491–5943, at 1.

[1155] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 7.

[1156] NPCA, Docket No. NHTSA–2025–0491–5962, at 2.

[1157] 90 FR 56438, at 56515 (Dec. 5, 2025).

[1158] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 61.

[1159] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 6; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 81–88; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 62–64.

[1160] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 81.

[1161] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 81–82; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 6; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 62–64.

[1162] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 64; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 85–88.

[1163] NTAA, Docket No. NHTSA–2025–0491–4852, at 2.

agency's characterization of the results of the criteria pollutant and health benefits analysis as ''slight.'' [1164] The Attorneys General argued that all of the proposed action alternatives increase emissions relative to the No-Action baseline, and that the agency is improperly and unlawfully crediting its reset for environmental improvements that are occurring independent of, and in spite of, the proposed standards.[1165] NRDC *et al.* also commented that NHTSA underestimated criteria pollution impacts by using outdated 2025 health incidence values to project harms through 2050, and by ignoring the ozone impacts of NO_X emissions, leading to an underestimation of public health harms by 6 to 26 times.[1166] NTAA also commented on the specific health harms of increased emissions, noting that emissions of volatile organic compounds, nitrogen oxides, and fine particulate matter disproportionately harm tribal communities.[1167] They submitted data showing that American Indian and Alaska Native adults suffer from asthma at a 13-percent rate, with their children reporting 42 percent more cases than the general population, arguing that the agency's proposal will prolong acute and chronic exposures to dangerous pollutants for these vulnerable populations.[1168]

NHTSA has determined that by encouraging faster fleet turnover, the finalized standards will help transition drivers into newer, cleaner, and more efficient vehicles faster than more stringent alternatives would allow, which provides long-term health and environmental benefits while also offering reduced upfront vehicle costs for consumers. In the central analysis supporting this final rule, NHTSA continues to exclude estimates of changes in CO_2, CH_4, and N_2O valuation, consistent with current Executive Order 14154 and Office of Management and Budget guidance. The agency maintains that significant, compounding uncertainties—including the precise macroeconomic response to climate shifts, long-term technological adaptation, demographic variables, and intergenerational discounting methodologies—render these valuation metrics highly speculative. Relying on such figures in the central analysis could inadvertently result in flawed decision-making due to an overreliance on deeply uncertain values. The domestic-only CO_2, CH_4, and N_2O valuation sensitivity cases focuses on domestic economic impacts because CAFE is a domestic regulatory program, and the costs and benefits are ordered similarly across the alternatives as in the central analysis. Relying on global valuation estimates would introduce an even higher level of uncertainty, for the reasons discussed in Section II above, and fails to maintain the required analytical boundary that excludes economic effects occurring outside of United States borders. However, even if NHTSA had considered alternative valuation estimates, the agency would have selected the same final standards. As discussed in more detail in Sections V.C.2.a, V.C.2.b, and V.C.2.e, Alternatives 4 and 5 exceed maximum feasible levels due to manufacturer noncompliance. Where compliance is unachievable, projected fuel savings and climate benefits cannot materialize. Consequently, valuing changes in CO_2, CH_4, and N_2O—whether domestic or global—would not change the agency's determination of the maximum feasible standards.

When NHTSA described certain criteria pollutant variations across alternatives as ''slight,'' the agency was referring to an objective comparison of the incremental differences between the emissions occurring under the No-Action Alternative and the regulatory alternatives considered. However, in the Final SEIS, NHTSA has defined and clarified the use of ''slight'' and other descriptors that describe the magnitude of impacts in the Final SEIS. The Final SEIS discloses cumulative emissions changes, projected changes in climate indicators, and sensitivity analyses to provide transparency regarding the scale of the modeled impacts. Regarding quantified health metrics, the agency disagrees that its health effects modeling is outdated; the agency has utilized the most up-to-date data available for each category of effects for both upstream and downstream sources across several successive rulemakings. This methodology and response to comments is discussed in more detail in Section II.

Table V–10 shows estimated fuel use for the regulatory alternatives compared to the No-Action Alternative. Importantly, NHTSA emphasizes that under the No-Action Alternative, the gasoline- and diesel-powered vehicle fleet regulated in this action is anticipated to consume 2,639 billion gallons of gasoline through CY 2050. The increases in gasoline and diesel fuel consumption under the regulatory alternatives range from an additional 128 billion gallons of gasoline under the least stringent alternative to 36 billion gallons of gasoline under the most stringent alternative, with Alternative 3 as the mid-range alternative resulting in an additional 122 billion gallons of gasoline through 2050. To put this in perspective, Americans used 136.5 billion gallons of finished motor gasoline, cumulative in 2025,[1169] meaning that resetting the fuel economy program would only result in a total of less than one additional year's worth of gasoline consumption by the U.S. vehicle fleet over almost 25 years through 2050.

[1164] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 88.

[1165] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 88.

[1166] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 58–61.

[1167] NTAA, Docket No. NHTSA–2025–0491–4852, at 1–2.

[1168] *Id.*

[1169] EIA, Gasoline Explained: What is octane?, last revised: Nov. 17, 2022, available at: *https://www.eia.gov/energyexplained/gasoline/octane-in-depth.php* (accessed: May 25, 2026).

Table V-10: Fuel Consumption Levels and Changes From Baseline for Selected Calendar Years

Measure	Alternative	2027	2028	2029	2030	2031	2040	2050	CYs 2024-2050 Total
Total Consumption (b. gal)	No-Action	126.4	121.5	116.9	112.6	108.6	86.0	75.8	2,639
	Alt. 1	126.7	122.3	118.2	114.5	111.1	92.9	83.3	2,767
	Alt. 2	126.7	122.3	118.2	114.4	111.1	92.8	83.3	2,766
	Alt. 3	126.6	122.2	118.1	114.4	110.9	92.5	83.1	2,761
	Alt. 4	126.6	122.1	117.9	114.0	110.5	91.4	81.9	2,740
	Alt. 5	126.5	121.7	117.2	113.1	109.2	88.0	78.1	2,675
Change from No-Action (b. gal)	Alt. 1	0.3	0.7	1.3	1.8	2.4	6.8	7.6	128
	Alt. 2	0.3	0.7	1.2	1.8	2.4	6.8	7.5	128
	Alt. 3	0.3	0.7	1.2	1.7	2.3	6.5	7.3	122
	Alt. 4	0.2	0.5	0.9	1.4	1.9	5.4	6.2	102
	Alt. 5	0.1	0.2	0.3	0.4	0.6	1.9	2.3	36
Change from No-Action (%)	Alt. 1	0%	1%	1%	2%	2%	8%	10%	5%
	Alt. 2	0%	1%	1%	2%	2%	8%	10%	5%
	Alt. 3	0%	1%	1%	2%	2%	8%	10%	5%
	Alt. 4	0%	0%	1%	1%	2%	6%	8%	4%
	Alt. 5	0%	0%	0%	0%	1%	2%	3%	1%

As with the proposal, emissions of various pollutants would increase in the regulatory alternatives relative to the No-Action Alternative as a result of both increased upstream emissions from the various fuel production processes and increased downstream emissions from fuel combustion as vehicles are driven commensurate with the fuel consumption increases. However, in the context of total emissions compared to the baseline, the incremental increases would be nominal. In addition, non-criteria emissions (NCEs) in all five action alternatives decrease over time, as newer vehicles enter the fleet. Criteria pollutant emissions similarly increase relative to the No-Action Alternative, but all action alternatives result in decreasing criteria pollutant emissions over time. FRIA Chapter 8 provides additional detail on the changes in emissions and, for criteria emissions specifically, associated calculated health outcomes. NHTSA's NEPA analysis similarly shows only nominal differences between the baseline and alternatives considered in this proposal. The results of that analysis are summarized below and in the Final SEIS.

e. Synthesis of the Record Supporting Alternative 3 as Maximum Feasible

In establishing the final fuel economy standards, NHTSA is required under 49 U.S.C. 32902(f) to balance four statutory factors: technological feasibility, economic practicability, the need of the United States to conserve energy, and the effect of other motor vehicle standards of the Government on fuel economy. As NHTSA discusses throughout this final rule, EPCA does not permit the agency to look solely at energy conservation when setting maximum feasible fuel economy standards, instead explicitly requiring NHTSA to balance the four competing subsection 32902(f) factors. Accordingly, NHTSA tentatively concluded in the proposal that maximizing fuel savings at the expense of severe industry disruptions or unaffordable vehicle prices would place too little weight on the economic practicability factor and result in standards that exceed maximum feasibility. While NHTSA recognized that higher fuel consumption does lead to increased long-term fuel costs, overly aggressive standards impose immediate upfront cost increases on new vehicles that are already at record levels—slowing fleet turnover to newer, more efficient, cleaner, and safer vehicles. If vehicle prices rise too high, consumers are priced out of the new vehicle market entirely. A standard that is more stringent on paper does not save consumers money if they cannot afford to buy the vehicles. Looking only at total fuel volume also ignores how vehicle prices affect real-world safety outcomes. When new cars remain affordable, drivers replace older, less efficient, and less safe vehicles faster. Stricter standards that raise prices delay fleet turnover, keeping older cars on the road longer. Further, higher standards result in more rebound driving, where lower per-mile driving costs lead to more total miles driven, directly increasing crash exposure. Accordingly, NHTSA examined the marginal, long-term impact of increased fuel use from the regulatory alternatives against these general policy considerations.

To find the point that satisfied these competing factors, the agency developed and analyzed several action alternatives alongside a No-Action Alternative. While NHTSA examined the No-Action Alternative alongside three action alternatives for both MYs 2022–2026 and MYs 2027–2031 in the proposal, the agency responded to feedback from the public and considered two additional alternatives each for MYs 2022–2026

and MYs 2027–2031 for this final rule. Throughout this preamble, TSD, FRIA, and Final SEIS, NHTSA describes its methodology for evaluating these regulatory alternatives and the potential effects that could result from the agency's selection of any of the alternatives as the final standards.

NHTSA agrees with several commenters that Alternatives 1 and 2, though reflecting distinct stringency increases over time, underrepresents vehicle manufacturer's technical capabilities and energy conservation. A wide array of technologies available for gasoline- and diesel-powered vehicles, such as advanced combustion, friction reduction, multi-valve architectures, and aerodynamic optimization, are already commercially available and deployed at high production volumes. Establishing a regulatory floor that changes by less than half a percent annually would fail to encourage the steady, incremental deployment of existing capabilities. Commenters like Honda further supported this conclusion, with Honda noting that advanced ICE refinements and multi-pathway efficiency technologies are robust enough to support annual improvements exceeding the proposed 0.25-percent-annual increase in stringency. Similarly, MEMA requested the agency to adopt Alternative 3 or a modified Alternative 3+ configuration. Both MEMA and MECA argued that dropping stringency to the levels defined in Alternatives 1 or 2 would create a technological deployment gap, weakening manufacturing market signals necessary to sustain domestic investments in efficiency engineering, and potentially risking billions of dollars of stranded capital in domestic research across vehicle components suppliers. While NHTSA recognizes concerns about sunk costs when considering changes in fuel economy standard, the agency agrees that the modified version of Alternative 3 appropriately accounts for technological capabilities of gasoline and diesel engines. In addition, while the Nation's status as a net energy exporter provides a structural macroeconomic buffer against oil price spikes, that fact does not absolve the agency of its statutory mandate to assign some weight to the need of the United States to conserve energy. Selecting these lower alternatives would result in a foregone reduction in petroleum consumption that is technically achievable through existing and available fuel economy-improving technologies.

On the other end of alternatives evaluated for this final rule, Alternatives 4 and 5 set initial MY 2022 target functions to an aggressive starting level and apply annual stringency increases that outpace the historic demonstrated efficiency improvements of the gasoline- and diesel-powered vehicle fleet, even in response to very stringent standards. In fact, by MY 2031, several manufacturers would be projected to under-comply with the Alternative 5 standards. The agency determined that the amount of manufacturer non-compliance using gasoline- and diesel-based vehicle technologies under Alternatives 4 and 5 demonstrates that these alternatives are beyond maximum feasible. To achieve these targets without the alternative fuel flexibilities, manufacturers would be pushed towards strong hybridization across all vehicle segments within a compressed time.

Although NHTSA's analysis projects all alternatives to reduce upfront vehicle costs compared to the No-Action standards, reducing upfront vehicle transaction prices is a factor the agency has determined should be accorded significant weight. Pricing buyers out of the new vehicle market would decelerate vehicle fleet turnover, keeping consumers in older, less safe, and less efficient vehicles longer. The agency carefully weighed the potential impacts of upfront cost increases against the magnitude of potential increases in fuel costs over several decades and cannot conclude that standards that result in a high upfront cost weigh in favor of maintaining more stringent standards.

In addition, NHTSA believes Alternatives 4 and 5 overweight energy conservation at the expense of economic practicability. As discussed in the proposal, NHTSA does not believe that the magnitude of fuel consumption and emission increases over the baseline would lead the agency to conclude that standards set at higher levels than Alternative 3 are maximum feasible. That the Alternative 3 standards are significantly different than the baseline standards and yet result in only marginal increases in fuel consumption and associated emissions metrics confirms NHTSA's conclusion that the environmental elements of the need of the United States to conserve energy do not weigh heavily enough against the countervailing factors of technological feasibility and economic practicability to merit the selection of more stringent standards.

Because the mathematical relationship between a vehicle's mpg rating and its actual fuel consumption is reciprocal, the marginal petroleum savings diminish significantly at these elevated stringency levels. NHTSA cannot weigh the need of the United States to conserve energy so high that it sets standards that would compel the vehicle fleet into rapid hybridization that results in continually flattening marginal improvements in fuel consumption, particularly because the Nation's net energy exporter status already mitigates some of the systemic economic and security risks historically associated with foreign energy dependency. Moreover, light-duty vehicle fuel consumption remains forecast to decline substantially over time, both as a result of NHTSA's standards and fleet turnover. The environmental effects related to fuel consumption, both because of NHTSA's standards and other light-duty transportation trends, will decrease proportionally based on effect and pollutant. NHTSA has concluded that the need of the United States to conserve energy weighs in favor of fuel economy standards acting as an insurance policy against risk, with standards that increase at steady, incremental, manageable rates for the light-duty gasoline- and diesel-powered fleets following their reset to align more closely with EPCA. In addition, the agency evaluated other environmental factors under NEPA and as part of its regulatory impact analysis to fulfill obligations under Executive Order 12866. Based on the results of those analyses, NHTSA confirms that the final standards selected in this rule remain the maximum feasible standards

Alternative 3 effectively balances the above concerns by requiring steady progress with deployable internal combustion and conventional hybrid technology. Considering the technologies available to meet the standards, and the achieved fuel economy levels that application of those technologies allows manufacturers to reach, NHTSA notes that a mid-range regulatory trajectory effectively minimizes the artificial over-compliance seen with less stringent options while avoiding the compliance deficits that emerge under the highest alternatives. The results indicate that an intermediate stringency level challenges the fleet to deploy available technologies at a sustainable pace, narrowing the gap between achieved and required fuel economy without exceeding the real-world engineering and product-cycle constraints of major manufacturers.

From an economic practicability standpoint, Alternative 3 addresses the vehicle cost concerns important to the agency, and as raised by commenters, while still requiring steady efficiency improvements. By avoiding the vehicle price increases associated with the

highest alternatives, a middle-ground standard helps keep new cars affordable for vehicle buyers. This approach also keeps compliance costs within realistic limits for automakers' varied production cycles, making the standards economically practicable for the industry as a whole. In addition, while NHTSA's models show relatively minor differences in total vehicle sales and manufacturing employment across the options, basic economic theory supports the principle that lower upfront vehicle costs help stimulate the market. Selecting a conservative mid-point aligns with this economic reality, encouraging steady sales growth and protecting automotive jobs by avoiding the market strain associated with more aggressive targets.

Alternative 3 appropriately balances technological feasibility and economic practicability by providing long-term investment certainty for the domestic supply chain and avoiding the technology deployment gaps associated with lower alternatives identified by commenters. Simultaneously, by keeping stringency increments within a single-digit fractional range, it avoids the high upfront technology costs associated with the upper alternatives, ensuring that standards remain economically practicable for the industry as a whole. Alternative 3 also shows decreases in the fleet's overall fuel use over time, through a combination of improved vehicle fuel economy values and fleet turnover, to fulfill the agency's statutory mandate to conserve energy while properly aligning the stringency of the standard with the Nation's contemporary, structurally insulated energy profile.

Furthermore, Alternative 3 has the benefit of smoothing the effects of the finalized regulatory reclassification of passenger cars and light trucks. Because moving passenger-focused crossover and SUV models out of the light truck fleet structurally lowers the mathematical mpg average of both individual regulatory categories, the standard incorporates a calibrated transition adjustment in MY 2030 (-0.5 percent for passenger cars and -14.4 percent for light trucks) before resuming a steady 1.0-percent increase in MY 2031. This transition ensures the standards remain aligned with the physical capabilities of the adjusted fleets without triggering artificial compliance penalties.

Consistent with its position in the proposal, NHTSA affirms that it chooses to weigh ''the need of the United States to conserve energy'' less heavily as America continues to develop its proven oil reserves, because the Nation's exposure to oil shocks is diminished. This is especially true as the remaining petroleum imported into the U.S. has shifted dramatically away from volatile Organization of the Petroleum Exporting Countries (OPEC) nations and toward Mexico and Canada since the enactment of EPCA. The U.S. currently possesses an abundance of domestic energy resources, especially petroleum and natural gas. Following the shale-oil boom, America has become the world's largest petroleum producer by a significant margin and is now a net petroleum exporter. This status was unthinkable when Congress enacted EPCA, and even EISA. The United States does not have the same need to conserve liquid-fuel energy resources that it had in the wake of the Arab oil embargoes of the 1970s or in the wake of Operation Iraqi Freedom. Accordingly, NHTSA believes that it is both reasonable and congruent with EPCA's energy conservation goals to weigh the need of the United States to conserve energy such that vehicle fuel economy standards require continuous improvements over time, but at sustainable levels for manufacturers, consumers, and society at large.

Finally, as discussed above, NHTSA considers estimated net benefits relevant to determining maximum feasible CAFE standards, but the agency's selection of a Preferred Alternative is not dependent on the alternative that maximizes those benefits. The agency's analysis shows that all regulatory alternatives would result in positive net benefits on a model year accounting basis at both three percent and seven percent discount rates, with the Preferred Alternative, Alternative 3, resulting in $41.8 billion in estimated net benefits using a three percent discount rate and $36.3 billion in net benefits using a seven percent discount rate.[1170] At the three percent discount rate, Alternative 3 maximizes net benefits among all the alternatives analyzed.

Balancing all factors and issues identified, specifically in this section and more broadly throughout this entire preamble, TSD, FRIA, and Final SEIS, NHTSA is finalizing Alternative 3 as the final fuel economy standards for MYs 2022–2026 and MYs 2027–2031. The agency's conclusion is that increasing the stringency of the standards at these adjusted annual rates—which remain fully achievable by conventional gasoline- and diesel-powered vehicles—coupled with the re-examination of the target function shapes and vehicle classification definitions, best comports with the substantive textual requirements of EPCA and is responsive to feedback and analysis submitted by commenters on the agency's proposal.

Moreover, the level, shape, and applicability of the standards to the gasoline- and diesel-powered passenger and non-passenger fleets, as reclassified under this final rule, are justified by the need to resolve the distortions that previous regulations caused in the marketplace. Imposing such market distortions is inconsistent with a proper application of EPCA and results in an unnecessary regulatory burden without effectively insulating the United States from global oil price shocks. Ultimately, NHTSA believes that the steady, incremental increases provided by Alternative 3, which are reasonable and appropriate, effectively balance EPCA's energy conservation goals while fully preserving the ability of manufacturers to focus on safety, affordability, and consumer choice and while resulting in positive benefits for consumers and society. Although the proposal initially applied these balancing principles to Alternative 2, NHTSA's subsequent evaluation of public comments, supplemental data, and sensitivity analyses demonstrates that Alternative 3 provides the most statutorily faithful execution of these objectives.

3. Final Supplemental Environmental Impact Statement Analysis Results

NHTSA described above that the agency's NEPA-related obligation is to ''take a 'hard look' at the environmental consequences'' of a rulemaking, as appropriate.[1171] Significantly, ''[i]f the adverse environmental [impacts] of the proposed action are adequately identified and evaluated, the agency is not constrained by NEPA from deciding that other values outweigh the environmental costs.'' [1172] NHTSA considers the impacts reported in the Final SEIS, in addition to the other information presented in this preamble, the Final TSD, and the FRIA, as part of its decision-making process.

Per DOT Order 5610.1D, NHTSA considers a ''No-Action'' Alternative in its NEPA analyses and presents the environmental impacts of the final rule and alternatives, including the No-Action Alternative, in comparative

[1170] As is discussed in Chapter 8 of the FRIA, NHTSA estimates the benefits and costs of the regulatory alternatives under consideration from both model year and calendar year perspectives. The estimates shown here are for the model year approach.

[1171] *Baltimore Gas & Elec. Co.* v. *Natural Resources Defense Council, Inc.,* 462 U.S. 87, 97 (1983).

[1172] *Robertson* v. *Methow Valley Citizens Council,* 490 U.S. 332, 350 (1989).

form.[1173] The range of CAFE standard action alternatives, including the No-Action Alternative, encompasses a spectrum of possible fuel economy standards that NHTSA could determine is the maximum feasible based on the different ways NHTSA could weigh the applicable statutory factors.

Some commenters argued that NHTSA did not evaluate a reasonable range of action alternatives because the alternatives outlined in the proposal yielded similar outcomes, which they asserted fall below the maximum feasible standard required by EPCA, do not account for gradual standard increases, technology-neutral pathways, or policies aligned with infrastructure readiness, and do not maximize fuel savings and emission reductions.[1174] As further explained in Appendix C of the Final SEIS, NHTSA disagrees with these commenters. NEPA does not require NHTSA to include alternatives that result in specific outcomes nor incorporate factors or policies that are beyond its statutory authority under EPCA. Rather, NHTSA finds that its proposed action and the action alternatives considered in its environmental analysis are technically and economically feasible and meet the purpose and need of this final rule, as required by NEPA.[1175] Additional discussion of the alternatives that NHTSA considered in the final rule is provided in Section III of the final rule preamble.

The agency's Final SEIS describes the reasonably foreseeable impacts for all alternatives across a variety of environmental resources, including energy, air quality, emissions effects, and historic and cultural resources. The impacts of the final rule are discussed in proportion to their significance, qualitatively and quantitatively, as applicable.[1176] The findings of the analysis are summarized here, and more detailed discussion—in particular for any qualitative resource assessment—can be found in the Final SEIS.

Reasonably foreseeable energy impacts from the final rule include changes in vehicle fuel consumption. All five action alternatives would increase fuel consumption compared to the No-Action Alternative,[1177] with fuel consumption increases that range from 114 billion GGEs under Alternative 5 to 210 billion GGE under Alternative 1. Alternative 3 (the Preferred Alternative) increases fuel consumption by 204 GGE.

The relationship between CAFE standards and criteria pollutant and air toxics emissions is less straightforward than the relationship between CAFE standards and energy use because the criteria pollutant and air toxics relationship reflects the complex interactions among many factors. In general, emissions of criteria air pollutants decrease with increasing stringency. However, the analysis shows that the action alternatives would result in various levels of emissions when measured against projected trends under the No-Action Alternative. These reductions and increases in emissions would vary by pollutant, calendar year, and action alternative. The differences in national emissions of criteria air pollutants among the action alternatives compared to the No-Action Alternative would range from less than 1 percent to about 11.7 percent. Adverse health outcomes from criteria pollutant emissions are expected to increase nationwide in 2035 and 2050 under all action alternatives relative to the No-Action Alternative. This is primarily due to increases in downstream emissions, particularly of VOC and CO. The increases in health effects would stay the same or get smaller from Alternatives 1 and 2 to Alternative 5 in 2035 and 2050, reflecting the generally greater stringency of Alternative 5. However, emissions decrease over time under each action alternative.

Toxic air pollutant emissions would remain the same or increase in 2035 and 2050 for all action alternatives relative to the No-Action Alternative. The largest relative increases in emissions generally would occur for formaldehyde for which emissions would increase by as much as 12.6 percent under Alternatives 1 and 2 in 2050 compared to the No-Action Alternative. Percentage increases in emissions of acetaldehyde, acrolein, 1,3-butadiene, benzene, and diesel particulate matter (DPM) would be less. The smaller increases are not expected to lead to measurable changes in concentrations of toxic air pollutants in the ambient air. For such minor changes, the impacts of those action alternatives would be essentially equivalent. Larger increases in emissions could lead to changes in ambient pollutant concentrations.

Overall changes in health effects due to air pollution are expected to be consistent with any resulting emissions trends. Higher emissions would be expected to lead to an overall increase in adverse health effects while lower emissions would be expected to lead to a decrease in adverse health effects. The changes in health effects due to changes in emissions also are dependent on geographic population distribution, meteorological and topographical conditions, and people's proximity to roadways and upstream facilities.

The final rule and alternatives would result in slight increases in CO_2 concentrations, surface temperature, sea-level, and precipitation, and a slight decrease in ocean pH compared to the No-Action Alternative, based on projections using a reduced-complexity climate model. They also could, to a small degree, increase the impacts and risks of climate trends. A great deal of uncertainty exists regarding the magnitude of impact on these climate variables, as well as to the impacts and risks of climate trends. The impacts of the final rule and alternatives on global mean surface temperature, precipitation, sea-level, and ocean acidification would be very minor in relation to global emissions trajectories. This is because of the global and multi-sectoral nature of climate trends. Any impacts also would occur on a global scale and would not affect the United States disproportionately. To put these emissions changes in perspective, the emissions increase from all passenger cars and light trucks in 2035 compared with emissions under the No-Action Alternative are approximately equivalent to the annual emissions from 17,806,954 vehicles under Alternative 3, the Preferred Alternative. For reference, a total of 252,733,312 passenger cars and light trucks are projected to be on the road in 2035 under the No-Action Alternative.[1178]

In cases where quantitative impacts assessment was not possible, NHTSA presented the findings of a literature review of scientific studies for informational purposes.

Some commenters argued that the environmental analysis in the Draft SEIS is incomplete or incorrectly assessed in various ways.[1179] For example, commenters argued that the Draft SEIS did not consider the potential effect of the retroactive generation of additional compliance credits resulting from this rule, or that it understated the impacts

[1173] DOT Order 5610.1D, sec. 13.e.

[1174] NRDC *et al.,* Docket No. NHTSA–2025–0491–5948, at 7–8; CPAC–CRF, Docket No. NHTSA–2025–0491–5054, at 9; Daniel Anderson, Docket No. NHTSA–2025–0491–5042.

[1175] 42 U.S.C. 4332(1)(C)(iii); *see also* DOT Order 5610.1D, sec. 13.e.

[1176] Section 13.g(2) of DOT Order 5610.1D.

[1177] Total light-duty vehicle fuel consumption from 2024 to 2050 under the No-Action Alternative is projected to be 2,867 billion gasoline gallon equivalents (GGE).

[1178] The light-duty vehicle equivalency is based on an average per-vehicle emissions estimate, which includes both tailpipe CO_2 emissions and associated upstream emissions from fuel production and distribution. MOVES, the GREET model, and EPA analysis project that the average light-duty vehicle will account for 4.66 metric tons of CO_2 emissions in 2035.

[1179] NRDC *et al.,* Docket No. NHTSA–2025–0491–5948, at 4–10; Daniel Anderson, Docket No. NHTSA–2025–0491–5042.

of changes in criteria and non-criteria air emissions.[1180] Comments regarding the scope of environmental analysis are addressed in Section V.B.2 above, while those regarding the results of the environmental analysis are addressed in Appendix C of the Final SEIS.

The Final SEIS is one factor that informed NHTSA's decision-making process to set CAFE standards. NHTSA evaluated the range of reasonable alternatives in the Final SEIS, along with other factors during the rulemaking process and determined that Alternative 3 is the Preferred Alternative because it is maximum feasible. NHTSA took a hard look at the results of the Final SEIS in arriving at its conclusion that Alternative 3 is maximum feasible.

D. Severability

For the reasons discussed above, NHTSA concludes that its authority to finalize and implement CAFE standards for MYs 2022–2026 and 2027–2031 is well-supported in law and practice. NHTSA also concludes that its exercise of authority reflects sound policy.

In the proposal, NHTSA stated that if any portion of the rule is declared invalid, the agency intended the various aspects of the rule to be severable and, specifically, that each set of standards, for MYs 2022–2026 and MYs 2027–2031, be severable, as well as the various compliance proposals. NHTSA discussed that the standards for MYs 2027–2031 could be implemented independently if any of the other years' standards were struck down, and the agency believed that it would be in the best interest of the Nation for the standards to be applicable to support EPCA's overarching purpose of energy conservation. NHTSA stated that each standard was justified independently on both legal and policy grounds and could be implemented effectively by the agency.

The agency received a variety of comments regarding whether the different provisions and standards within the proposed rule are severable from one another in the event of a legal challenge. PMI recommended that NHTSA include express severability clauses in the regulatory text for distinct components of the rule to reduce legal risk and ensure the reforms are durable.[1181] It detailed four specific areas that should function independently: first, the retroactive corrections for MYs 2022 through 2026 are logically and legally distinct from the prospective 2027 through 2031 standards, as the former corrects a specific legal error regarding the inclusion of electric vehicles, while the latter represents a forward-looking policy judgment about maximum feasibility; second, the proposed regulatory reclassification of light trucks based on functional utility serves the independent statutory purpose of preventing regulatory arbitrage and should remain in effect even if the numeric stringency targets are vacated; third, the elimination of the credit trading program is a discrete policy choice that is permitted, but not required, by the statute, and this decision to remove a distortive cross-subsidy stands on its own merits; and fourth, PMI urged NHTSA to explicitly state that its stringency levels are justified independently by economic practicability and energy conservation considerations, ensuring the standards would survive even if courts later reject the agency's statutory interpretation barring the consideration of electric vehicles under subsection 32902(h).[1182]

The Alliance also supported the agency's claim that the proposed standards for MYs 2022 through 2026 are severable from the standards for MYs 2027 through 2031, noting that the agency appropriately conducted two separate analyses for these periods.[1183] However, the Alliance diverged from PMI regarding the vehicle reclassification proposal, arguing that these provisions should not be severable from the model years to which they apply.[1184] They explained that reclassifying many SUVs and minivans as passenger cars subjects those vehicles to an unrevised passenger car fleet standard that was never designed for or evaluated with those heavier vehicles in mind.[1185] Consequently, the Alliance argued that, if the revised standards for MYs 2028 and later are struck down, the vehicle reclassification provisions must also be struck down.[1186]

Several other commenters, including NRDC *et al.,* ZETA, and an individual commenter, opposed the assertion that the rule's provisions are severable.[1187] These commenters argued that the proposed rule is intended to operate as a single, integrated whole and that its various components are interdependent and would not function sensibly in isolation. A primary objection from these commenters was that the standards for MYs 2027 through 2031 are inextricably linked to the standards for MYs 2022 through 2026.[1188] NRDC *et al.* and the individual commenter noted that the later standards are explicitly based on the earlier ones, with each year providing a fixed percentage increase—specifically 0.5 percent followed by 0.25 percent per year—building off the maximum feasible ''foundation'' of the revised 2022 standards, with a ''bridge'' year in 2027.[1189] NRDC *et al.* emphasized that if the MYs 2022–2026 standards are vacated, the existing, much more stringent standards for those years would automatically go back into effect.[1190] NRDC *et al.* continued to state that because a 0.25-percent increase from those higher baseline levels would result in entirely different standards than what NHTSA proposed, the agency has not demonstrated it would have adopted the same 2027 through 2031 standards under those circumstances.[1191] The individual commenter further noted that a new round of analysis and notice and comment would be required if earlier standards are invalidated.[1192]

Finally, NRDC *et al.* and ZETA opposed the contention that other policy choices in the rule, such as the elimination of credit trading and the reclassification of vehicle fleets, are discrete and severable provisions.[1193] ZETA argued that the elimination of the credit trading program is directly predicated on NHTSA's new approach to the baseline.[1194] NRDC *et al.* similarly contended that the agency has advanced a single, integrated proposal where these compliance and enforcement changes are combined with the elimination of purportedly unlawful considerations, rather than discrete policy choices that can be cleanly severed.[1195]

NHTSA has carefully considered the comments regarding the severability of

[1180] *See, e.g.,* NRDC *et al.,* Docket No. NHTSA–2025–0491–5948, at 4–10. Additional comments about the scope of the environmental analysis are addressed in Appendix C of the Final SEIS.

[1181] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 56.

[1182] *Id.* at 56–7.

[1183] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at II–8.

[1184] *Id.*

[1185] *Id.*

[1186] *Id.*

[1187] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 111–112; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11–12; S. Sotomayor, Docket No. NHTSA–2025–0491–4888.

[1188] *Id.*

[1189] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 111–112; S. Sotomayor, Docket No. NHTSA–2025–0491–4888.

[1190] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 111–112.

[1191] *Id.*

[1192] S. Sotomayor, Docket No. NHTSA–2025–0491–4888.

[1193] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 111–12; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11–12.

[1194] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 11–12.

[1195] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 111–112.

the various provisions within this final rule. The agency agrees with PMI and the Alliance that each part of this regulatory action is legally and logically distinct, and as stated in the proposal and reaffirmed here, it is the agency's express intent that these provisions be treated as severable. Specifically, the corrections for MYs 2022–2026 are intended to rectify a specific legal error regarding the improper inclusion of prohibited factors under subsection 32902(h), while the standards for MYs 2027–2031 represent a separate, forward-looking exercise of the agency's discretion to determine maximum feasible levels based on the capability of vehicles powered by gasoline or diesel fuel, as defined by the statute. Moreover, the standards for MYs 2027–2031 were selected using a MY 2024 reference fleet and a forward-looking baseline, both unconnected mathematically to the MYs 2022–2026 standards. These two parts of the rule serve distinct functions and are based on independent analyses and legal justifications. NHTSA believes that the invalidation of one phase of the rule should not affect the continued validity of the other, as the agency would have adopted the MYs 2022–2026 revisions to align with the law regardless of its policy choices for future model years; conversely, NHTSA would have adopted the MYs 2027–2031 amendments regardless of the level of standards for MYs 2022–2026.

Regarding PMI's comment to state explicitly that the stringency levels are justified independently by economic practicability and energy conservation considerations regardless of whether a court finds NHTSA's application of the subsection 32902(h) factors appropriate, NHTSA cannot do so because such a determination would be based on factors that subsection 32902(h) explicitly bars the agency from considering when setting standards. The balance of external factors that the agency can consider, for example the nation's status as a net petroleum exporter, the significant increase in new vehicle transaction prices, and diminishing fuel savings from adding fuel-economy-improving technologies as the vehicle fleet gets more efficient, all point to a standards reset being appropriate.

Regarding the comments on various compliance proposals, NHTSA maintains that the new vehicle classification definitions can remain in the regulatory text as-is; however, NHTSA agrees with the Alliance that the agency must carefully consider the feasibility of standards based on the vehicles included in each regulatory class. The corrected definitions of passenger and non-passenger automobiles are valid exercises of the agency's authority to define vehicle categories independent of the specific numeric standards applied to them. NHTSA maintains that the updated vehicle classification definitions rest on independent legal justifications and can remain in the regulatory text even if a court finds that the numeric standards for those model years are not maximum feasible. Should standards for any particular model year be vacated, the agency would reassess and establish replacement standards using either the previous or updated classification framework based on a fresh evaluation of what constitutes reasonable lead time. With regard to compliance proposals, the decision to eliminate the credit trading program is a discrete one that is not dependent on the specific stringency levels or the baseline methodology adopted elsewhere in the rule. This is particularly important given the agency's application of subsection 32902(h), which precludes consideration of credit trading, transferring, or availability, to its standard-setting methodology.

NHTSA disagrees with the comments from NRDC *et al.,* ZETA, and others that the rule is an indivisible, integrated whole that cannot function in isolation. While the prospective standards for MYs 2027–2031 are designed to follow the revised MYs 2022–2026 standards, the agency's choice of annual stringency increases reflects a deliberate policy judgment about the appropriate rate of technological progress for the internal combustion engine fleet. If a court were to vacate the MYs 2022–2026 revisions, the agency's decision to pursue modest, incremental increases in subsequent years would remain a valid and reasonable application of the statutory factors of economic practicability and technological feasibility. Moreover, a return to the prior, more stringent baseline for MYs 2022–2026 would not automatically render the MYs 2027–2031 percentage increases non-sensical, as the MYs 2027–2031 standards were set using the prior rule's standards for MYs 2024–2026 as the baseline, and not the proposed correction to MY 2022–2026 standards.

The foundational legal interpretations, vehicle classification reforms, and specific stringency targets of this rule each rest on independent justifications. Therefore, each of these components is intended to survive independently of the others.

VI. Compliance and Enforcement

NHTSA is finalizing changes to its CAFE enforcement program for light-duty automobiles. These changes include: (1) modifying the criteria for classification as a non-passenger automobile beginning in MY 2030; (2) removing credit trading from the CAFE program beginning with credits earned in MY 2028; (3) removing references to EPA's regulations regarding manufacturers' ability to generate AC efficiency and OC FCIVs; (4) modifying manufacturer reporting requirements; and (5) making other technical amendments. To provide context for these changes, Section VI.A first provides an overview of NHTSA's CAFE enforcement program. Section VI.B then discusses and explains the finalized changes to the CAFE program.

A. Background and Overview of Compliance and Enforcement

NHTSA's CAFE enforcement program is largely established by EPCA, as amended by EISA, and is prescriptive regarding enforcement. EPCA and EISA also establish a number of flexibilities and incentives available to manufacturers to help them comply with the CAFE standards. The statute also authorizes NHTSA to establish, at its discretion, additional flexibilities by regulation. The light-duty CAFE program includes all vehicles with a GVWR of 8,500 pounds or less as well as vehicles between 8,501 and 10,000 pounds classified as medium-duty passenger vehicles (MDPVs).[1196] [1197]

[1196] As prescribed in 49 U.S.C. 32901(a)(19)(B), an MDPV is ''defined in section 86.1803–01 of title 40, Code of Federal Regulations, as in effect on the date of the enactment of the Ten-in-Ten Fuel Economy Act.'' In accordance with the statutory definition, NHTSA defines MDPV at 49 CFR 523.2 as any complete or incomplete motor vehicle rated at more than 8,500 pounds GVWR and less than GVWR that is designed primarily to transport passengers, but does not include a vehicle that: (1) Is an ''incomplete truck'' meaning any truck that does not have the primary load carrying device or container attached; or (2) Has a seating capacity of more than 12 persons; or (3) Is designed for more than nine persons in seating rearward of the driver's seat; or (4) Is equipped with an open cargo area (for example, a pickup truck box or bed) of 72.0 inches in interior length or more. A covered box not readily accessible from the passenger compartment will be considered an open cargo area for purposes of this definition.

[1197] See ''heavy-duty vehicle'' definition in 40 CFR 86.1803–01. MDPVs are classified as either passenger automobiles or light trucks depending on whether they meet the criteria to be a non-passenger automobile under 49 CFR 523.5. If the MDPV is classified as a non-passenger automobile by meeting the requirements in 49 CFR 523.5, it is subject to the requirements in 49 CFR part 533. If the MDPV does not meet the criteria in 49 CFR 523.5 to be a non-passenger automobile, then it is classified as a passenger automobile and subject to the requirements in 49 CFR part 531.

Table VI–1 provides an overview of the CAFE program, including statutory and regulatory citations, and an overview of the changes proposed and finalized in this rulemaking.

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Table VI-1: Overview of Compliance for the CAFE Program

Fleet Performance Requirements				
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Proposed Changes in NPRM**	**Finalized Changes**
Fuel Economy Standards	49 CFR 531.5 and 49 CFR 533.5 (49 U.S.C. 32902)	Fuel economy standards are footprint-based fleet average standards for each of a manufacturer's compliance category (*i.e.*, domestic passenger automobile, import passenger automobile, and non-passenger automobile), which are expressed in miles per gallon (mpg). NHTSA sets average fuel economy standards that are the maximum feasible for each regulatory category (*i.e.*, passenger automobiles and non-passenger automobiles) and model year. In setting these standards, NHTSA considers technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the U.S. to conserve energy. NHTSA is precluded from considering the fuel economy of vehicles that operate only on alternative fuels, the portion of operation of a dual fueled vehicle powered by alternative fuel, and the trading, transferring, or availability of credits.	Amendments to 49 CFR 531.5(a) and 49 CFR 533.5(a) to set standards for MYs 2022-2026 and MYs 2027-2031.	Amendments to 49 CFR 531.5(a) and 49 CFR 533.5(a) to set standards for MYs 2022-2026 and MYs 2027-2031.
Vehicle Classification	49 CFR part 523	Standards are set for two regulatory categories (*i.e.*, passenger automobiles and non-passenger automobiles). Vehicles are assigned to either the passenger automobile or non-passenger automobile categories based on definitions in EPCA, as implemented through definitions and specific criteria in NHTSA's regulations.	Amendments to 49 CFR part 523 to amend the criteria for non-passenger automobiles. These changes were proposed to go into effect in MY 2028.	Amendments to 49 CFR part 523 to amend the criteria for non-passenger automobiles will take effect beginning in MY 2030.

Fleet Performance Requirements				
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Proposed Changes in NPRM**	**Finalized Changes**
Minimum Domestic Passenger Car Standards	49 CFR 531.5 (49 U.S.C. 32902(b)(4))	Domestic passenger automobile fleets are required to meet the MDPCS. This standard applies in addition to the footprint-based standard.	Amendments to 49 CFR 531.5(b) to set MDPCS for MYs 2022-2026 and MYs 2027-2031.	Amendments to 49 CFR 531.5(b) to set MDPCS for MYs 2022-2026 and MYs 2027-2031
Determining Average Fleet Performance				
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Proposed Changes in NPRM**	**Finalized Changes in the Final Rule**
2-Cycle Testing	49 CFR 531.6(a) citing 40 CFR part 600 and 49 CFR 533.6 citing 40 CFR part 600 (49 U.S.C. 32904)	Vehicle testing is conducted by EPA using the Federal Test Procedure (light-duty FTP or "city" test) and Highway Fuel Economy Test (HFET or "highway" test).	None	None
AC Efficiency FCIVs	49 CFR 531.6(b)(1) citing 40 CFR 86.1868-12 and 49 CFR 533.6(c)(1) citing 40 CFR 86.1868-12 (49 U.S.C. 32904)	This adjustment to the results of the 2-cycle testing for fuel consumption improvement from technologies that improve AC efficiency that are not accounted for in the 2-cycle testing. The AC efficiency FCIV program began in MY 2017 for NHTSA. Starting in MY 2027, AC efficiency FCIVs may only be generated by ICE vehicles.	Amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for AC efficiency FCIVs.	Amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for AC efficiency FCIVs.
OC FCIVs	49 CFR 531.6(b)(2) and (3) citing 40 CFR 86.1869-12 and 49 CFR 533.6(c)(3) and (4) citing 40 CFR 86.1869-12 (49 U.S.C. 32904)	This adjustment to the results of the 2-cycle testing for fuel consumption improvement from technologies that are not accounted for or not fully accounted for in the 2-cycle testing. The OC FCIV program began in MY 2017 for NHTSA. Starting in MY 2027, OC FCIVs may only be generated by ICE vehicles, with the program phasing out and ending with MY 2032 under EPA's current regulations.	Amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for OC FCIVs.	Amendments to 49 CFR 531.6 and 533.6 to remove references to EPA's regulations for OC FCIVs.
Advanced Full-Size Pickup Truck FCIVs	49 CFR 533.6(c)(2) citing 40 CFR 86.1870-12	This adjustment increases a manufacturer's average fuel economy for full-size pickup trucks equipped with	None	None

Fleet Performance Requirements				
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Proposed Changes in NPRM**	**Finalized Changes**
	(49 U.S.C. 32904)	hybridized or other performance-based technologies. Manufacturers were eligible to earn these adjustments in MYs 2017-2021 and MYs 2023-2024.		
Dedicated Alternative Fueled Vehicles	49 CFR 536.10 citing 40 CFR 600.510-12(c) (49 U.S.C. 32905(a) and (c))	EPA calculates the fuel economy of dedicated alternative fueled vehicles assuming that a gallon of liquid/gaseous alternative fuel is equivalent to 0.15 gallons of gasoline per 49 U.S.C. 32905(a). For BEVs, EPA uses the petroleum equivalency factor as defined by the DOE (*see* 10 CFR 474.3) (per 49 U.S.C. 32904(a)(2)).	None	None
Dual Fueled Vehicles	49 CFR 536.10 citing 40 CFR 600.510-12(c) (49 U.S.C. 32905(b), (d), and (e)) and (49 U.S.C. 32906(a))	EPA calculates the fuel economy of dual fueled vehicles using a utility factor to account for the portion of power energy consumption from the different energy sources. For EVs, EPA uses DOE's petroleum equivalency factor for the electric portion of the vehicle's expected energy use (per 49 U.S.C. 32904(a)(2)). Starting in MY 2020 and subject to statutory limit, the average fuel economy of certain dual fueled vehicles cannot increase a manufacturer's average fuel economy.	None	None
Earning and Using Credits for Over-compliance and Addressing Shortfalls				
Earning Credits	49 CFR 536.4 (49 U.S.C. 32903(a))	Manufacturers earn credits for each one tenth of mile by which the average fuel economy vehicles in a particular compliance category in a model year exceed the applicable fuel economy standard, multiplied by the number of vehicles sold in that compliance category (*i.e.*, fleet).	None	None
Carry-Forward Credits	49 CFR part 536	Manufacturers may carry forward credits up to five model years into the future.	None	None

Fleet Performance Requirements				
Component	**Applicable Regulation (Statutory Authority)**	**General Description**	**Proposed Changes in NPRM**	**Finalized Changes**
	(49 U.S.C. 32903(a)(2))			
Carry-Back Credits	49 CFR part 536 (49 U.S.C. 32903(a)(1))	Manufacturers may carry back credits up to three model years into the past.	None	None
Credit Transfers	49 CFR part 536 (49 U.S.C. 32903(g))	Manufacturers may transfer credits between their fleets to increase a fleet's average fuel economy by up to two mpg. Manufacturers may not use transferred credits to meet the MDPCS (*see* 49 U.S.C. 32903(g)(4) and 49 CFR 536.9).	None	None
Credit Trading	49 CFR 536.8 (49 U.S.C. 32903(f))	Manufacturers may trade over-compliance credits into fleets of the same compliance category. A manufacturer may then transfer those credits to a different compliance category, but only up to the 2-mpg limit for transfers. Manufacturers may not use traded credits to meet the (*see* 49 U.S.C. 32903(f)(2) and 49 CFR 536.9).	Amendments to 49 CFR 536.6 and 536.8 to reflect that beginning in MY 2028 credit trading will no longer be allowed.	Amendments to 49 CFR 536.6 and 536.8 to reflect that beginning in MY 2028 credit trading will no longer be allowed for credits earned after MY 2027; credits earned prior to MY 2028 will be permitted to be used for up to five years, consistent with existing carry-forward limits.
Civil Penalties	49 CFR 578.6(h) (49 U.S.C. 32912)	Civil penalties may be assessed for CAFE credit shortfalls that are not resolved through credit flexibilities. Pub. L. No. 119-21 set civil penalties for non-compliance with fuel economy standards to $0. This new value applies starting in MY 2022.	None	Amendments to 49 CFR 578.6(h)(2) to set civil penalties for non-compliance with fuel economy standards to $0 for MY 2022 and later.

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In general, as required by EPCA, NHTSA sets fleet average fuel economy standards for light-duty vehicles on an mpg basis. As specified in EPCA, light-duty vehicles are separated into three separate compliance categories: passenger automobiles manufactured domestically (referred to as domestic passenger cars), passenger automobiles not manufactured domestically (referred to as imported passenger cars), and non-passenger automobiles (which are also referred to as light trucks).[1198] Each standard applies to a manufacturer's compliance category as a whole and not to individual vehicles, and a manufacturer can balance the performance of their vehicles (via the application of fuel-saving technology) in complying with standards. NHTSA sets standards based on vehicle footprint (*i.e.,* the area calculated by multiplying the wheelbase times the track width), and each manufacturer must comply with the fleet average standard derived from their vehicles' target standards. These target standards are taken from a set of mathematical functions for each fleet. Although NHTSA sets the standards for light-duty vehicles, EPA, as authorized and directed by EPCA, establishes procedures for calculating a manufacturer's average fuel economy for CAFE compliance. Average fuel economy values are based on vehicle testing conducted using the FTP (or

[1198] 49 U.S.C. 32903(g)(6)(B).

''city'' test) and HFET (or ''highway'' test).[1199]

At the end of each model year, EPA determines the fleet average fuel economy performance for the individual fleets in accordance with procedures set forth in 40 CFR part 600. NHTSA then confirms whether a manufacturer's fleet average fuel economy performance for each of its compliance categories of light-duty vehicles meets the applicable target-based fleet standard. NHTSA makes its final determination of whether a manufacturer has met its CAFE compliance obligation based on official reported and verified CAFE data received from EPA. Pursuant to 49 U.S.C. 32904(e), EPA is responsible for calculating manufacturers' CAFE values so that NHTSA can determine compliance with its CAFE standards. A manufacturer's final model year report must be submitted to EPA no later than May 1st following the end of the model year.[1200] EPA verifies the data submitted by manufacturers and issues final CAFE reports that are sent to manufacturers and to NHTSA electronically between April and October of the calendar year following the end of model year. NHTSA then assesses each manufacturer's compliance for each of their fleets and calculates each manufacturer's credit amounts (credits for vehicles exceeding the applicable CAFE standard) and shortfalls (amount by which a fleet fails to meet the applicable CAFE standards). A manufacturer meets NHTSA's fuel economy standard if its fleet average performance is greater than or equal to its required standard.

If one or more of a manufacturer's compliance categories fails to meet its fuel economy standard, NHTSA will provide written notification to the manufacturer that it has not met the standard. The written notification will also include the shortfall amount for each compliance category, which is calculated using the following equation: (Fuel Economy Achieved − Fuel Economy Standard) × 10 × Production Volume.[1201] To determine the civil penalty amount, NHTSA multiplies the total shortfall (in credits) by the applicable civil penalty rate.[1202] When the manufacturer receives the written notification, it is required to confirm the shortfall amount and submit a plan indicating how it will allocate existing credits or earn, transfer, or acquire credits to apply toward the shortfall, or inform NHTSA of its intention to pay a civil penalty to resolve the shortfall.[1203] [1204] The manufacturer must submit a plan or applicable civil penalty payment within 60 days of receiving the written notification from NHTSA. Credit allocation plans and carryback plans (*i.e.,* plans to use future earned or acquired credits to apply toward the shortfall) received from the manufacturer will be reviewed by NHTSA, and NHTSA will approve a credit allocation plan unless it finds the proposed credits are unavailable or that it is unlikely that the plan will result in the manufacturer earning sufficient credits to offset the shortfall. If a plan is rejected, NHTSA will notify the manufacturer and request a revised plan.

NHTSA received several comments on issues related to those discussed in this section, such as the transfer of credits and the statutory cap on the transfer of credits between compliance categories within a manufacturer's fleet; these discussions, while relevant to the CAFE program, are outside of NHTSA's authority. Honda commented that it supports manufacturers' ability to transfer credits between their own compliance fleets.[1205] JLR, UCS, and Volkswagen commented on the 2-mpg transfer credit cap between compliance fleets.[1206] Volkswagen commented that NHTSA should remove the transfer cap and allow manufacturers to use all their earned credits.[1207] JLR commented that the transfer cap has become increasingly restrictive, considering the proposed changes to vehicle classification.[1208] UCS commented that capping credit transfers means that marginal compliance costs have a component related to fleet mix, which can lead to credit imbalances among manufacturers.[1209]

In response to these comments, NHTSA notes that the cap on the transfer of credits between compliance categories within a manufacturer's fleet is set by statute at 49 U.S.C. 32903(g)(3). NHTSA cannot adjust the transfer cap in a manner that is inconsistent with the statute. For the final rule, NHTSA is not making any changes to the existing provisions regarding transferring credits between compliance categories. In accordance with the statute, credits transferred may only be used to improve a compliance category's fuel economy performance by up to 2 mpg.

AVE recommended that NHTSA use the 5-cycle test procedure, not the 2-cycle test procedure, to measure fuel economy.[1210] AVE commented that, in addition to providing improved measurement that better reflects real-world performance, using the 5-cycle test procedure will align NHTSA's fuel economy values with EPA's emission values. AVE also requested that NHTSA align its test procedures with EPA's test procedures to provide consistent well-defined test cycle results, in particular for hybrid-electric powertrain technologies whose performance can vary based on test cycle assumptions.[1211]

NHTSA does not have the authority to modify the testing procedures used to calculate a manufacturer's average fuel economy values. EPCA, as amended by EISA, provides EPA with the authority to calculate the average fuel economy of a manufacturer's compliance fleet. NHTSA has no role in determining the testing and calculation procedures prescribed by EPA.[1212]

Porsche commented on the way NHTSA amends regulatory text.[1213] Porsche recommended that NHTSA keep the original section number and 'reserve' sections and subsections containing provisions that are removed. Porsche states that doing so will maintain consistency with other regulations that may reference them.

While NHTSA appreciates Porsche's comment, NHTSA does not agree that it should change the way it amends regulatory text. While NHTSA endeavors to check cross-references for all the provisions it amends, the agency acknowledges the possibility that a cross-reference may be missed. NHTSA does not believe however, that this possibility warrants 'reserving' sections and subsections that contain provisions that are amended. Doing so could add unnecessary paragraphs to the text and would not ensure that all cross-references are updated appropriately.

[1199] 40 CFR part 600.

[1200] 40 CFR 600.512–12(b).

[1201] 49 U.S.C. 32903(c).

[1202] For MY 2022 and beyond the applicable civil penalty rate is $0. Public Law 119–21 (OB3), 139 Stat. 72 (July 4, 2025).

[1203] In accordance with 49 U.S.C. 32903(g)(3)(C), the maximum increase in any compliance category attributable to transferred credits is 2.0 mpg.

[1204] In accordance with 49 U.S.C. 32903(f)(2) and (g)(4), manufacturers are restricted from using traded and transferred credits to resolve MDPCS shortfalls.

[1205] Honda, Docket No. NHTSA–2025–0491–6013, at 8.

[1206] JLR, Docket No. NHTSA–2025–0491–5196, at 4; UCS, Docket No. NHTSA–2025–0491–6027–A1, at 30; Volkswagen, Docket No. NHTSA–2025–0491–5036–A1, at 2.

[1207] Volkswagen, Docket No. NHTSA–2025–0491–5036, at 2.

[1208] JLR, Docket No. NHTSA–2025–0491–5196, at 4.

[1209] UCS, Docket No. NHTSA–2025–0491–6027, at 30.

[1210] AVE, Docket No. NHTSA–2025–0490–0033, at 6.

[1211] AVE, Docket No. NHTSA–2025–0490–0033, at 7.

[1212] 49 U.S.C. 32904(a).

[1213] Porsche, Docket No. NHTSA–2025–04901–0044, at 4.

Instead, NHTSA would seek to address any outdated cross-references in the context of a technical amendment and encourages manufacturers to notify NHTSA if they find any in the text. Given these factors, NHTSA is finalizing amendments to the regulatory text using the same methods as the NPRM.

B. Finalized Changes to the CAFE Program

Consistent with the overall reset of the CAFE program discussed earlier in Section V, NHTSA is finalizing two changes intended to align NHTSA's regulations with EPCA in a manner that will better effectuate the statutory purpose of the CAFE program. First, NHTSA is amending the criteria for non-passenger automobile classification to align NHTSA's regulations with the best reading of the statue.[1214] Second, NHTSA is terminating credit trading between manufacturers beginning with credits earned in MY 2028; credits earned prior to MY 2028 may be traded and used for up to five years, consistent with the statutory limit for carrying credits forward.[1215] NHTSA is also finalizing technical amendments to its regulations to remove references to EPA's regulations for OC FCIVs, making modifications to reporting requirements, and making several technical amendments. The finalized changes are discussed in detail in the following sections.

1. Modification of Vehicle Classification in the CAFE Program

NHTSA is amending the criteria for non-passenger automobiles. This final rule is informed by an examination of how NHTSA's vehicle classification criteria in 49 CFR part 523, *Vehicle Classification,* align with and implement the vehicle definitions in 49 U.S.C. 32901.

This is not the first time NHTSA has examined vehicle classification; in its 2010 and 2012 final rules, NHTSA considered amending its vehicle classification regulations but decided to monitor and revisit them in future rulemakings.[1216] [1217] Notably, NHTSA stated that ''no one can predict with certainty how the market will change between now and 2025'' specifically regarding how vehicle manufacturers may ''make more deliberate redesign efforts to move vehicles out of the car fleet and into the truck fleet in order to obtain the lower target.'' [1218] It is now 2026, and NHTSA has finalized an updated analysis using current fleet data.

The starting point of NHTSA's analysis was a recognition of the market shift from passenger automobiles to non-passenger automobiles (as currently classified) in the light-duty vehicle market. In 1975, non-passenger automobiles represented 19.3 percent of the light-duty automobile market [1219] and now make up 64.7 percent.[1220] Figure VI–1 below illustrates the year-over-year light-duty fleet shares of passenger automobiles and non-passenger automobiles over the last 50 model years (*i.e.,* from 1975 to 2024).

[1214] 90 FR 24524 (June 11, 2025).

[1215] 49 U.S.C. 32903(a).

[1216] 75 FR 25661 (May 7, 2010).

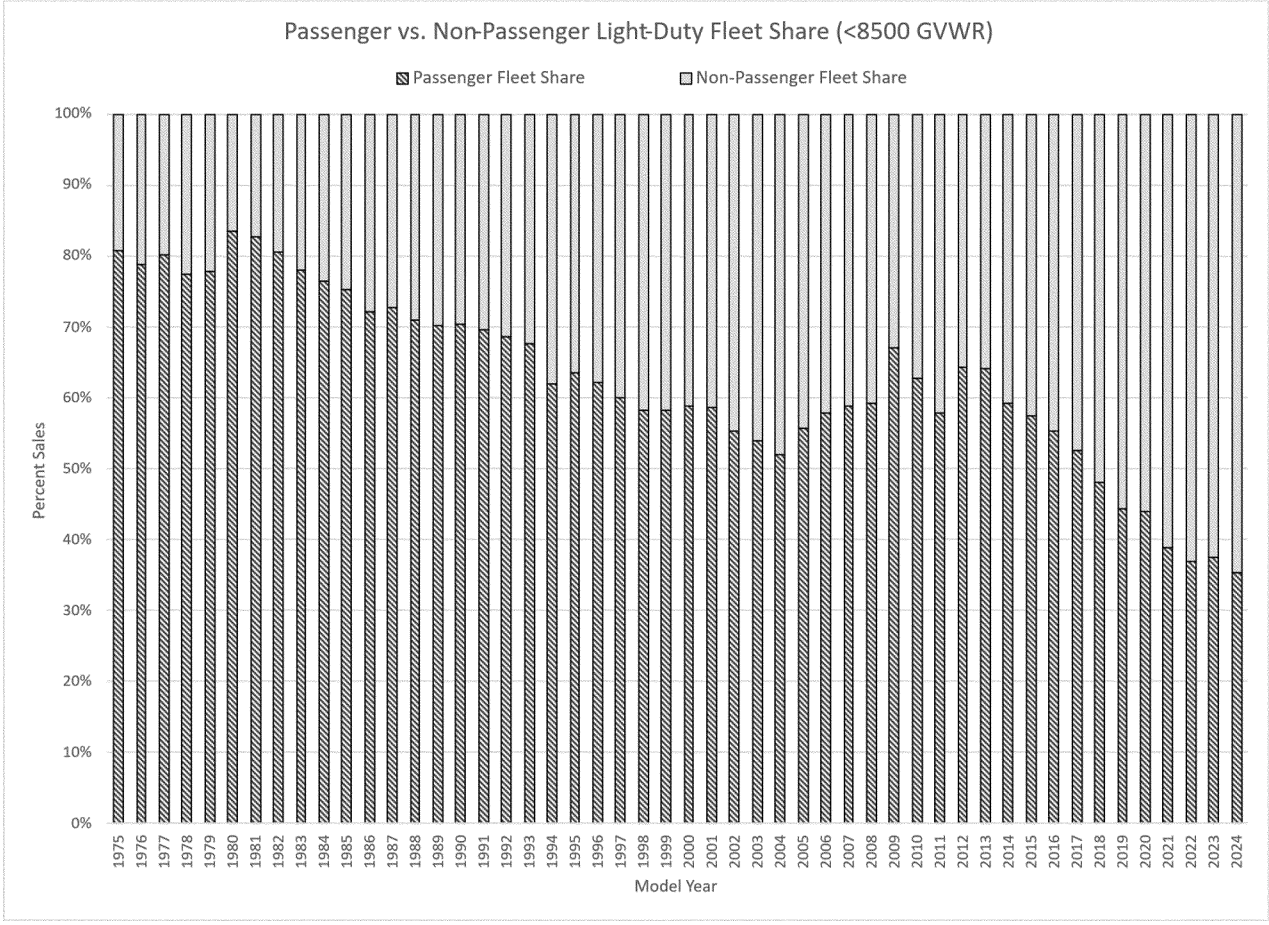
[1217] 77 FR 63124 (Oct. 15, 2012).

[1218] 77 FR 63122 (Oct. 15, 2012).

[1219] DOE, Composition of New U.S. Light-Duty Vehicles by Vehicle Type, last revised: Jan. 2024, available at: *https://afdc.energy.gov/data/10306* (accessed: June 5, 2026).

[1220] This is based on MY 2024 mid-model year reporting and includes dedicated alternative fuel automobiles. Considering only vehicles that are powered by internal combustion engines, the share of automobiles classified as non-passenger automobiles is 67.9 percent.

Figure VI-1: Passenger Versus Non-Passenger Automobile YoY Fleet Share



Leading up to the 2010 and 2012 final rules, there was no clear year-over-year trend in the share of each fleet, but the fleet composition has since continued the long-term trend towards non-passenger automobiles. Based on its new analysis, NHTSA believes that the criteria it uses to delineate between the fleets need to be changed in concurrence with resetting of stringencies, to ensure that the classification of the fleets meets the intent of EPCA. These changes and the processes by which they were evaluated are described in detail in the subsequent paragraphs and sections.

To assess how the current criteria in section 523.5 of NHTSA's regulations align with the statutory definitions and intent, NHTSA conducted an analysis beginning with the compiled classification data from manufacturers' MY 2024 mid-model year fuel economy compliance reports.[1221] To supplement this information, NHTSA conducted extensive research using publicly available manufacturer publications, such as owner's manuals, marketing brochures, and specification sheets,[1222] to develop a comprehensive dataset of vehicle models and any non-passenger automobile criteria that each vehicle model meets. This additional research was necessary, as manufacturers' mid-model year reports generally provide only the minimum data required to demonstrate qualification as a non-passenger automobile. For example, for a three-row SUV that qualifies as a non-passenger automobile via 49 CFR 523.5(a)(5), the manufacturer may not provide data on off-highway angles and clearances specified in 49 CFR 523.5(b)(2). Incorporating additional market research data made it possible for NHTSA to check all possible regulatory pathways that could qualify a vehicle as a non-passenger automobile. A detailed discussion of how the MY 2024 analysis fleet dataset was developed and used can be found in Final TSD Chapter 2.7.[1223] NHTSA has updated this data set since publishing the NPRM, based on comments and supporting material submitted by manufacturers, to fill in missing data and to correct errors in the dataset.

Based on the NPRM analysis, several commenters expressed support for the concept of reclassification but suggested that the method by which the changes were being introduced was intended only to reduce the stringency of both the passenger automobile and non-passenger automobile fleet.[1224] The observation that the stringency of each fleet decreases at most footprints is correct when looking at each fleet individually; however, overall compliance is assessed as the weighted average of both the passenger

[1221] As required in 49 CFR 537.7(c)(5).

[1222] The catalog of reference specification sheets (broken down by manufacturer, by nameplate) used to populate and confirm missing information for vehicle reclassification is available on NHTSA's website. BMW Data, Ferrari Data, FCA Data, Ford Data, Hyundai Data, Ineos Data, Kia Data, Mazda Data, Mercedes Data, Nissan Data, Subaru Data, Toyota Data, Volvo Data, GM Data, Honda Data, Mitsubishi Data, VW Data, and JLR Data.

[1223] See Non-Passenger_Analysis.xlsx, Docket No. NHTSA–2025–0491 for the complete dataset used in the analysis.

[1224] Cleveland, Docket No. NHTSA–2025–0491–4840, at 12; NACAA, Docket No. NHTSA–2025–0491–5884, at 12.

automobile and non-passenger automobile fleets. While the compliance target of the passenger automobile footprint fuel economy curve decreases for most footprint sizes due to the reclassified fleet, it remains higher than the equivalent footprint fuel economy targets for a non-passenger automobile despite the fact that those targets will now apply to heavier vehicles, such as AWD crossovers previously subject to non-passenger automobile targets. Accordingly, while the overall stringency of each fleet decreases, the number of vehicles, and therefore the weighting, of the passenger automobile fleet is greater after the changes to classification criteria are applied. The resulting attribute-based fuel economy targets were not based on any reclassification effort to reduce or otherwise change the standards for each fleet, but are simply a product of the curve-setting analysis based on the composition of each fleet before and after reclassification. Further discussion of the fuel economy curve development can be found in preamble Section II.B.

Commenters also observed that these changes provide ''no stringency benefit at fleet level'' or changes to overall fleet efficiency.[1225] This assessment is correct. As discussed throughout this preamble section, NHTSA's classification criteria, established in 1977 and based on a 1975 baseline fleet, have resulted in manufacturers' making design decisions, not in response to consumer demand, but to qualify vehicles as non-passenger automobiles. NHTSA's reclassification in this final rule, however, does not require manufacturers to remove or to redesign any feature or characteristics associated with the existing vehicle classification criteria, nor does it require a change to the existing utility or capability of the impacted vehicles. Instead, NHTSA is removing a regulatory incentive to add features that vehicle purchasers may not desire.

Based on this analysis, NHTSA is amending the criteria for non-passenger automobiles to align with the best reading of the statute. These changes are discussed in detail in the following sections.

a. Non-Passenger Automobile Definition

EPCA requires NHTSA to set separate maximum feasible standards for ''passenger automobiles'' and ''non-passenger automobiles.'' All vehicles in the light-duty fleet are classified into one of these two categories based on the presence or lack of certain vehicle characteristics and features. At 49 U.S.C. 32901(a)(17), EPCA defines a non-passenger automobile as ''an automobile that is not a passenger automobile or a work truck.'' By statute, the definition of non-passenger automobile is linked to the definition of passenger automobile found at 49 U.S.C. 32901(a)(18). A passenger automobile is a vehicle that NHTSA ''decides by regulation is manufactured primarily for transporting not more than 10 individuals, but does not include an automobile capable of off-highway operation'' that NHTSA decides by regulation ''has a significant feature (except 4-wheel drive) designed for off-highway operation'' and ''is a 4-wheel drive automobile or is rated at more than 6,000 pounds gross vehicle weight.'' In accordance with the statute, NHTSA has issued regulations at 49 CFR part 523 to establish criteria for determining whether a vehicle is a passenger automobile or non-passenger automobile. Under EPCA and NHTSA's regulations, there are three primary pathways for an automobile (*i.e.,* a vehicle under 10,000 pounds GVWR that is not a work truck) to be classified as a non-passenger automobile: (1) the automobile is designed to carry more than ten individuals; (2) the automobile is not manufactured primarily for transporting individuals; or (3) the automobile is capable of off-highway operation. NHTSA is finalizing changes to the criteria used to classify non-passenger automobiles via the second and third pathways.[1226] These finalized changes are discussed in detail in the following sections.

ICCT's comments endorsed a single regulatory category and attribute-based fuel economy curve to encompass the entire light-duty automobile fleet.[1227] This recommendation, however, is precluded by statute. EPCA directs NHTSA, by delegation, to evaluate and regulate passenger automobiles and non-passenger automobiles separately.

In the NPRM, NHTSA proposed that classification changes would take effect in MY 2028. Commenters who expressed support for the proposed changes did not provide specific rationale for why MY 2028 was a suitable year to introduce these changes, nor did they provide comment or supporting information endorsing or opposing the implementation of the vehicle classification changes in an alternative year.[1228] NHTSA received several comments requesting that NHTSA delay implementation of the new vehicle classifications, most of which were from commenters who also expressed concerns about the proposed changes.[1229] Several manufacturers and manufacturer-representing trade groups provided comments stating that MY 2028 did not provide sufficient lead time for manufacturers to respond to the classification changes with design changes to their vehicles or fleets.[1230] A subset of these commenters argued that NHTSA's analysis was incomplete and recommended delaying reclassification indefinitely.[1231] Comments also noted NHTSA's statutory 18-month lead time constraint,[1232] suggesting that reclassified vehicles would be subject to more stringent standards without sufficient notice.[1233] Some comments also raised concerns over the use of NHTSA's passenger automobile and non-passenger automobile definitions for regulatory purposes by other agencies, including EPA in its regulation of criteria emissions, evaporative emissions, and cold temperature carbon monoxide (CO) emissions and IRS in its implementation of the gas guzzler tax under 26 CFR 48.4064–1.[1234]

In response to these comments, NHTSA provides specific supporting information showing a complete and conclusive analysis for each change in preamble Sections VI.B.1.b and VI.B.1.c below.

In response to comments asserting that classification-specific design considerations are necessary for manufacturers to implement before the changes take effect, NHTSA refers commenters and other interested parties to preamble Section II.B for a complete

[1225] CALSTART, Docket No. NHTSA–2025–0491–6042–A1, at 4.

[1226] The first criterion is set in statute and NHTSA thus does not have authority to change it by regulation. While the third criterion is also set in statute, EPCA (as amended by EISA) provides the Secretary of Transportation with the flexibility to decide by regulation a significant feature (except 4-wheel drive) indicating that the automobile was designed for off-highway operation.

[1227] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 9.

[1228] AVE, Docket No. NHTSA–2025–0490–0033–A1, at 7–8; Cleveland, Docket No. NHTSA–2025–0491–4840, at 13; MECA, Docket No. NHTSA–2025–0491–5331, at 14; PMI, Docket No. NHTSA–2025–0491–5001–A2, at 20.

[1229] Porsche, Docket No. NHTSA–2025–0490–0044–A1, at 2; North American Subaru, Inc. Docket No. NHTSA–2025–0490–0037–A1, at 6.

[1230] Porsche, Docket No. NHTSA–2025–0490–0044–A1, at 2; Subaru, Docket No. NHTSA–2025–0490–0037–A1 at 6.

[1231] CALSTART, Docket No. NHTSA–2025–0491–6042–A1, at 3–4.

[1232] 49 U.S.C. 32902(g)(2).

[1233] Subaru, Docket No. NHTSA–2025–0490–0037–A1, at 6; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 6; Kia, Docket No. NHTSA–2025–0491–5123–A1, at 4.

[1234] Porsche, Docket No. NHTSA–2025–0490–0044–A1, at 4; Stellantis, Docket No. NHTSA–2025–0491–5968–A1 at 6; The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 6.

description of how the attribute-based fuel economy curves were established and to preamble Section V for a discussion on maximum feasibility. NHTSA notes that the CAFE Model does not consider any of these design features or characteristics, and there is no inherent change in the actual utility or capability of the vehicles that move from non-passenger automobiles to passenger automobiles. The fuel economy curves before and after reclassification are both evaluated using the same methodology. NHTSA recognizes, however, that some manufacturers may have vehicles shift from the non-passenger automobile fleet to the passenger automobile fleet due to reclassification, and these manufacturers may need additional time to evaluate how this change may affect their compliance position.

To give manufacturers time to adjust their compliance positions, all changes to vehicle classification under 49 CFR 523.5 will take effect in MY 2030. NHTSA is aware of the use of its passenger automobile and non-passenger automobile (*i.e.,* passenger car and light truck, respectively) definitions by other agencies and pertaining to other regulations. Notably, EPA intends to use the non-passenger automobile criteria that NHTSA is proposing to amend at 49 CFR 523.5 to define ''Light-duty truck'' beginning in 2029.[1235] EPA is proposing Tier 4 revisions for PM,[1236] CO and HCHO,[1237] and $NMOG+NO_X$ [1238] standards, which by MY 2030 are the same regardless of light-duty vehicle (*i.e.,* passenger automobile) or light-duty truck (*i.e.,* non-passenger automobile) designation. Evaporative emission standards are proposed to remain at Tier 3 levels.[1239] The relevant IRA excise tax is codified in regulation by the IRS [1240] and states that ''[a]n automobile does not include a non-passenger automobile as defined in regulations in effect on November 9, 1978 (49 CFR 523.5 (1978)), which were prescribed by the Secretary of Transportation for section 501 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001).'' While the interpretation, implementation, and consideration of this language is beyond the purview of NHTSA's authority or mandate, the specific regulation date means that any changes to the definition of a non-passenger automobile made after November 9, 1978 will have no impact or bearing on that vehicle's tax inclusion or exemption under 26 CFR 48.4064–1. To afford manufacturers additional time to adjust to the changes in vehicle classification criteria, NHTSA is delaying the implementation of all classification changes by two model years relative to the NPRM. All changes to vehicle classification under 49 CFR 523.5 will take effect in MY 2030.

b. Finalized Changes to Criteria for Off-Highway Capability

The third pathway at 49 CFR 523.5 for classification as a non-passenger automobile includes any automobile ''capable of off-highway operation'' that NHTSA decides by regulation: (1) ''has a significant feature (except 4-wheel drive) designed for off-highway operation'' and (2) ''is a 4-wheel drive automobile or is rated at more than 6,000 pounds gross vehicle weight.'' [1241] Through rulemaking, NHTSA determined that ''high ground clearance'' would constitute a feature designed for off-highway operation and derived a specific list of dimensions that comprise high ground clearance.[1242] Specifically, the regulation requires automobiles to meet minimum prescribed values for four out of the following five dimensions: running clearance, axle clearance, approach angle, breakover angle, and departure angle. When issuing these criteria, NHTSA explained that the agency arrived at these values ''[a]fter comparing the ground clearance of automobiles used on highways only with automobiles used off as well as on the highway.'' [1243] In the 1977 final rule, NHTSA noted that Ford and International Harvester commented that the five ground clearance measurements proposed in the 1976 NPRM would distinguish automobiles capable of off-highway operation from other automobiles. The agency also stated that ''[i]f a need arises in the future to establish additional criteria, the NHTSA will initiate rulemaking.'' [1244] After almost 50 years, NHTSA has re-evaluated whether the criteria appropriately differentiate between vehicles that are and are not capable of off-highway operation. After conducting an analysis using the MY 2024 fleet, NHTSA is finalizing two changes to the existing standard for determining high ground clearance, discussed in detail below. Together, these changes align NHTSA's criteria for off-highway capability with statutory intent.

In the NPRM, NHTSA proposed eliminating axle clearance as a characteristic used to define a vehicle with high ground clearance and requiring that vehicles classified as non-passenger automobiles via the off-highway pathway meet the prescribed thresholds for all four of the remaining characteristics that comprise the high ground clearance feature. NHTSA asserted that the objective of high ground clearance as an off-highway feature is to describe automobiles capable of off-highway operation. The axle configuration that is most impacted by the axle clearance characteristic is the solid axle, where the differential must be housed and vertically centered along a linear path between the center of the wheels on either side of the axle. In contrast, independent axles can vertically center the differential gears above the same linear path, effectively making running clearance the only constraining vertical measurement. Solid axles excel in off-highway operation at the expense of on-highway ride quality. In the NPRM, NHTSA found that creating an additional clearance characteristic that typically applies only to this solid axle type does not align with the statutory intent that the significant feature would indicate off-highway capability.

Along with the removal of the axle clearance, NHTSA is requiring that non-passenger automobiles using the off-highway pathway also meet all four of the remaining dimensions. In reaching this conclusion, NHTSA analyzed the MY 2024 fleet classification data and determined the manufacturing volumes of vehicles that qualified as non-passenger automobiles based on the vehicle's having a high ground clearance, as determined by meeting at least four of the five factors, as well as the angle and clearance values of each of those vehicles. Of particular importance was determining the subset of vehicles that met both the GVWR or 4WD off-highway criteria described in 49 CFR 523.5(b)(1) and exactly four of the five existing off-highway criteria described in 49 CFR 523.5(b)(2). NHTSA made the following observations within this subset of current off-highway classified automobiles: [1245]

- Most of these classified automobiles (98.9 percent) do not meet the approach angle minimum threshold of 28 degrees;

[1235] 91 FR 28481 (May 18, 2026).
[1236] 91 FR 28468 (May 18, 2026).
[1237] 91 FR 28468 (May 18, 2026).
[1238] 91 FR 28469 (May 18, 2026).
[1239] 91 FR 28481 (May 18, 2026).
[1240] 26 CFR 48.4064–1(b)(3)(iv).
[1241] 49 U.S.C. 32901(a)(18).
[1242] 41 FR 55371 (Dec. 20, 1976).
[1243] 41 FR 55371 (Dec. 20, 1976).
[1244] 42 FR 38367 (July 28, 1977).
[1245] All percentages described were evaluated using ''Non-Passenger_FRM_Analysis.xlsx'' in Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification.''

the remaining vehicles (1.1 percent) are comprised from a single nameplate.[1246]

• Many of the classified automobiles (66.2 percent) have an approach angle of less than the required departure angle of 20 degrees.[1247]

After reviewing this data, NHTSA investigated why so few vehicles in this vehicle category meet the approach angle requirement and whether this vehicle feature is necessary for off-highway operation. The vehicle attributes outlined in 49 CFR 523.5(b)(2) include approach angle, breakover angle, departure angle, and running clearance, which work together to define what represents a vehicle designed with an off-highway capability intent without having to define the off-highway environment explicitly. The approach angle attribute is of particular importance because it is the first vehicle feature to engage with an off-highway obstacle or grade—determining whether the vehicle can navigate the obstacle. If the vehicle does not have the ability to approach the obstacle, then the other off-highway attributes become irrelevant. Because of the varying nature of off-highway environments and the equally varying ways to navigate them, the approach angle is set higher to maximize the capability of the other vehicle attributes. This higher approach angle feature can also be seen on vehicles in the 2024 fleet that are specifically designed with high levels of off-highway capability such as the Jeep Wrangler, Ford Bronco, and Land Rover Defender.[1248] NHTSA determined in its analysis that manufacturers are reducing significantly the approach angle to as low as 14 degrees in pursuit of on-road aerodynamic improvements, ultimately degrading off-highway capability. The approach angle is an important off-highway vehicle attribute, which is why it was originally and continues to be set at 28 degrees. This approach angle observation suggests that regulatory definitions have caused shifts in vehicle design characteristics, where manufacturers apply the remaining high ground clearance characteristics (breakover angle, departure angle, and running clearance) to vehicles otherwise not intended for off-highway operation. The passenger automobile fleet's fuel economy stringencies originated and evolved at a time when high-frontal area automobiles that consumers have shown a preference for were not present in the light-duty fleet. The gradual introduction of and accompanying consumer preference for high frontal area passenger-carrying automobiles made it difficult for manufacturers to meet the passenger car CAFE standards,[1249] which had originated and evolved prior to the widespread proliferation of this type of light-duty vehicle. Manufacturers, therefore, applied 4 out of the 5 high ground clearance characteristics, retaining aerodynamic (*i.e.,* low) approach angles that limit off-highway capability but place these vehicles in the non-passenger automobile fleet. NHTSA proposed to correct this divergence between fleet composition and off-highway operation by re-establishing the standard curves using an updated fleet allocation, asserting that this change (along with the rest of the applicable fuel economy standards) would eliminate the need for manufacturers to decide between unnecessary high ground clearance characteristics and achieving passenger automobile fuel economy standards.

Most commenters who expressed either support for or opposition to the proposed changes to the off-highway non-passenger criteria did not provide substantive comment specific to the removal of the axle clearance criterion. Honda, however, commented that removing axle clearance is ''particularly problematic'' because the axle is a rigid structure, versus ''sacrificial plastic bumper trim'' components that would impede approach or departure angle on certain vehicles.[1250] Although it is true that the solid axle differential is a rigid component that cannot deflect laterally, axle height is influenced almost entirely by tire diameter and does not necessarily have a direct relationship to approach, breakover, or departure angles; however, running clearance impacts directly these angles for a given design and does not include unsprung mass such as suspension components or solid axles.[1251] Despite extensive research, NHTSA was unable to identify a single vehicle meeting the off-highway criteria in the 1975 baseline fleet for which approach angle was the omitted off-highway characteristic,[1252] while axle clearance was a common omission. A stock Ford Bronco [1253] or Chevrolet Blazer [1254] in 1975, for example, could have been manufactured with approach angle, departure angle, breakover angle, and running clearance well exceeding the off-highway characteristic thresholds, but with an axle clearance below the 18-centimeter threshold. As previously stated, a solid axle provides a tractive advantage on uneven terrain compared to an independent axle. For these reasons, NHTSA continues to agree with the historic assessment that, in conjunction with the statutorily required 4WD or GVWR of at least 6,000 pounds, a vehicle meeting the originally prescribed approach angle, departure angle, breakover angle, and running clearance with an axle clearance of less than 18 centimeters would be sufficiently indicative of off-highway capability.

Supporters of the proposal to require all four of the remaining off-highway criteria commented that doing so is consistent with statutory intent and a vehicle's fundamental design, and reflects actual vehicle use scenarios.[1255] Other supporters described the five off-highway characteristics as a ''regulatory checklist'' that manufacturers have used to determine a vehicle's classification.[1256] Opponents of the proposal to require all four of the remaining off-highway criteria had various categories of concern. The first is that NHTSA failed to consider off-highway environments that do not always require a significant approach angle, such as maintained trails, gravel roads, or a sandy environment like dunes or beaches. This comment came primarily from industry manufacturers and representative trade groups.[1257] In

[1246] The Kia Seltos has a running clearance of 7.3 inches (~18.5 cm), below the 20 cm threshold. It has an approach angle of 28.0 degrees, meeting the minimum threshold.

[1247] An approach angle less than the minimum required departure angle for off-highway capability would mean that the automobiles represented in this bullet are geometrically more capable off-highway when driven in reverse.

[1248] See Non-Passenger_FRM_Analysis.xlsx, Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification.''

[1249] In this same rulemaking, NHTSA is revising standards to ensure that manufacturers can meet the CAFE standards while also producing vehicles that consumers want to purchase.

[1250] Honda, Docket No. NHTSA–2025–0491–6013–A1, at 7.

[1251] 49 CFR 523.2.

[1252] NHTSA evaluated original manufacturer cataloged archives for vehicles that would have been classified as non-passenger via the off-highway pathway in 1975 using publicly available resources found at *https://autocatalogarchive.com/index-brand/* (accessed: June 18, 2026) and *https://www.jeepdatabase.com/* (accessed: June 18, 2026).

[1253] See Ford Motor Company, Ford Bronco (Sales brochure), Ford Motor Company: Dearborn, MI (1972), available at: *https://autocatalogarchive.com/wp-content/uploads/2016/08/Ford-Bronco-1972-US.pdf* (accessed: June 18, 2026).

[1254] See Chevrolet Motor Division, Chevrolet Blazer (Sales brochure), General Motors Corporation: Detroit, MI (1975), available at: *https://autocatalogarchive.com/wp-content/uploads/2024/08/Chevrolet-Blazer-1975-USA.pdf* (accessed: June 18, 2026).

[1255] AVE, Docket No. NHTSA–2025–0490–0033–A1, at 7; MECA, Docket No. NHTSA–2025–0491–5331–A1, at 7.

[1256] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 43.

[1257] Subaru, Docket No. NHTSA–2025–0490–0037–A1, at 2–3, 5; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 6; Mercedes-Benz, Docket

making this case for the variety of off-highway use cases, North American Subaru, Inc. (Subaru) stated that ''the most realistic determination of off-highway capability today is actual customer perception and usage, as evidenced by the various ways and conditions in which customers use their vehicle.'' [1258] Common commenter recommendations included requiring three out of the remaining four off-highway characteristics [1259] or reducing the approach angle threshold to match departure angle.[1260] Honda commented that the ''4-of-4'' off-highway requirement ''penalizes fuel-efficient designs,'' ''mandates inefficiency,'' and degrades pedestrian safety.[1261] NHTSA also received comment that the agency should ''conduct a new analysis of the modern off-highway functional characteristics rather than relying on an analysis that is now fifty years old.'' [1262] Some commenters were also concerned that, in combination with the changes to the standards in this rule, this change would further incentivize even more extreme design choices.[1263]

In response to comments from automakers and NGOs regarding the need to reconsider the existing off-highway characteristics, NHTSA examined how current off-highway vehicles are designed to meet off-highway conditions. NHTSA's analysis showed, for example, that of the 70 unique nameplates of vehicles in the MY 2024 analysis fleet that qualify under the off-highway pathway of the current regulations at 49 CFR 523.5 by meeting four out of the five criteria (as previously mentioned, nearly all of which do not meet the approach angle criterion), 50 of them meet the running clearance criterion by less than or equal to one centimeter or the departure angle criterion by less than or equal to one degree, or both.[1264] NHTSA also acknowledges that off-highway environments are varied and diverse. The correct combination of driver skill, tire selection, and tire inflation level could enable most light-duty vehicles to operate in most mild off-highway environments, such as gravel roads or beaches. The statute, however, specifies a *significant* feature *designed for* off-highway operation.[1265] Having only one or a few of the four criteria does not constitute a significant off-highway feature; rather, all four criteria are needed to indicate having a significant off-highway feature.

''Customer perception and usage'' is a subjective assertion, and while customer utilization is an important market indicator, NHTSA must follow objective and uniform standards for enforcement and rulemaking. Changing the classification of a vehicle does not remove its existing utility or capability, nor does it alter the consumer market for those feature sets or restrict manufacturer advertising of off-road functionality.[1266] As previously discussed, NHTSA is realigning the fuel economy curves to reflect more accurately the actual design, capability, and utility of the current light-duty vehicle fleet. With this rule, moving a reclassified vehicle back into the non-passenger automobile fleet by increasing its approach angle would yield a much less significant (if any) improvement to compliance position and would result in a fuel economy competitive disadvantage for customers who do not desire or require a high approach angle.

NHTSA acknowledges that the original fifty-year-old analysis is no longer a suitable representation of the modern fleet; however, the geometric principles determining how a vehicle's high ground clearance facilitates its ability to navigate off-highway environments have not changed. When the characteristics comprising the high ground clearance feature were originally prescribed, the agency found that, by applying the original thresholds to the 1975 fleet and requiring at least four of them, they could capture all of the ''off-highway capable'' vehicles without including any unintended vehicles. The original off-highway criteria set may have created separation between passenger and non-passenger automobiles at the time of issue, but may not continue to do so in a more modern fleet. Despite extensive research,[1267] the agency has been unable to find an example of a vehicle from the 1975 fleet that met four out of five off-highway characteristics while omitting approach angle, running clearance, or breakover angle. Due to the designs and technologies of the vehicles in that era, departure angle was the most common omission, with several cases of axle clearance as well. In other words, requiring approach angle, running clearance, and breakover angle as well as requiring at least one of either departure angle or axle clearance would have been a slightly more complex formula producing an identical result. Although 49 CFR 523.5(a)(3) [1268] was and continues to account for a significant share of the non-passenger automobile fleet, 49 CFR 523.5(a)(2) [1269] and (4) [1270] commanded a far larger share of the non-passenger automobile fleet in the 1975 fleet versus the current fleet; in the MY 2024 non-passenger automobile analysis fleet, these two regulatory pathways accounted for 779 vehicle sales out of over nine million total.[1271] For perspective, 19.3 percent of the total MY 1975 light-duty fleet was classified as non-passenger—a fraction of which qualified exclusively on the off-highway capability pathway; in contrast, 32.2 percent of the total MY 2024 light-duty fleet qualifies as a non-passenger automobile exclusively via the off-highway capability pathway.

For these reasons, NHTSA is amending 49 CFR 523.5(b) as proposed in the NPRM, removing axle clearance specifications as an option in conjunction with three of the four other characteristics to qualify as a non-passenger automobile and instead requiring vehicles that qualify via this pathway to meet the historically prescribed values for the four remaining characteristics of approach angle, breakover angle, departure angle, and running clearance, beginning in MY 2030.

As part of its evaluation of the criteria for off-highway capability, NHTSA also investigated the statute's ''4-wheel drive'' off-highway feature, specifically with regard to the differences between 4WD (4x4) and AWD drivetrains. Currently, 4WD and AWD technologies

No. NHTSA–2025–0491–5854–A1, at 3; Ford, Docket No. NHTSA–2025–0491–5821–A1, at 3–4; The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 6.

[1258] Subaru, Docket No. NHTSA–2025–0490–0037–A1, at 4.

[1259] Ford, Docket No. NHTSA–2025–0491–5821–A1, at 3–4; The Alliance, Docket No. NHTSA–2025–0491–5707–A1 at 7, -A2 at 22–23.

[1260] Mercedes, Docket No. NHTSA–2025–0491–5854–A1, at 3; The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 6–7, -A2 at 23.

[1261] Honda, Docket No. NHTSA–2025–0491–6013–A1, at 7.

[1262] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 7.

[1263] ICCT, Docket No. NHTSA–2025–0491–5240–A2, at 13.

[1264] Values obtained by filtering Non-Passenger_FRM_Analysis.xlsx, Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification,'' and filtering UNIQUE nameplates.

[1265] 49 U.S.C 32901(a)(18)(A).

[1266] NHTSA does not believe that a significant number of consumers shopping for offroad vehicles evaluate CAFE classification as part of their decision-making process.

[1267] NHTSA evaluated original manufacturer cataloged archives for vehicles that would have been classified as non-passenger via the off-highway pathway in 1975 using publicly available resources found at *https://autocatalogarchive.com/index-brand/* (accessed: June 18, 2026) and *https://www.jeepdatabase.com/* (accessed: June 18, 2026).

[1268] Transport property on an open bed (*i.e.,* pickup trucks).

[1269] Provide temporary living quarters.

[1270] Greater cargo-carrying than passenger-carrying volume.

[1271] See Non-Passenger_FRM_Analysis.xlsx, Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification,'' filtered on compliance pathways (a)(2) and (a)(4) with BEVs removed.

both qualify as 4WD as required by statute for vehicles that do not have a GVWR of more than 6,000 lbs.[1272] The agency found that there is significant overlap in present-day 4WD and AWD peripheral technologies, such as axle differential locks, interaxle locks, low-range gearing and torque availability, and intelligent traction control systems that make it difficult, if not impossible, to assess off-highway ability based on the exclusively differentiating features of 4WD and AWD systems. NHTSA sought comment on this assessment in the NPRM. Commenters agreed with the agency's assessment, and NHTSA is therefore not changing its position that any drivetrain capable of sending power to all four wheels, including both 4WD and AWD systems, is sufficient to be considered a 4-wheel drive automobile under the statute's vehicle definitions at 49 U.S.C. 32901.[1273]

c. Finalized Changes to Criteria for Functional Performance

A passenger automobile is defined, in part, as an automobile ''manufactured primarily for transporting not more than 10 individuals.'' [1274] When the agency first issued vehicle classification regulations for the CAFE program in 1977, the agency considered the meaning of ''primarily'' in addition to the meaning of the phrase ''manufactured primarily for transporting not more than 10 individuals'' in the context of vehicle classification.[1275] Ultimately, NHTSA determined that the phrase consisted of two criteria for passenger automobiles: (1) that passenger automobiles must be designed to carry 10 or fewer persons and (2) that passenger automobiles are ''chiefly'' for carrying persons. In the 1977 final rule, NHTSA noted that, if ''primarily'' were interpreted to mean ''substantially,'' almost every automobile would be a passenger automobile, because a substantial function of almost every automobile is to transport passengers. As a result, NHTSA instead interpreted the word ''primarily'' to mean ''chiefly'' or ''predominantly'' [1276] and established criteria for the classification of an automobile as a non-passenger automobile based on the presence of certain chief characteristics. In the 1977 final rule, NHTSA stated its belief that ''passenger automobile'' include only those vehicles traditionally regarded as passenger cars (*i.e.,* vehicles whose major design features, including body style, reflect the purpose of carrying persons). NHTSA also provided examples of design features that, singly or in combination, would indicate that an automobile is not a passenger automobile: an open bed for carrying cargo; heavy-duty suspension; and greater cargo-carrying than passenger-carrying volume.[1277]

Under this interpretation, NHTSA created five different criteria of functional performance, any one of which would qualify the vehicle as a non-passenger automobile. The first, and most obvious type, is an automobile designed for transporting more than ten individuals.[1278] The four other criteria were used to identify automobiles designed primarily or chiefly for carrying property or a derivative of an automobile designed primarily for the transportation of property and included automobiles that: (1) provide temporary living quarters; (2) transport property on an open bed; (3) provide greater cargo-carrying than passenger-carrying volume; or (4) permit expanded use of the automobile for cargo-carrying purposes through the removal of seats by means installed for that purpose by the manufacturer or with simple tools, so as to create a flat, floor level surface extending from the forwardmost point of installation of those seats to the rear of the automobile's interior.[1279] The first three of these criteria have remained static over time and are codified at 49 CFR 523.5(a)(2) through (4). The fourth criteria, for automobiles derived from an automobile designed primarily for the transportation of property, has expanded over time. Currently, section 523.5(a)(5) classifies as non-passenger as any automobile with at least three rows of designated seating positions as standard equipment and has foldable or pivoting seats that can be removed, stowed, or folded to create a flat, leveled surface that extends from the forward most point of installation (of the third-row seat) to the rear of the automobile's interior.

After conducting an analysis of the fleet and vehicle characteristics, NHTSA no longer believes that the criteria in section 523.5(a)(5) are in accordance with the best reading of the statute. NHTSA's analysis has indicated that many vehicles that qualify as non-passenger automobiles solely on this criterion (*i.e.,* the automobile does not meet any of the other criteria to be a non-passenger automobile) would be classified more appropriately as passenger automobiles: the presence of a foldable, stowable, or removable third row seat is not a significant design characteristic indicating that a chief purpose for the vehicle is to transport property. However, NHTSA's analysis also indicates that there is a subset of vehicles currently classified as non-passenger automobiles based on this criterion for vehicles with three or more rows of seating that NHTSA believes should remain in the non-passenger automobile category because they have some chief design characteristics for transporting property not currently captured by section 523.5(a). To ensure that NHTSA's criteria for automobiles that chiefly or significantly are for transporting property effectuate the best reading of the statutory definitions, NHTSA is finalizing two changes to the criteria in section 523.5(a). First, NHTSA will remove the current criteria in section 523.5(a)(5) for vehicles with three or more rows. Second, the agency will add a new criterion premised on a performance-based light-duty work factor (LDWF) utility metric. These finalized changes are discussed in more detail below.

(1) Automobiles With Three or More Rows of Seating

As referenced above, automobiles with at least three rows of designated seating positions as standard equipment qualify as non-passenger automobiles under section 523.5(a)(5) if the removal or stowing of foldable seats creates a flat, leveled cargo surface extending from the forwardmost point of installation of those seats to the rear of the automobile's interior. The original version of this provision in the 1977 final rule was for automobiles that had removable seats, such that the automobile permits expanded use of the automobile for cargo-carrying purposes. In explaining the rationale for creating the criteria, the 1977 final rule preamble stated:

[I]t is not the convertibility factor alone which results in passenger vans being classified as non-passenger automobiles. It is that factor together with the derivative nature of those vans . . . . [S]ince a passenger van is designed with the same chassis, springs, and suspension system as a cargo van, it is treated in the same way as a cargo van.[1280]

When 49 CFR 523.5(a)(5) was applied to the original CAFE reference fleet, it achieved its intended objective of identifying those derivative vehicles, where purchasers could have instead

[1272] 75 FR 25659 (May 7, 2010), Footnote 750.

[1273] Subaru, Docket No. NHTSA–2025–0490–0037–A1, at 2; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 7.

[1274] 49 U.S.C. 32901(a)(18).

[1275] 42 FR 38365 (July 28, 1977).

[1276] *Id.*

[1277] 42 FR 38362, 38365 (July 28, 1977).

[1278] 49 CFR 523.5(a)(1).

[1279] 42 FR 38367 (July 28, 1977).

[1280] 42 FR 38367 (July 28, 1977).

opted for a ''cargo'' version of that vehicle. However, unlike the other regulations in section 523.5(a), the regulation at 523.5(a)(5) does not describe a chief non-passenger characteristic, but rather a passenger-based design feature that does not evidence a chief non-passenger characteristic when applied to the current automobile fleet. The automobile fleet of the late 1970s was fundamentally different from the automobile fleet being manufactured and sold currently; there are no ''cargo van'' derivatives ''designed with the same chassis, springs, and suspension system'' in the present-day light-duty fleet. The regulatory text at 523.5(a)(5) applied to the late-1970s fleets accommodated the derivative vehicles as they existed at the time.

Regarding the current fleet, meeting the criterion in section 523.5(a)(5) is not enough to indicate that the automobile is not ''manufactured primarily'' for carrying passengers. In fact, the presence of at least three rows of designated seating positions indicates the opposite because having three rows of designated seating positions is a significant feature indicating that a primary purpose of that automobile is for carrying numerous passengers. NHTSA received no substantive comments specifically regarding section 523.5(a)(5). Accordingly, NHTSA will remove 49 CFR 523.5(a)(5) as a non-passenger classification criterion beginning with MY 2030.

(2) Light-Duty Work Factor

With the removal of the expanded use criterion for vehicles with three or more rows of seating, NHTSA recognizes that some automobiles that have significant functional characteristics for the transportation of property would be classified as passenger automobiles unless NHTSA were to make further amendments to the criteria in section 523.5. To address this, NHTSA proposed a new criterion for classification as a non-passenger automobile. While the criterion NHTSA is removing for vehicles with three or more rows of seating is based primarily on a passenger-carrying design element (three rows of seats), in the NPRM, NHTSA proposed a new non-passenger automobile pathway that could be described independent of vehicle construction, platform, equipment, materials, or passenger-based metrics (such as rated cargo load [1281] or seating arrangements). This new performance-based utility attribute, which NHTSA is referring to as the light-duty work factor (LDWF), would be determined based on a light-duty vehicle's ability to transport property via its payload and towing capacities. Performance-based standards preclude design or technology obsolescence by only prescribing a target without guidance or restriction on how it should be achieved.

NHTSA developed an analysis fleet specifically for the LDWF analysis, referred to as the LDWF analysis fleet. Beginning with the full MY 2024 non-passenger fleet, NHTSA created the LDWF analysis fleet by removing vehicles that qualified as non-passenger automobiles via any of the following pathways:

- Transport more than 10 persons.
- Provide temporary living quarters.
- Transport property on an open bed.
- Provide, as sold to the first retail purchaser, greater cargo-carrying than passenger-carrying volume.
- Has either 4WD or a GVWR of more than 6000 lbs., and meets all four of the following criteria: [1282]
  - Approach angle of not less than 28 degrees
  - Breakover angle of not less than 14 degrees
  - Departure angle of not less than 20 degrees
  - Running clearance of not less than 20 centimeters

The agency opted to omit vehicles that qualified via these alternative non-passenger pathways because their designs contained other non-passenger characteristics or off-highway features that could skew the results of an analysis intended to evaluate whether a vehicle was designed chiefly for enhanced property-transporting utility. The remaining vehicles were subject to the LDWF analysis to evaluate an appropriate formula and threshold for the work factor.

In performing the fleet analysis to determine at what threshold of LDWF a vehicle would qualify as a non-passenger vehicle, NHTSA recognized that many vehicles could be specified with or without a trailering package (also commonly referred to as a ''tow package'' or ''towing package''). These packages can range from minor changes, such as the inclusion of trailer wiring and a tow hitch, to more significant changes, such as higher capacity cooling packages, an enhanced suspension, a different final drive ratio, or reinforced driveline components. These changes do not significantly impact the powertrain or 2-cycle fuel economy of the base vehicle. In other words, trailering packages unlock utility that the powertrain and vehicle platform are already designed to provide. Therefore, in establishing the LDWF analysis fleet, NHTSA assumed that for a vehicle that would qualify as a non-passenger automobile via the LDWF criterion when specified with its trailering equipment, manufacturers would in the future not remove trailering capability as standard equipment on a vehicle that is otherwise designed to include it. These maximum available towing capacities for each vehicle in the LDWF analysis fleet were applied to the dataset used in the analysis.[1283]

NHTSA proposed to calculate LDWF as the weighted sum of a vehicle's payload and towing capacities [1284] and prescribed a minimum threshold for this non-passenger criterion based on extensive analysis. In determining appropriate weighting for payload and towing capacity in the LDWF calculation, NHTSA considered the vehicle design considerations and property-transporting capabilities of payload capacity versus towing capacity. Designing for a higher payload capacity includes considerations for axle, frame, suspension, wheel, and tire capacities. These higher capacity components add weight to the vehicle and, when combined with the additional payload capacity, may require only modest enhancements to the powertrain and driveline to maintain performance and utility characteristics. In contrast, designing for a higher towing capacity includes considerations for pulling, including frame reinforcements to resist trailer forces acting opposite the direction of motion, increases to powertrain torque and power, and reinforcing driveline components to handle the additional torque. There is also a modest consideration for payload increases when considering increases to towing capacity due to a trailer's tongue weight.[1285] NHTSA ultimately

[1281] Per 49 CFR 571.110 S.3, rated cargo load can be calculated as the vehicle capacity weight (payload capacity) minus 68 kg (150 lbs.) times the vehicle's designated seating capacity.

[1282] These sub-bullets reflect the finalized changes to criteria for off-highway capability, which are discussed in detail in preamble Section VI.B.1.b and Final TSD Chapter 2.7.

[1283] See Non-Passenger_FRM_Analysis.xlsx, Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification,'' column ''Max Spec Tow Capacity (lb.).''

[1284] Towing capacity in the NPRM was proposed to be calculated as Gross Combined Weight Rating (GCWR) minus Gross Vehicle Weight Rating (GVWR).

[1285] SAE, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, SAE Standard J2807_202411, SAE International: Warrendale, PA (2024), available at: *https://doi.org/10.4271/J2807_202411* (accessed: June 5, 2026).

concluded that, in addition to the more expansive design considerations, towing capacity is a more effective means of providing cargo-transporting utility. Accordingly, NHTSA proposed a higher weighting for towing capacity when determining the LDWF.[1286]

Comments received by NHTSA in support of the LDWF supported the NPRM position that towing and payload are better indicators of a vehicle's ability to provide non-passenger utility than the functional ability regulation that it is replacing.[1287] Some commenters that provided constructive criticisms or suggestions to improve the LDWF proposal supported NHTSA's attempt to refocus non-passenger criteria on various combinations of capability, utility, statutory alignment, and real-world usage.[1288] Other commenters in broad support of reclassification did not provide substantive comment specific to the LDWF.

The agency received numerous comments containing criticisms of and suggestions to improve the LDWF proposal. Many commenters stated that the weighting scheme proposed in the NPRM for towing versus payload resulted in payload values so inconsequential that the agency may as well base the LDWF only on towing capacity.[1289] Commenters criticized the LDWF threshold for being ''arbitrarily defined,'' suggesting that a vehicle capable of towing 5,000 pounds is ''highly capable.'' [1290] Some commenters also stated their belief that NHTSA made improper use of GCWR in the context of towing capacity for the LDWF.[1291] These comments largely recommended that the agency instead use the methodology specified in the consensus industry standard for determining GCWR and TWR, SAE J2807.[1292] A subset of these commenters cautioned that while SAE J2807 is accepted by industry and synonymous with manufacturer tow ratings across a range of brands and models, it is not currently used across all brands and models, and that, if NHTSA were to adopt SAE J2807, sufficient time would be needed for some manufacturers to comply.[1293] Commenters also expressed concern regarding NHTSA offsetting the LDWF threshold by 200 pounds to 5300 in the curve-setting analysis while leaving the regulatory threshold at 5500. Specifically, commenters stated that it implied an expectation or requirement for redesigns without sufficient notice.[1294] Finally, commenters expressed concern about burdensome reporting requirements as a result of this new non-passenger automobile regulatory pathway.[1295] This last topic regarding compliance reporting as it relates to the definition for curb weight is addressed in a later paragraph of this section.

NHTSA recognizes that GCWR can conflate the payload and towing capabilities of a vehicle, particularly on high-towing capable vehicles. Because NHTSA intends to consider the LDWF inputs separately (*i.e.,* in the case of payload and towing, how much payload a vehicle can carry when not towing, and how much a vehicle can tow when at a minimum operating payload), NHTSA has concluded that this method for determining towing capacity is not suitable. The agency agrees that SAE J2807 is a more objective, industry-accepted, test-based methodology for evaluating towing capacity. Therefore, NHTSA is using TWR defined in accordance with SAE J2807 in the finalized provisions for the new LDWF pathway. Many U.S. and Japanese auto manufacturers have well-documented use of SAE J2807 for their tow ratings dating back to at least 2015.[1296] NHTSA recognizes that not all manufacturers currently utilize SAE J2807 when specifying their tow ratings. The docketed analysis spreadsheet [1297] was updated to reflect manufacturer maximum tow ratings directly, with links to the source information for each vehicle provided. Reporting TWR in accordance with the definition in SAE J2807 is necessary only for light-duty vehicles qualifying as non-passenger automobiles via the LDWF regulatory pathway, and there is no requirement for manufacturers to adhere to SAE J2807 across their entire fleet. Given SAE J2807's widespread acceptance and industry familiarity, NHTSA believes the two-year delay in the implementation of the changes at 49 CFR 523.5, to MY 2030, provides sufficient notice.

NHTSA also acknowledges that payload and towing capacity were not weighted commensurately in the NPRM. For this final rule, the agency evaluated a range of weighting combinations, including the removal of payload capacity. In these evaluations, NHTSA recognized that because maximum payload values are relatively small compared to TWR values, the percent change of increasing either by equal amounts is significantly higher for payload. For example, if a vehicle had a 1,600-pound maximum payload capacity and a 5,000-pound TWR, increasing each by 100 pounds would constitute a 6.25 percent increase in payload capacity and only a two percent increase in towing capacity. Through analysis, NHTSA determined that removing the weighting on payload capacity and TWR when calculating the LDWF effectively places higher significance on TWR while still providing a significant contribution from payload. Because both LDWF input parameters are weighted equally, the formula can be simplified to the unweighted sum of the payload capacity and TWR. In Final TSD Chapter 2.7.2.3.4, NHTSA provides the complete analysis for setting the LDWF threshold, and the supporting data can be found in the rule docket.[1298] Unlike the NPRM, NHTSA did not apply an offset between the curve-setting LDWF threshold and the regulatory LDWF threshold. As previously discussed, there is no requirement or necessity for redesigns as a result of the classification changes, nor do the changes alter the inherent utility of the vehicles impacted by the classification change. That said, NHTSA

[1286] The proposed weighting in the NPRM was ⅔ of towing capacity and ⅓ of payload capacity, with a threshold of greater than or equal to 5500, calculated in pounds.

[1287] PMI, Docket No. NHTSA–2025–0491–5001–A2, at 45.

[1288] Ford, Docket No. NHTSA–2025–0491–5821–A1, at 1–5; Toyota, Docket No. NHTSA–2025–0491–5997–A1, at 5–8, 10.

[1289] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 8, –A2 at 24–25; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 7–8; Ford, Docket No. NHTSA–2025–0491–5821–A1, at 1–3.

[1290] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 8; Stellantis, Docket No. NHTSA–2025–0491–5968–A1, at 7– 8, –A2 at 26; Ford, Docket No. NHTSA–2025–0491–5821–A1, at 2; Toyota, Docket No. NHTSA–2025–0491–5997–A1, at 3, 6, 8, 10.

[1291] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 8–9, –A2 at 25–27.

[1292] SAE, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, SAE Standard J2807_202411, SAE International: Warrendale, PA (2024), available at: *https://doi.org/10.4271/J2807_202411* (accessed: May 28, 2026).

[1293] Porsche, Docket No. NHTSA–2025–0490–0044–A1, at 2.

[1294] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 6.

[1295] Nissan, Docket No. NHTSA–2025–04915857–A1, at 7.

[1296] Ram Trucks, Ram Truck Towing Capacity Guide (2026), available at: *https://www.ramtrucks.com/towing/towing-capacity-guide.html?msockid=217fa4f6c78b68543fb0b3d6c626694f* (accessed: June 5, 2026). 2024 Ford RV & Trailer Towing Guide, Docket No. NHTSA–2025–0491–XXXX (new docket id); Honda, Docket No. NHTSA–2025–0491–6013–A1, at 5.

[1297] See Non-Passenger_FRM_Analysis.xlsx, Docket No. NHTSA–2025–0491, tab ''Existing Reg Classification.''

[1298] See Non-Passenger_FRM_Analysis.xlsx, which can be found in the rulemaking docket (NHTSA–2025–0491) in tab LDWF_Analysis for data and tabs LDWF Histogram and TWR Survival Analysis for figures.

provides the two-year delay in the implementation of the changes at 49 CFR 523.5, to MY 2030, in this final rule.

In response to the claims of regulatory burden with the inclusion of the LDWF pathway, beginning with MY 2030, TWR is the only additional metric that manufacturers must provide, and the number of nameplates that need to provide non-passenger compliance metrics is significantly reduced.

Final TSD Chapter 2.7 provides the complete final rule analysis. Both the Final TSD Chapter 2.7 and preamble Regulatory Text provide the LDWF formula and threshold.[1299]

In connection with the finalized addition of the LDWF, NHTSA will update its definition of curb weight and add two additional definitions for ''nominal tank capacity'' and ''optional equipment,'' terms used in determining curb weight.[1300] NHTSA is changing the definition of curb weight and defining the additional terms to provide clarity regarding how NHTSA would test a vehicle to determine whether it meets the LDWF or off-road criteria for non-passenger automobiles. The discussion about changes to the definition of curb weight is discussed in preamble Section VI.B.4.

2. Removal of Credit Trading in the CAFE Program

Under EPCA, as amended by EISA, manufacturers are afforded several compliance flexibilities that can be used to achieve compliance with CAFE standards. While some of these flexibilities are provided to manufacturers by statute, such as the ability to carry forward and backward credits earned from over-complying with a CAFE standard in a given model year,[1301] others are provided by regulations issued at NHTSA's discretion. Credit trading among manufacturers is one flexibility that the statute authorizes but does not mandate. Credit trading refers to the ability of manufacturers or persons to sell credits to, or purchase credits from, another manufacturer.[1302] EISA gave NHTSA discretion to establish by regulation a CAFE credit trading program to allow credits to be traded between vehicle manufacturers.[1303] While establishing the credit trading program is discretionary, it is also limited by statute. Total oil savings must be preserved when credits are traded, and traded credits are not permitted to be used to meet the MDPCS.[1304] Under this discretionary authority, NHTSA established a credit trading program in its 2009 final rule, permitting manufacturers to trade credits earned in MY 2011 and later.[1305] Under NHTSA's regulations, traded credits are subject to an ''adjustment factor'' to ensure total oil savings.[1306]

NHTSA has observed, in recent years, that credit trading increasingly has been used by manufacturers of ICE vehicles to purchase credits from manufacturers of alternative fueled vehicles. As fuel economy standards increase, manufacturers generally look for the most cost-effective means of compliance. As standards have increased to levels unattainable for ICE vehicles, credit trading has become an increasingly more attractive means of satisfying CAFE requirements. This situation is due, in part, to EV manufacturers earning credits that are not representative of real-world fuel savings. The fuel economy values for EVs have been artificially high, resulting from the fuel content factor multiplier in the PEF [1307] and EV manufacturers' generating FCIVs for AC efficiency and OC technologies that are not representative of real-world fuel savings.[1308] As a result, EV manufacturers have been earning an abundance of credits. Under NHTSA's credit trading program, EV manufacturers can sell their credits to ICE vehicle manufacturers, effectively subsidizing the production of EVs. This was never NHTSA's intention in establishing a credit trading program because it creates market distortion that undermines EPCA's overarching purposes.

In the NPRM, NHTSA proposed to end credit trading by MY 2028, with MY 2027 being the last year in which manufacturers can use traded credits for CAFE compliance. As discussed below, NHTSA is finalizing a change to end trading of credits generated after MY 2027. This is a slight change from the proposal in that manufacturers may still trade credits earned through MY 2027 to be used up to five model years into the future (*e.g.,* credits earned in MY 2027 may be traded and used through MY 2032). Because NHTSA is finalizing amended standards that, as required by statute, do not consider alternative fueled vehicles or the use of compliance credits, NHTSA continues to believe that manufacturers of ICE vehicles will be able to meet CAFE standards without credit trading, thus minimizing any impacts on manufacturers' decisions about what vehicles and technologies to offer in the marketplace.[1309] In the NPRM, NHTSA did not propose any changes to how manufacturers may transfer earned credits between their different compliance fleets, such as between their domestic passenger car and non-passenger car fleets, as this form of credit transfer is permitted explicitly by statute.

In the NPRM, NHTSA sought comment on this proposal, including on its assumptions about manufacturers' compliance pathways exclusive of credit trading as a compliance option. NHTSA also sought comment on the extent to which the presence of credits changed manufacturer compliance behavior and on the value of credits now that the civil penalty rate has been updated by law. NHTSA did not receive any comments related to the value of credits with the updated civil penalty rate.

NHTSA received some comments in support of removing the credit trading program. The SEMA, PMI, and AFPM supported the removal of the credit trading program as proposed in the NPRM, asserting that the program has created a market distortion.[1310] SEMA stated that structural reforms to the CAFE program, such as changes to credit trading, will ''better reflect real-world vehicle attributes and compliance pathways, which will improve transparency and predictability for manufacturers and downstream industries.'' [1311] PMI commented that ending the credit trading program ''is necessary to stop the market distortion that results from existing and past [fuel

[1299] The LDWF will be calculated as the sum of TWR and payload capacity, with a threshold of greater than or equal to 8,500, calculated in pounds.

[1300] Discussed in more detail in preamble Section VI.B.4.

[1301] 49 U.S.C. 32903(a).

[1302] 49 CFR 536.3(b)(12).

[1303] 49 U.S.C. 32903(f).

[1304] 49 U.S.C. 32903(f)(1) and (2).

[1305] 74 FR 14206 (Mar. 30, 2009).

[1306] 49 CFR 536.4(c).

[1307] In DOE's final rule (89 FR 22041, Mar. 29, 2024), DOE explained that ''by significantly overvaluing the fuel savings effects of EVs in a mature EV market with CAFE standards in place, the fuel content factor [in the PEF] will disincentivize both increased production of EVs and increased deployment of more efficient ICE vehicles,'' which DOE concludes ''results in higher petroleum use than would otherwise occur.''

[1308] In EPA's Apr. 18, 2024, final rule (89 FR 27842), EPA noted that EVs are ''receiving a windfall of credits [for AC efficiency technologies] that fails to correspond to any real-world reduction in vehicle emissions'' and that there is ''no technical basis for providing BEVs with off-cycle credits.''

[1309] 49 U.S.C. 32902(h).

[1310] SEMA, Docket No. NHTSA–2025–0491–5891, at 1; PMI, Docket No. NHTSA–2025–0491–5001–A1, at 3; AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 22.

[1311] SEMA, Docket No. NHTSA–2025–0491–5891, at 1.

economy] standards.'' [1312] AFPM said that ''[t]hese transfers do not conserve petroleum; they merely enable paper compliance. By ending inter-company trading, the agency restores fuel economy as the primary pathway for meeting CAFE obligations.'' [1313]

NHTSA also received several comments asking NHTSA to retain the credit trading program. The Alliance, Honda, Attorneys General, Ferrari S.p.A. and Ferrari North America, Inc. (Ferrari), Hyundai, JLR, Kia, MEMA, NRDC *et al.,* Nissan, Plug In America (PIA), Porsche, ME DEP, Volkswagen, and ZETA oppose the elimination of the credit trading program because the program allows flexibility as part of compliance plans or in unanticipated market conditions or supply chain disruptions.[1314] Ferrari, MEMA, NRDC *et al.,* ME DEP, and ZETA oppose the elimination of the credit trading program because removing it would disadvantage manufacturers' investments in other compliance strategies.[1315] NRDC *et al.,* China WTO/TBT, and ZETA said NHTSA is required to consider reliance interests engendered by the program prior to eliminating it.[1316]

ME DEP commented that eliminating the credit trading program would disadvantage certain manufacturers with respect to investments they have made in credit-based compliance pathways.[1317] NRDC *et al.,* ZETA, an individual commenter, and PIA noted that removing these credits will discourage EV production and weaken the U.S. auto industry's ability to compete globally.[1318] An individual commented, ''This widens the technological gap between U.S. companies and global competitors. It threatens both export competitiveness and long-term market share in a rapidly electrifying global industry.'' [1319]

China WTO/TBT commented that new manufacturers lack historical credit accumulation and thus cannot obtain compliance buffers through trading, which will increase their initial compliance costs and the difficulty entering the market.[1320] ZETA, NRDC *et al.,* and Porsche commented that eliminating the credit trading program will harm consumer choice, by eliminating a pathway that Manufacturers use to offset less fuel-efficient vehicles.[1321] An anonymous commenter stated that eliminating credit trading will raise costs of compliance.[1322]

Attorneys General, ZETA, an individual commenter, and the Alliance commented that NHTSA has not provided sufficient reasoning or evidence to support its decision to eliminate the program.[1323] The Alliance elaborated that NHTSA is already addressing concerns about EVs creating market distortions through setting standards that do not consider EVs, and that making changes to credit trading is redundant.[1324] ZETA also commented that NHTSA cited, in its reasoning for proposing to end credit trading, artificially high fuel economy values for EVs resulting from factors that it states that NHTSA is proposing to end.[1325] Attorneys General stated that NHTSA failed to consider important aspects of the proposed change, failed to consider alternatives, and failed to consider serious reliance interests when it proposed eliminating the credit trading program, which purportedly are ''hallmarks of an arbitrary and capricious agency action that renders such actions unlawful under the APA.'' [1326]

Several commenters suggested that NHTSA should extend the effective date for eliminating credit trading and suggested alternate pathways that would not involve eliminating credit trading. The Alliance and Nissan recommend that, if NHTSA eliminates the credit trading program, the agency should defer its elimination until MY 2030 to provide additional lead time.[1327] CALSTART recommended that, if NHTSA eliminates the credit trading program, the agency should defer its elimination until MY 2032.[1328] Porsche and ZETA oppose NHTSA eliminating the credit trading program in MY 2028, the same model year that changes to vehicle classification are implemented.[1329] Honda recommended that NHTSA continue the credit trading program with constraining mechanisms (*e.g.,* volumetric or percentage limits on traded credits) rather than eliminating it.[1330] They argue that a constraining mechanism would ensure that the ''windfall'' for EV-only manufacturers is mitigated without restricting the flexibility on which traditional manufacturers rely.

NHTSA also received comments from the Alliance, Porsche, JLR, Nissan and ZETA requesting that, if the credit trading program were discontinued after MY 2027, credits earned through that model year be allowed to be carried forward up to five years.[1331] The change these manufacturers requested would allow manufacturers to use credits that were earned in MY 2027 to be traded

[1312] PMI, Docket No. NHTSA–2025–0491–5001–A1, at 3.

[1313] AFPM, Docket No. NHTSA–2025–0491–5964–A1, at 5.

[1314] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 11; Honda, Docket No. NHTSA–2025–0491–6013, at 8; Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 103; Ferrari, Docket No. NHTSA–2025–0491–5062, at 4; Hyundai, Docket No. NHTSA–2025–0491–4972, at 2; JLR, Docket No. NHTSA–2025–0491–5196, at 4; Kia, Docket No. NHTSA–2025–0491–5123, at 3; MEMA, Docket No. NHTSA–2025–0491–5989, at 12; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 13–14; Nissan, Docket No. NHTSA–2025–0491–5857, at 4; PIA, Docket No. NHTSA–2025–0491–4955, at 1; Porsche, Docket No. NHTSA–2025–0490–0044, at 3; ME DEP, Docket No. NHTSA–2025–0490–0026, at 4–5; Volkswagen, Docket No. NHTSA–2025–0491–5036, at 2; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 13–15.

[1315] Ferrari, Docket No. NHTSA–2025–0491–5062, at 4; MEMA, Docket No. NHTSA–2025–0491–5989, at 12; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 14; ME DEP, Docket No. NHTSA–2025–0490–0026, at 4–5; ZETA, Docket No. NHTSA–2025–0491–6039, at 13–14.

[1316] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 14; China WTO/TBT, Docket No. NHTSA–2025–0491–5056, at 3; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 13–15.

[1317] ME DEP, Docket No. NHTSA–2025–0490–0026, at 4–5.

[1318] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 14; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 13–14; Laura Georgi, Docket No. NHTSA–2025–0491–6028; PIA, Docket No. NHTSA–2025–0491–4955, at 1.

[1319] Ryan Saunders, Docket No. NHTSA–2025–0491–5051, at 1.

[1320] China WTO/TBT, Docket No. NHTSA–2025–0491–5056, at 3.

[1321] ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 12; NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A1, at 14; Porsche, Docket No. NHTSA–2025–0490–0044, at 3.

[1322] Anonymous, Docket No. NHTSA–2025–0491–0033, at 1.

[1323] Attorneys General, Docket No. NHTSA–2025–0491–6064, at 6; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 12; Kharisma Montes de Oca, Docket No. NHTSA–2025–0491–4552, at 1; The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 12.

[1324] The Alliance, Docket No. NHTSA–2025–0491–5707–A2, at V–1.

[1325] ZETA, Docket No. NHTSA–2025–0491–6039, at 14. NHTSA notes that while ZETA stated that NHTSA was proposing to end features that resulted in EVs having artificially high fuel economy values, DOE sets the PEF for EVs and EPA established the FCIV program that included BEVs until EPA issued its 2024 final rule (89 FR 27842) that prevents EVs from generating FCIVs starting in MY 2027. It appears ZETA misunderstood the difference between NHTSA's analysis supporting the setting of fuel economy standards and how manufacturers' fuel economy values are calculated for compliance purposes.

[1326] Attorneys General, Docket No. NHTSA–2025–0491–6064–A2, at 104.

[1327] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 12; Nissan, Docket No. NHTSA–2025–0491–5857, at 4–5.

[1328] CALSTART, Docket No. NHTSA–2025–0491–6042, at 4–5.

[1329] Porsche, Docket No. NHTSA–2025–0490–0044, at 3; ZETA, Docket No. NHTSA–2025–0491–6039–A1, at 13–15.

[1330] Honda, Docket No. NHTSA–2025–0491–6013, at 8.

[1331] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 12; Porsche, Docket No. NHTSA–2025–0490–0044, at 3; JLR, Docket No. NHTSA–2025–0491–5196, at 4; Nissan, Docket No. NHTSA–2025–0491–5857, at 4–5; ZETA, Docket No. NHTSA–2025–0491–6039, at 14–15.

and used through MY 2032. The Alliance also suggested either delaying elimination of the credit trading program to MY 2030 to provide additional lead time or permitting the trading of credits for three years after the program has ended.[1332] CALSTART argued that NHTSA should allow credit generation and banking through at least MY 2031.[1333] CALSTART argued that, to preserve the credibility of the credit market, NHTSA should be explicit about the mechanisms it will use to enforce fuel economy standards and the consequences of not complying with those standards.[1334]

After reviewing the comments received regarding the proposed changes to the credit trading program, NHTSA agrees that all credits earned in the CAFE program up through MY 2027 should be permitted to be used for up to five model years after the year in which they were earned, which is consistent with the timeframe prescribed by 49 U.S.C. 32903(a) for manufacturers to carry forward their own credits. Therefore, NHTSA is revising the proposed changes to the credit trading program for the final rule. NHTSA is finalizing the removal of credit trading from the CAFE program for credits earned in MY 2028 and beyond.

NHTSA is finalizing the removal of the credit trading program to correct market distortion. In the past, BEVs equipped with AC efficiency or OC technologies have generated an excessive number of CAFE credits due to the fleet average fuel economy calculation methodology that includes DOE's PEF. For example, one manufacturer, that produces and sells a large volume of BEVs earned a total of approximately 116 million CAFE credits [1335] in its domestic passenger and light truck fleets in MY 2021. This manufacturer averaged CAFE compliance of 620.4 mpg to 959.5 mpg from MY 2019 to MY 2021 in its regulatory fleets due to DOE's PEF and the EPA compliance calculation, and it sold these credits to offset other manufacturers' low CAFE performance. These credit transactions undermine the energy conservation purpose of EPCA.[1336]

The agency recognizes that manufacturers have made investments in fuel-saving technologies, which they have factored into their future design and compliance plans. NHTSA also recognizes that manufacturers may have reliance interests in the credit trading program to fulfill their current CAFE compliance obligations. Ending credit trading within the CAFE program for credits earned in MY 2028 and beyond provides manufacturers adequate transition time before trading ends. Furthermore, the fuel economy standards in this final rule are achievable with ICE technologies without consideration of the factors NHTSA is prohibited from considering pursuant to 49 U.S.C. 32902(h), namely alternative fueled vehicles and the availability of credits.

Further, NHTSA notes that, though credits earned prior to MY 2028 may continue to be traded and used for up to five model years after they were earned, NHTSA expects the value of those credits to be significantly diminished. Not only does NHTSA believe that manufacturers will seek to meet the amended standards through actual fuel economy improvement through best practicable effort, but even so, with the updated $0.00 penalty rate, there is little to no benefit to manufacturers who may purchase those credits. Together, these factors significantly reduce the value of the credits to the manufacturer that would seek to sell them.

3. Technical Amendments To Remove References to EPA's Regulations for AC Efficiency and Off-Cycle Fuel Consumption Improvement Values

AC efficiency technologies are technologies that reduce the operation of, or the loads on, the vehicle engine by reducing AC usage. For example, the less frequently the AC compressor operates or the more efficiently it operates, the less load the AC compressor places on the engine, resulting in better fuel efficiency. AC efficiency technologies can include, but are not limited to, blower motor controls, internal heat exchangers, and improved condensers/evaporators. OC technologies are technologies that also reduce the operation of ICE engines, but they cover other areas of vehicle operation. Examples of OC technologies include thermal control technologies, high-efficiency alternators, and high-efficiency exterior lighting.[1337]

In its 2012 final rule, NHTSA issued regulations to align with EPA's provisions that allowed manufacturers to generate FCIVs for the adoption of AC efficiency and OC technologies beginning in MY 2017. EPA established the AC efficiency and OC programs to account for technologies that are not captured fully in the 2-cycle test procedures (FTP and HFET) that EPA uses to measure fuel economy for NHTSA's CAFE program. Under EPA's provisions, FCIVs generated by manufacturers are factored into each manufacturer's calculation of its average fuel economy for purposes of NHTSA's CAFE compliance.

Under EPA's current regulations, manufacturers are eligible to earn AC efficiency and OC FCIVs for all types of automobiles equipped with those technologies in their fleet through MY 2026. Starting in MY 2027, only ICE-powered automobiles are eligible to generate FCIVs, and the OC FCIV program is currently being phased out between MYs 2031–2033, with manufacturers no longer being able to generate OC FCIVs for MY 2033 and beyond.

As explained in Section II, NHTSA is now removing FCIVs from its standard-setting CAFE analysis starting in MY 2028 (*i.e.,* NHTSA's model will no longer simulate manufacturers generating FCIVs that improve their fuel economy values for compliance). NHTSA is making this change in the analysis to ensure that it sets maximum feasible standards achievable without consideration of technology-specific standards.

Upon examination of NHTSA's existing regulations, NHTSA identified technical changes to remove references to EPA regulations pertaining to AC efficiency and OC FCIVs.

Accordingly, NHTSA proposed to remove the references to EPA's regulations regarding FCIVs from 49 CFR 531.6 and 49 CFR 533.6 because such references are unnecessary and created potential for confusion.

NHTSA received many comments on the AC and OC programs. The Alliance commented that they support the continuation of the AC efficiency and OC technology program under EPA's authority.[1338] Honda, Ford, MECA, and MEMA support the program because the

[1332] The Alliance, Docket No. NHTSA–2025–0491–5707, at 11–13.

[1333] CALSTART, Docket No. NHTSA–2025–0491–6042, at 4–5.

[1334] CALSTART, Docket No. NHTSA–2025–0491–6042, at 4–5.

[1335] NHTSA, CAFE Public Information Center, Credit Status Report, available at: *https://www.nhtsa.gov/corporate-average-fuel-economy/cafe-public-information-center* (accessed: May 28, 2026).

[1336] Roy, A., & Sriram, A., Tesla's Easy Money from Regulatory Credits Set to Dry Up Amid Weakening Sales, last revised: July 22, 2025, available at: *https://www.reuters.com/business/autos-transportation/teslas-easy-money-regulatory-credits-set-dry-up-amid-weakening-sales-2025-07-22/* (accessed: May 28, 2026).

[1337] 40 CFR 86.1869–12(b), Credit available for certain off-cycle technologies.

[1338] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 12.

technologies represent a cost-effective means of achieving real-world fuel economy benefits.[1339] Hyundai and Kia commented that they have made significant investments to develop and apply the technologies to their fleets and support the continued use of the technologies for compliance.[1340] Nissan commented that AC efficiency and OC benefits have been a part of the CAFE program since 2017 and are integral to manufacturers' product planning and further explained that removing the option to use these flexibilities would cause significant disruptions for manufacturers and reduce their ability to develop efficient and advanced technologies beyond MY 2033.[1341] Porsche and Stellantis commented that they support the continued availability of AC efficiency and OC technologies as a compliance pathway independent of the impacts from EPA's rulemaking.[1342] MEMA commented that NHTSA's language regarding AC efficiency and OC benefits in the NPRM is ambiguous and MEMA requested that NHTSA explicitly state in the final rule that any proposed changes to the treatment of AC efficiency and OC benefits are limited to analytical modeling and do not alter their eligibility for use in compliance.[1343]

NHTSA received several comments supporting and opposing phasing out the AC efficiency and OC programs. ICCT and AFPM supported phasing out the AC and OC programs.[1344] AFPM argued that these credits do not represent real-world petroleum conservation. ICCT argued that these technologies are already widespread and therefore do not need to be incentivized.

NHTSA responds to comments on the removal of FCIVs from the standard-setting CAFE analysis in Section II. In response to comments on removal of EPA's AC and OC programs, NHTSA does not have the authority to remove or alter EPA's AC and OC programs, and NHTSA did not propose any changes to EPA's AC and OC programs. EPCA, as amended by EISA, provides EPA with the authority to calculate the average fuel economy of a manufacturer's compliance fleet. NHTSA has no role in determining the testing and calculation procedures that are prescribed by EPA. NHTSA's goal in removing references to EPA's regulations from 49 CFR parts 531 and 533 is to avoid repeating measurement and calculation procedures determined by EPA. This change removes a potential for confusion and ensures alignment with EPA's regulations. NHTSA does not have the authority to establish its own set of calculation procedures that differ from EPA's procedures. As such, NHTSA is finalizing the removal of references to EPA's regulations for AC efficiency and OC FCIVs as proposed in the NPRM.

4. Modification of the Definition of Curb Weight and Manufacturer Reporting Requirements

NHTSA proposed changes to its reporting requirements for manufacturers in connection with the vehicle classification changes discussed above and is finalizing the proposal with certain revisions based on comments received and further consideration of the proposed reporting requirements.

In the NPRM, NHTSA proposed modifying its vehicle classification provisions under part 523. Specifically, NHTSA proposed modifications to several of the pathways manufacturers may use to classify a vehicle as a non-passenger automobile. NHTSA proposed removing the ''expanded use'' pathway under § 523.5(a)(5) and proposed removing the axle clearance specification from the ''off-highway pathway'' under § 523.5(b)(2), requiring that vehicles meet the remaining four criteria to qualify. NHTSA proposed implementing these changes beginning with MY 2028. To replace the ''expanded use'' pathway, NHTSA proposed adding a new, high-utility pathway into the non-passenger automobile fleet, beginning with MY 2028. This new pathway would be based on a performance-based utility attribute NHTSA refers to as the LDWF.

In the NPRM, NHTSA proposed calculating the LDWF value using several vehicle characteristics, including GCWR, which is the value manufacturers specify as the loaded weight of a combination vehicle, as well as GVWR and curb weight.

To support the new LDWF, NHTSA proposed updating its definition of curb weight and adding definitions for ''nominal tank capacity'' and ''optional equipment,'' which are two vehicle characteristics used in defining curb weight. NHTSA proposed modifying the curb weight definition to specify that curb weight is determined based on the actual weight of the vehicle at the time of first sale, including all optional equipment. These changes were proposed to provide clarity on how NHTSA would determine whether a particular vehicle meets the criteria for being classified as a non-passenger automobile under the ''off-highway'' and LDWF vehicle classification pathways.[1345] The proposed change to the curb weight definition would ensure that every vehicle that a manufacturer reports as a non-passenger automobile would meet the requirements of the specific pathway in any configuration offered by the manufacturer.

In addition, NHTSA proposed revising its reporting requirements under part 537 to support the proposed vehicle classification modifications. The agency proposed removing reporting requirements specific to the ''expanded use'' pathway under § 523.5(a)(5) and the axle clearance requirements of the ''off-highway'' pathway under § 523.5(b)(2) for MY 2028 and beyond. NHTSA also proposed mandating GCWR as a required data field for all non-passenger automobiles for MY 2028 and beyond to support calculation of the LDWF but also to aid NHTSA in developing a better understanding of vehicle characteristics within the non-passenger automobile fleet.[1346] NHTSA also included a requirement that manufacturers report curb weight for vehicles qualifying under the new LDWF pathway using NHTSA's proposed revised definition.

NHTSA did not receive any substantive comments in support of its proposed modifications to manufacturers' reporting requirements. Nissan, Porsche, Stellantis, Ford, Mercedes-Benz, Volkswagen, Kia, and The Alliance expressed opposition to NHTSA's change in the definition of curb weight due to the increased reporting burden the change would precipitate.[1347] In general, these commenters noted the burden

[1339] Honda, Docket No. NHTSA–2025–0491–6013, at 8–9; Ford, Docket No. NHTSA–2025–0491–5821–A1, at 6–7; MECA, Docket No. NHTSA–2025–0491–5331, at 7; MEMA, Docket No. NHTSA–2025–0491–5989, at 2–3.

[1340] Hyundai, Docket No. NHTSA–2025–0491–4972, at 2; Kia, Docket No. NHTSA–2025–0491–5123, at 5–6.

[1341] Nissan, Docket No. NHTSA–2025–0491–5857, at 5.

[1342] Porsche, Docket No. NHTSA–2025–0490–0044, at 3–4; Stellantis, Docket No. NHTSA–2025–0491–5968, at 11.

[1343] MEMA, Docket No. NHTSA–2025–0491–5989, at 11.

[1344] ICCT, Docket No. NHTSA–2025–0491–5240–A1, at 9; AFPM, Docket No. NHTSA–2025–0491–5964–A2, at 20 and 27.

[1345] Curb weight is an integral part of the ''off-highway'' vehicle compliance pathway in § 523.5(b).

[1346] Prior to this rulemaking, GCWR was only required to be reported for full-size pickup trucks.

[1347] Nissan, Docket No. NHTSA–2025–0491–5857, at 7; Porsche, Docket No. NHTSA–2025–0490–0044, at 1; Stellantis, Docket No. NHTSA–2025–0491–5968–A2, at 6; Ford, Docket No. NHTSA–2025–0491–5821–A1, at 1–3, Mercedes-Benz, Docket No. NHTSA–2025–0491–5854–A1, at 4; Volkswagen, Docket No. NHTSA–2025–0491–5036–A1, at 2; Kia, Docket No. NHTSA–2025–0491–5123, at 5; and The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 8–9 and -A2, at 27–28.

associated with tracking and reporting curb weight for many different vehicle configurations and requested that NHTSA not finalize any changes to its definition of curb weight. For example, Nissan commented that the use of curb weight in the LDWF calculation ''creates an unreasonable and unnecessary analytical and administrative burden on [manufacturers].'' [1348] Nissan states that, for automakers, each buildable combination of a model type has an associated curb weight, which, Nissan states, means that for a given model, automakers would need to track and report on potentially hundreds of individual curb weights for every possible combination of subconfiguration, trim package, and option. Porsche's comment noted that within the Cayenne model there can be nearly 1 million buildable combinations and that weight differences of many of the combinations might be negligible. Porsche states that analyzing the weight differences would create complexity and add unnecessary costs. The other comments from industry expressed similar concerns and recommended that NHTSA continue referencing EPA's definition of curb weight in 40 CFR 86.1803–01.

NHTSA has considered these comments and is finalizing a change to address manufacturers' concerns about the regulatory burden associated with the reporting requirements. To address these concerns, NHTSA is changing the reporting requirements in 49 CFR part 537 to clarify that manufacturers do not need to submit data for every vehicle configuration. NHTSA does not intend for manufacturers to include unique curb weights for each combination of subconfiguration, trim package, and option package. As commenters have stated, there are small variabilities in curb weight within models and trims that may not be necessary to report. NHTSA clarifies in this final rule that the curb weight required to be reported under 49 CFR 537.7(c)(5)(i)(F)(1) is the curb weight of the vehicle with the lowest LDWF in that subconfiguration.

In general, NHTSA's reporting requirements are based on how manufacturers would report fuel economy data to EPA for CAFE compliance purposes. That is, the level of granularity that is required for EPA reporting dictates the granularity for which data would be reported to NHTSA. It is NHTSA's understanding that data are reported to EPA at the vehicle subconfiguration level (*i.e.,* meaning that each row of data reported to EPA is a vehicle subconfiguration, as defined at 40 CFR 600.002). NHTSA intends for its regulations to require that manufacturers submit data to NHTSA based on the reporting groupings reported to EPA (*i.e.,* each row of data reported to NHTSA should align with a cohort of vehicles reported to NHTSA in a single row of data). Based on this intention, NHTSA is finalizing changes to part 537 to specify reporting for each vehicle configuration. Therefore, for each cohort of vehicle there would be a single data element reported for each type of information requested. In response to commenters' concerns, NHTSA is finalizing a change to require, for purposes of calculating LDWF, that manufacturers only report the curb weight of the vehicle with the lowest LDWF within that vehicle subconfiguration. Although this will often be the heaviest curb weight within the vehicle subconfiguration, to account for the possibility that the TWR may vary within the vehicle subconfiguration, NHTSA is specifying the data element based on the vehicle with lowest LDWF. This reporting requirement will allow NHTSA to conduct a more efficient audit of vehicle classification by identifying vehicles that exceed the criteria by the smallest margins.

NHTSA is also adding a definition of standard equipment to § 523.2 to provide greater clarity because the term ''standard equipment'' is used in the definition of curb weight. NHTSA did not propose providing a definition as NHTSA believes the term is well-understood to mean, as defined in EPA's regulations at 40 CFR 86.1803–01, ''those features or equipment which are marketed on a vehicle over which the purchaser can exercise no choice.'' However, to avoid any possible ambiguity, NHTSA is adding this definition to part 523.

NHTSA also received comments from Mercedes-Benz and the Alliance on when the curb weight definitional changes should take effect.[1349] Both entities commented that, if NHTSA does finalize the changes to its curb weight definition, the agency should delay when those changes take effect. The commenters recommend setting the effective date to MY 2028 to align with the effective date of the other changes to vehicle classification.

NHTSA has considered these comments and is finalizing changes such that reporting curb weight will go into effect for MY 2030 reporting, in line with the final rule's changes in vehicle classification that add the new ''LDWF pathway.'' The other situation in which the definition of curb weight in 523.2 is used is for purposes of determining whether a vehicle meets the criteria under the ''off-highway pathway,'' for which testing at curb weight is specified. In line with Mercedes-Benz and the Alliance's comment, NHTSA is finalizing the curb weight definitional change starting with MY 2028 in order to align NHTSA's regulations more faithfully with EPCA, which requires that every vehicle in the non-passenger automobile compliance category meet the prescribed classification criteria.

Ford expressed concern that ''NHTSA will require manufacturers to provide vehicle weight information and off-highway criteria, regardless of which pathway is used.'' [1350] They commented that ''data should only be required when it is necessary to demonstrate regulatory compliance.'' Ford requested that NHTSA require manufacturers to report only data specific to the identified vehicle classification pathway.

NHTSA agrees with Ford's request for NHTSA to limit manufacturers' reporting requirements to only those data fields necessary for the vehicle classification pathway. It is not necessary to report all the possible data elements that could be used to classify a vehicle as a non-passenger automobile. Therefore, NHTSA is finalizing changes such that manufacturers are only required to report the data elements for the pathway used to qualify the vehicles as non-passenger automobile.

NHTSA is also replacing the GCWR reporting requirement with TWR for this final rule in line with the changes it is finalizing for the ''LDWF pathway.'' TWR is the value defined and used in SAE J2807, which is specified by the manufacturer as the maximum allowable weight of a loaded trailer for a specific vehicle model or configuration.[1351] [1352] NHTSA will require TWR because TWR information would be needed to determine whether an automobile qualifies as a non-passenger automobile under the LDWF criteria. Although NHTSA expects that TWRs will vary little, if any, within a

[1348] Nissan, Docket No. NHTSA–2025–0491–5857, at 7.

[1349] The Alliance, Docket No. NHTSA–2025–0491–5707–A1, at 9; Mercedes-Benz, Docket No. NHTSA–2025–0491–5854, at 4.

[1350] Ford, Docket No. NHTSA–2025–0491–5821, at 7.

[1351] SAE, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, SAE Standard J2807_202411, SAE International: Warrendale, PA (2024), available at: *https://doi.org/10.4271/J2807_202411* (accessed: May 28, 2026).

[1352] Further discussion on why NHTSA is moving forward with requiring TWR instead of GCWR can be found in preamble Section VI.B.1 and Final TSD Chapter 2.7.

single-vehicle subconfiguration, to account for the possibility of variance, NHTSA is specifying that the manufacturers provide the TWR of the vehicle with the lowest LDWF if there are multiple TWRs within the subconfiguration. The reporting requirement for TWR will go into effect for MY 2030, in line with the vehicle reclassification changes.

NHTSA will also remove 49 CFR 523.5(a)(5) and 49 CFR 523.5(b)(2)(v) beginning with MY 2030. Additional details regarding their removal can be found in Section VI.B.1.b and in Final TSD Chapter 2.7. Due to these changes, starting in MY 2030, manufacturers will no longer be required to provide information related to these two regulations, which are described in 49 CFR 537.7(c)(5), paragraphs (c)(5)(i)(E) and (c)(5)(ii)(D), respectively.

C. Technical Amendments

In the NPRM, NHTSA proposed to make certain technical amendments through this rulemaking, which include amendments removing residual mentions of fuel efficiency standards for trailers; technical amendments removing reference to civil penalties for non-compliance with fuel economy standards; removing provisions applicable only to model years before MY 2022; and technical amendments correcting regulatory citations and incorporating minor spelling, grammatical, and formatting edits to 49 CFR parts 523, 531, 533, 536, 537 and 578. NHTSA will upload to the docket a redline version of the regulatory text showing the changes from this final rule.

NHTSA did not receive substantive comments on any of the technical amendments proposed in the NPRM. NHTSA is finalizing the technical amendments proposed in the NPRM in this final rule. In this final rule, NHTSA is also finalizing six additional technical amendments that were not included in the NPRM. First, NHTSA is modifying the civil penalty rate for non-compliance with fuel economy standards in part 578 to align with the updated statute set in Public Law 119–21, which was signed into law on July 4, 2025.[1353] Second, NHTSA is finalizing a technical amendment to include a definition of vehicle subconfiguration to § 537.8 that references EPA's definition used for CAFE compliance reporting. NHTSA is also finalizing two technical amendments to include the definition of footprint in parts 531 and 533 that reference back to NHTSA's definition of footprint in 523. Finally, NHTSA is finalizing technical amendments to add SAE J1100 NOV2009 to the list of incorporated materials in the new § 523.11 and to update the title of SAE J1100 NOV2009 as it is referenced in the definition of *passenger-carrying volume* in § 523.2.

1. Technical Amendments To Remove Residual Mention of Fuel Efficiency Standards for Trailers in NHTSA's Vehicle Classification Regulations

In November 2021, the United States Court of Appeals for the District of Columbia ''vacate[d] all portions of the [2016 joint NHTSA and EPA] rule that apply to trailers.'' [1354] The underlying statute authorizes NHTSA to examine the fuel efficiency of and prescribe fuel economy standards for ''work trucks and commercial medium-duty or heavy-duty on-highway vehicles.'' 49 U.S.C. 32902(b)(1)(C); 49 U.S.C. 32902(k)(2). The court reasoned that trailers do not qualify as ''vehicles'' when that term is used in the fuel economy context because trailers are motorless and use no fuel. *Truck Trailer Mfrs. Ass'n, Inc.,* 17 F.4th at 1200, 1204–08. Accordingly, the court held that NHTSA does not have the authority to regulate the fuel economy of trailers. *Id.* at 1208.[1355]

On March 15, 2024, NHTSA published the final rule titled ''Improvements for Heavy-Duty Engine and Vehicle Fuel Efficiency Test Procedures, and Other Technical Amendments.'' (89 FR 18808). In that final rule, NHTSA removed portions of its regulations that were vacated by that decision. Because that final rule removed all the fuel efficiency standards for trailers and most of the mentions of those standards from its regulations, a residual mention of those standards remained in NHTSA's vehicle classification regulations at 49 CFR 523.10(a)(3). In the NPRM, NHTSA proposed to amend 49 CFR 523.10(a)(3) by deleting the sentence that mentions fuel efficiency standards for trailers. This rulemaking finalizes the deletion as proposed.

2. Technical Amendment To Remove Heavy-Duty Trailers From the List of Heavy-Duty Vehicle Regulatory Categories

On June 24, 2024, NHTSA published the final rule titled ''Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond.'' (89 FR 52540, June 24, 2024). In Section VII.C.8.e of that final rule,[1356] NHTSA finalized the removal of ''Heavy-duty trailers'' from the list of four heavy-duty vehicle regulatory categories in 49 CFR 523.6(a). However, NHTSA inadvertently excluded the necessary changes from the final rule's amendatory text. In the NPRM, to align with its original intent as expressed in its 2024 final rule, NHTSA proposed to amend 49 CFR 523.6(a) introductory text by stipulating that heavy-duty vehicles are divided into three regulatory categories and removing paragraph (a)(4)—which lists heavy-duty trailers as a heavy-duty vehicle regulatory category—from 49 CFR 523.6(a). This rulemaking finalizes the amendment to the regulatory text as proposed. Along with this edit, NHTSA is also finalizing minor grammatical edits, without regulatory effect, to § 523.7, § 523.8, and § 523.10, including amending § 523.10 to remove an obsolete note from paragraph (a)(3) regarding trailers.

3. Technical Amendments To Remove Civil Penalties for Non-Compliance With Fuel Economy Standards From the CAFE Program

NHTSA is removing the mention of civil penalty payments for manufacturers that do not meet their fuel economy standards in the CAFE program from 49 CFR part 536. These amendments are to remove the mention of civil penalties from § § 536.5(d)(2) and (6), § 536.9(e), § 536.10(b); and to remove § 536.7(b) through (d).

4. Additional Technical Amendments

NHTSA is incorporating minor technical amendments to 49 CFR parts 523, 531, 533, 536, and 537. These amendments are to correct regulatory citations and incorporate minor spelling, grammatical, and formatting edits. Specifically, NHTSA is incorporating the following technical amendments.

a. Technical Amendments to Part 523

Although not in the NPRM, NHTSA is updating § 523.1, without regulatory

[1353] 49 U.S.C. 32912(b).

[1354] *Truck Trailer Mfrs. Ass'n, Inc.* v. *EPA,* 17 F.4th 1198, 1200 (D.C. Cir. 2021).

[1355] For similar reasons, the court also held that the statute authorizing EPA to regulate the emissions of ''motor vehicles'' does not encompass trailers. *Id.* at 1200–03. The court affirmed, however, that both agencies still ''can regulate *tractors* based on the trailers they pull.'' *Id.* at 1208 (emphasis original). Moreover, NHTSA is still authorized to regulate trailers in other contexts, such as under 49 U.S.C. chapter 301. *See* 49 U.S.C. 30102(a)(7) (defining ''motor vehicle'' to include ''a vehicle . . . drawn by mechanical power''); *Truck Trailer Mfrs. Ass'n, Inc.,* 17 F.4th at 1207 (''A trailer is 'drawn by mechanical power.' '').

[1356] 89 FR 52540, 52933 (June 24, 2024).

effect, to correct the outdated authority citation and to make a grammatical edit. NHTSA is adding and removing text, correcting spelling errors, and incorporating other grammatical edits to clarify several definitions, including *Basic vehicle frontal area, Breakover angle, Cargo-carrying volume, Electric vehicle, Emergency vehicle, Full-size pickup truck, Medium-duty passenger vehicle, Pickup truck, Temporary living quarters, Transmission configuration, Truck tractor,* and *Vocational vehicle (or heavy-duty vocational vehicle)* in § 523.2 and § 523.3; and correcting a regulatory citation in § 523.4. In addition, though it was not proposed in the NPRM, NHTSA is finalizing a very small change, without regulatory effect, to the definition of *Base tire (for passenger automobiles, non-passenger automobiles, and medium-duty passenger vehicles),* which references EPA's definition of standard equipment found in 40 CFR 86.1803–01. Because NHTSA is adding the identical definition of ''standard equipment'' used by EPA in 40 CFR 86.1803–01 to § 523.2 in connection with its changes to the definition of curb weight, the reference to the EPA regulation within the definition of *Base tire (for passenger automobiles, non-passenger automobiles, and medium-duty passenger vehicles)* is no longer needed. NHTSA is also finalizing a technical change to the definition of *passenger-carrying volume* to update the title of SAE Surface Vehicle Recommended Practice J1100, Motor Vehicle Dimensions. Though not proposed in the NPRM, this change is being finalized as a technical amendment that has no regulatory impact. NHTSA is also adding SAE J1100 NOV2009 to the list of materials incorporated by reference in § 523.11.

b. Technical Amendments to Part 531

NHTSA is adding a definition of the term *footprint* to § 531.4 that references back to NHTSA's definition of footprint in 523.2. NHTSA is removing requirements for past model years from § 531.5 and making minor grammatical and organizational edits to streamline the section and improve readability.

c. Technical Amendments to Part 533

NHTSA is adding a definition of the term *footprint* to § 533.4 that references back to NHTSA's definition of footprint in 523.2. NHTSA is also finalizing minor grammatical edits and clarifying edits, without regulatory effect, to the definitions in § 533.4 for *Captive import* and *Limited product line.* NHTSA is also correcting formatting errors in the text supporting equation 1 to § 533.5(a).

d. Technical Amendments to Part 536

NHTSA is finalizing minor clarifying edits, without regulatory effect to § 536.1 and § 536.3(b)(6); removing the definition of *Light truck* in § 536.3(b); adding and removing text to clarify the definition of *Trade* in § 536.3(b); adding and removing text to clarify the definition of *Transfer* in § 536.3(b); correcting a capitalization error in § 536.4(c); adding and removing text to clarify provisions in § 536.4(a) through (c) and Equation 1 to § 536.4(c); correcting a table heading in Table 1 to § 536.4(c); renaming the title of § 536.6; adding a new paragraph (a) to § 536.6; changing the existing paragraph (a) to paragraph (a)(1) in § 536.6 and making other edits to reorganize § 536.6 for clarity and readability. NHTSA is also finalizing an edit to amend the title of § 536.8 and make other minor grammatical edits to § 536.8 and § 536.9

e. Technical Amendments to Part 537

NHTSA is amending § 537.4(b)(2) to add the term *vehicle subconfiguration* to the list of terms that are defined in 40 CFR part 600. NHTSA is correcting a spelling error in § 537.4(b)(3) and a regulatory citation in § 537.7(c)(7)(i).

NHTSA is also finalizing another technical amendment to part 537 that was not proposed in the NPRM, which updates the language in 49 CFR 537.6 (d)(4) regarding how manufacturers submit confidential reports and requests for confidentiality to NHTSA. NHTSA recently developed an online portal for receiving requests for confidential treatment. This new portal allows manufacturers to upload files required for part 512 requests for confidential treatment in one centralized location. NHTSA is now finalizing changes to § 537.5 (d)(4) to replace the current language that directs manufacturers to submit confidential reports and requests for confidentiality to NHTSA on CD–ROM via mail. The technical amendment changes the language to direct manufacturers to use NHTSA's new CBI portal, which will align the regulatory text with current practice.

5. Technical Amendment To Modify the Civil Penalty for Non-Compliance With Fuel Economy Standards in Part 578

NHTSA is modifying the civil penalty rate, with no substantive effect, to reflect the rate set by Congress in Public Law 119–21, which was signed into law on July 4, 2025. This law amended EPCA's civil penalty rate for exceeding the applicable average fuel economy standard and set the civil penalty rate to $0.00 multiplied by each 0.1 of a mile a gallon by which the applicable average fuel economy standard exceeds the average fuel economy. The new $0.00 civil penalty rate is applicable to all model years for which NHTSA has yet to conclude compliance proceedings—which is MY 2022 and later. To align with 49 U.S.C. 32912(b) and 32912(c)(1)(B), NHTSA is amending 49 CFR 578.6(h)(2) to set the civil penalty rate to $0.00 for MY 2022 and later model years.

VII. Regulatory Notices and Analyses

A. Executive Order 12866, ''Regulatory Planning and Review''; Executive Order 13563, ''Improving Regulation and Regulatory Review''; Executive Order 14192, ''Unleashing Prosperity Through Deregulation''; and Executive Order 14219, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative''

E.O. 12866, ''Regulatory Planning and Review'' (58 FR 51735, Oct. 4, 1993), reaffirmed by E.O. 13563, ''Improving Regulation and Regulatory Review'' (76 FR 3821, Jan. 21, 2011), provides for determining whether a regulatory action is ''significant'' and therefore subject to the OMB review process and to the requirements of the Executive Order. This action is a ''significant regulatory action'' under Section 3(f)(1) of E.O. 12866 because it is likely to have an annual effect on the economy of $100 million or more. Accordingly, NHTSA submitted this rulemaking to OMB for review, and any changes made in response to interagency feedback submitted via the OMB review process have been documented in the docket for this rulemaking. The estimated benefits and costs of this final rule are described above, and in the FRIA, located in the docket and on NHTSA's website.

E.O. 14192, ''Unleashing Prosperity Through Deregulation'' (90 FR 9065, Feb. 6, 2025), requires an agency, unless prohibited by law, to identify at least ten existing regulatory requirements to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new significant regulatory rule. Section 3(c) of E.O. 14192 also requires that the total incremental costs associated with an agency's new regulations must, to the extent permitted by law, be offset by the elimination of costs associated with other previous regulations of the agency. This final rule is an E.O. 14192 deregulatory action and thus is not expected to generate net new incremental costs. The estimated cost savings of this final rule are detailed in FRIA Tables 1–3 and 1–4.

E.O. 14219, ''Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative'' (90 FR 10583, Feb. 19, 2025) requires agency heads to review their regulations and identify any that, among other things, are based on anything other than the best reading of the underlying statutory authority or prohibition or that implicate matters of social, political, or economic significance that are not authorized by clear statutory authority. NHTSA has identified its CAFE standards issued in 2022 and 2024 as falling within an enumerated category of E.O. 14219. Specifically, as described in an interpretive rule published on June 11, 2025, NHTSA determined that the CAFE standards issued in 2022 and 2024 are not authorized by clear statutory authority. NHTSA is issuing this final rule to reset the CAFE standards and bring the CAFE program into compliance with relevant statutory requirements. NHTSA discusses compliance with relevant statutory requirements in Section V above.

B. Environmental Considerations

1. National Environmental Policy Act

To inform its development of the CAFE standards for MYs 2022–2031, and pursuant to NEPA, 42 U.S.C. 4321 *et seq.,* and DOT Order 5610.1D, 90 FR 29621 (July 3, 2025), NHTSA prepared a Final SEIS to evaluate the potential environmental impacts of the CAFE standards and a reasonable range of alternatives. In revising the CAFE standards established in NHTSA's June 2024 final rule, NHTSA is making substantial changes to those examined in the 2024 Final EIS and, as such, prepared this Final SEIS to inform its amendment of MYs 2027–2031 CAFE standards. A commenter asserted that NHTSA failed to evaluate the full scope of its action because it assessed only the environmental impacts associated with MYs 2027–2031 CAFE standards.[1357] As explained in the NPRM and further addressed in Chapter 1 (Purpose and Need for the Action) of the Final SEIS, the MY 2026 passenger car and light truck fleets have already been produced and are released for sale at the time of issuance of this final rule to amend MY 2022–2031 CAFE standards. As such, the Final SEIS analyzes environmental impacts associated only with the MY 2027–2031 CAFE standards and range of alternatives.

The Final SEIS analyzes reasonably foreseeable impacts of the final rule on the potentially affected environment, which are discussed in proportion to their significance. It also discusses NHTSA's reasonable range of alternatives, including a No-Action Alternative and a Preferred Alternative, and other factors used in developing this final rule. The Final SEIS addresses mitigation measures considered as part of the environmental analysis.[1358] NHTSA received many comments on the Draft SEIS. Comments regarding the scope and need for a NEPA analysis are addressed in Section V above, while those regarding the environmental analyses presented in the Draft SEIS are addressed in Appendix C of the Final SEIS.

As explained in NHTSA's June 2025 interpretive rule, NHTSA ''must not consider the fuel economy of dedicated automobiles; must consider dual-fueled automobiles to be operated only on gasoline or diesel fuel; and must not consider, when prescribing a fuel economy standard, the trading, transferring, or availability of credits under [49 U.S.C. 32903].'' [1359] NEPA, however, does not impose such constraints on analysis; instead, NEPA requires that Federal agencies consider the ''reasonably foreseeable environmental effects of the proposed agency action.'' [1360] NHTSA's Final SEIS therefore presents results of an ''unconstrained'' analysis that considers manufacturers' potential use of CAFE credits and application of alternative fuel technologies (including PHEVs using their charge depleting fuel economy values, BEVs, and FCEVs) in order to disclose and allow consideration of real-world environmental consequences of the final rule and alternatives.[1361]

NHTSA has considered the information contained in the Final SEIS as part of developing this final rule and in selecting the final standards.[1362] This preamble and final rule constitute the agency's Record of Decision (ROD) for its promulgation of CAFE standards for MYs 2022–2031 passenger cars and light trucks. The agency has the authority to issue its Final SEIS and ROD simultaneously, pursuant to 49 U.S.C. 304a(b) and Section 14 of DOT Order 5610.1D. NHTSA has determined that simultaneous issuance is appropriate here because a separate 30-day waiting period is not required to address unresolved interagency disagreements or extraordinary public controversy that could otherwise affect the agency's final decision. Accordingly, neither the statutory criteria nor practicability considerations preclude issuing the combined documents. For additional information on NHTSA's NEPA analysis, please see the Final SEIS.

2. Clean Air Act as Applied to NHTSA's Final Rule

The CAA (42 U.S.C. 7401 *et seq.*) is the primary Federal legislation that addresses air quality. Under the authority of the CAA and subsequent amendments, EPA has established National Ambient Air Quality Standards (NAAQS) for six criteria pollutants, which are reviewed every five years.

The air quality of a geographic region is usually assessed by comparing the levels of criteria air pollutants found in the ambient air to the levels established by the NAAQS (also considering the other elements of a NAAQS: averaging time, form, and indicator). Concentrations of criteria pollutants within the air mass of a region are measured in parts of a pollutant per million parts (ppm) of air or in micrograms of a pollutant per cubic meter ($\mu g/m^3$) of air present in repeated air samples taken at designated monitoring locations using specified types of monitors. These ambient concentrations of each criteria pollutant are compared to the levels, averaging time, and form specified by the NAAQS to assess whether the region's air quality is in attainment with the NAAQS.

When the measured concentrations of a criteria pollutant within a geographic region are below those permitted by the NAAQS, EPA designates the region as an attainment area for that pollutant, while regions where concentrations of criteria pollutants exceed Federal standards are called non-attainment areas. Former non-attainment areas that are now in compliance with the NAAQS are designated as maintenance areas. Each State with a non-attainment area is required to develop and implement a State Implementation Plan (SIP) documenting how the region will reach attainment levels within the time periods specified in the CAA. For maintenance areas, the SIP must document how the State intends to maintain compliance with the NAAQS. EPA develops a Federal Implementation

[1357] NRDC et al., Docket No. NHTSA–2025–0491–5948, at 6–7.

[1358] DOT Order 5610.1D, sec. 26.l (''Mitigation means measures that avoid, minimize, or compensate for environmental impacts caused by a proposed action or alternatives . . . . While NEPA requires consideration of mitigation, it does not mandate the form or adoption of any mitigation.'').

[1359] Resetting the Corporate Average Fuel Economy Program; Interpretive Rule, 90 FR 24518, 24519 (June 11, 2025).

[1360] 42 U.S.C. 4332(2); DOT Order 5610.1D, sec. 13.f.

[1361] See Appendix D of the Final SEIS for a discussion of the full range of modeled electrified technologies.

[1362] The Final SEIS is available for review in the public docket for this action and in Docket No. NHTSA–2025–0491.

Plan (FIP) if a State fails to submit an approvable plan for attaining and maintaining the NAAQS. When EPA revises a NAAQS, each State must revise its SIP to address how it plans to attain the new standard.

No Federal agency may ''engage in, support in any way or provide financial assistance for, license or permit, or approve'' any activity that does not ''conform'' to a SIP or FIP after EPA has approved or promulgated it.[1363] Further, no Federal agency may ''approve, accept or fund'' any transportation plan, program, or project developed pursuant to title 23 or chapter 53 of title 49, U.S.C., unless the plan, program, or project has been found to ''conform'' to any applicable implementation plan in effect.[1364] The purpose of these conformity requirements is to ensure that federally sponsored or conducted activities do not interfere with meeting the emissions targets in SIPs or FIPs, do not cause or contribute to new violations of the NAAQS, and do not impede the ability of a State to attain or maintain the NAAQS or delay any interim milestones. EPA has issued two sets of regulations to implement the conformity requirements:

(1) The Transportation Conformity Rule [1365] applies to transportation plans, programs, and projects that are developed, funded, or approved under 23 U.S.C. (Highways) or 49 U.S.C. chapter 53 (Public Transportation).

(2) The General Conformity Rule [1366] applies to all other Federal actions not covered under the Transportation Conformity Rule. The General Conformity Rule establishes emissions thresholds, or *de minimis* levels, for use in evaluating the conformity of an action that results in emissions increases.[1367] If the net increases of direct and indirect emissions exceed any of these thresholds, and the action is not otherwise exempt, then a conformity determination is required. The conformity determination can entail air quality modeling studies, consultation with EPA and State air quality agencies, and commitments to revise the SIP or to implement measures to mitigate air quality impacts.

During the public comment period, NHTSA received comments regarding the general impacts of the rulemaking on CAA goals, State SIP planning, and cooperative federalism. Commenters, including the NACAA, Minnesota state agencies, Connecticut Department of Energy and Environmental Protection (CT DEEP), Attorneys General, and Sabin *et al.,* argued that reducing stringency of CAFE standards will increase criteria pollutants (such as NO_X, VOCs, and $PM_{2.5}$) and upstream emissions, jeopardizing States' and cities' abilities to attain or maintain the NAAQS.[1368] These commenters argued that because mobile sources dominate the emission inventory in many non-attainment areas, the proposal creates an unfunded mandate forcing States to rely on costly, less effective controls on stationary sources. They stated this disrupts the CAA's ''cooperative federalism'' framework, where States rely on a strong federal floor for mobile source emission controls. NHTSA notes that the number of vehicle refueling events and the impacts of the emissions of certain criteria pollutants and their precursors will vary from area to area, depending on factors such as the composition of the local vehicle fleet and the amount of gasoline produced in the area. States consider emissions or air quality impacts in the context of SIP development for relevant NAAQS.

In addition, multiple State Attorneys General commented that NHTSA failed to examine the environmental justice implications of criteria pollution tied to upstream emissions from petroleum extraction and refining.[1369] Other commenters raised specific programmatic concerns. ZETA asserted that NHTSA must consider existing EPA greenhouse gas standards in its baseline, rather than disregarding them due to a proposed rescission.[1370] BGA argued that relaxing standards harms the domestic supply chain and auto sector employment.[1371] NACAA urged a coordinated multi-pollutant approach with the EPA to maximize co-benefits, while other commenters argued conversely that utilizing criteria pollutant co-benefits to justify regulations drives up excess net costs.[1372] Furthermore, NACAA warned that removing civil penalties creates compliance uncertainty that undermines the emissions assumptions used in State SIPs and suggested NHTSA explore an incentive-based alternative approach.[1373]

As disclosed and evaluated in Chapter 4 (Air Quality) and Appendix F of the Final SEIS, NHTSA modeled the projected impacts of the alternatives on criteria pollutants and mobile source air toxics. Regarding comments asserting the agency failed to examine upstream emissions and related environmental justice implications, NHTSA notes that, as determined by the Supreme Court in *Seven County Infrastructure Coalition* v. *Eagle County, Colorado,* 605 U.S. ____ (2025), an agency is not required under NEPA to analyze upstream or other cumulative environmental impacts that fall outside its statutory authority. Because NHTSA's mandate under EPCA does not provide the authority to regulate upstream petroleum extraction or refining, analyzing these upstream impacts is not required. Furthermore, the Executive Orders that previously directed environmental justice analyses have been rescinded. Further discussion of the *Seven County* decision and the scope of the agency's impacts analysis can be found in the Final SEIS.

In response to the broader programmatic, baseline, and multi-pollutant comments, NHTSA emphasizes that this rulemaking is governed by EPCA, not the CAA. As previously discussed in Section V of this preamble, EPCA requires NHTSA to set maximum feasible average fuel economy standards by balancing four specific statutory factors: technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government, and the need of the United States to conserve energy. While NHTSA consults with the EPA and properly considers existing, legally effective Federal emissions standards as ''other motor vehicle standards of the Government,'' EPCA does not authorize NHTSA to base its fuel economy standards on the objectives of ensuring local NAAQS attainment, minimizing State stationary-source control costs, or directly regulating environmental pollution. Finally, regarding the comments on civil penalties and incentives, NHTSA is bound by EPCA's specific statutory framework governing the assessment and collection of CAFE civil penalties, which does not grant the agency the authority to replace the penalty structure with the alternative compliance incentive programs. The finalized CAFE standards and associated program activities are not

[1363] 42 U.S.C. 7506(c)(1).

[1364] 42 U.S.C. 7506(c)(2).

[1365] 40 CFR part 51, subpart T, and part 93, subpart A.

[1366] 40 CFR part 51, subpart W, and part 93, subpart B.

[1367] 40 CFR 93.153(b).

[1368] NACAA, Docket No. NHTSA–2025–0491–5884, at 2, 5–8; Minnesota state agencies, Docket No. NHTSA–2025–0491–5847, at 2–4; CT DEEP, Docket No. NHTSA–2025–0491–5930, at 3–4; Attorneys General, Docket No. NHTSA–2025–0491–6064–A3, at 4; Sabin *et al.,* Docket No. NHTSA–2025–0491–5808, at 2–6.

[1369] Attorneys General, Docket No. NHTSA–2025–0491–6064, at 17–25.

[1370] ZETA, Docket No. NHTSA–2025–0491–6039, at 5–6.

[1371] BGA, Docket No. NHTSA–2025–0491–5931, at 2.

[1372] NACAA, Docket No. NHTSA–2025–0491–5884, at 15; AEI, Docket No. NHTSA–2025–0490–0061, at 2, 9.

[1373] NACAA, Docket No. NHTSA–2025–0491–5884, at 16.

developed, funded, or approved under 23 U.S.C. or 49 U.S.C. chapter 53. Accordingly, this final rule and associated program activities would not be subject to transportation conformity requirements.

During the public comment period, several commenters, including State environmental agencies (ME DEP, OR DEQ), NACAA, and the South Coast AQMD, expressed concern that the proposed rule alters the future emissions trajectories relied upon in SIPs.[1374] Commenters noted that State transportation conformity determinations rely on the EPA's MOVES model, which incorporates existing CAFE assumptions.[1375] They argued that changes to the vehicle standards could invalidate existing Motor Vehicle Emissions Budgets (MVEBs), create gaps between projected and allowable emissions, and potentially halt major transportation projects.

While NHTSA acknowledges that State environmental and planning agencies utilize the EPA's MOVES model to establish MVEBs for their SIPs, and that States may need to update their planning models to reflect the revised Federal vehicle standards, this downstream modeling and SIP maintenance responsibility does not subject NHTSA's Federal rulemaking to transportation conformity. Because the agency's action does not fall under the statutory transportation planning provisions of title 23 or chapter 53 of title 49, U.S.C., transportation conformity requirements do not apply to this action.

Under the General Conformity Rule, a conformity determination is required where a Federal action would result in total direct and indirect emissions of a criteria pollutant or precursor in a non-attainment or maintenance areas equaling or exceeding the rates specified in 40 CFR 93.153(b)(1) and (2). As explained below, NHTSA's final rule would not result in direct or indirect emissions as defined in 40 CFR 93.152.

The General Conformity Rule defines direct emissions as ''those emissions of a criteria pollutant or its precursors that are caused or initiated by the Federal action and originate in a non-attainment or maintenance area and occur at the same time and place as the action and are reasonably foreseeable.'' [1376]

NHTSA's final rule establishes fuel economy standards for passenger cars and light trucks. It therefore would not cause or initiate direct emissions consistent with the meaning of the General Conformity Rule.[1377]

Indirect emissions under the General Conformity Rule are ''those emissions of a criteria pollutant or its precursors: (1) [t]hat are caused or initiated by the Federal action and originate in the same non-attainment or maintenance area but occur at a different time or place as the action; (2) [t]hat are reasonably foreseeable; (3) [t]hat the agency can practically control; and (4) [f]or which the agency has continuing program responsibility.'' [1378] Each element of the definition must be met to qualify as indirect emissions. NHTSA has determined, for purposes of general conformity, that emissions (if any) that may result from its fuel economy standards would not be caused by the agency's action, but rather would occur because of subsequent activities the agency cannot practically control. ''[E]ven if a Federal licensing, rulemaking or other approving action is a required initial step for a subsequent activity that causes emissions, such initial steps do not mean that a Federal agency can practically control any resulting emissions.'' [1379]

NHTSA received comments from organizations including the NRDC *et al.*[1380] and South Coast AQMD [1381] asserting that a general conformity determination is required. Commenters argued that the agency's own Draft SEIS identifies ''reasonably foreseeable'' increases in emissions (such as NO_X and VOCs) that exceed the *de minimis* thresholds established in 40 CFR 93.153, such as the 10 tons-per-year threshold in the South Coast Air Basin. South Coast AQMD argued that because these emissions are a substantive result of the rulemaking, the categorical exemption for rulemaking does not apply. These commenters challenged NHTSA's position that it cannot control these emissions, arguing that because NHTSA sets the fleetwide fuel economy standards, the agency has continuing program responsibility and practical control over the emissions outcomes. Furthermore, NRDC argued that the Supreme Court's ruling in *Department of Transportation* v. *Public Citizen* does not exempt NHTSA from a conformity determination, asserting that unlike the regulations of the Federal Motor Carrier Safety Administration in that case, NHTSA's standards are intended by Congress to act as an emissions-reduction tool.

NHTSA disagrees with the commenters' assertions that the projected emissions increases trigger a conformity determination. While the SEIS models potential criteria pollutant impacts for the purposes of NEPA, those projections do not equate to indirect emissions under the General Conformity Rule. EPCA requires NHTSA to set fleetwide average fuel economy standards for the CAFE program using performance-based standards. NHTSA is not authorized to dictate how manufacturers are to comply with the standards, nor may NHTSA require manufacturers to use specific technologies to achieve improved fuel economy in their fleets. Furthermore, NHTSA cannot control consumer purchasing or driving behavior, both of which can have a considerable effect on vehicle emissions of criteria pollutants. It is the combination of factors outside NHTSA's authority, such as manufacturers' decisions to apply fuel economy technologies and consumers' purchasing and driving behaviors, which determine the aggregate levels of criteria pollutant and precursor emissions.

For purposes of analyzing the environmental impacts of the alternatives considered under NEPA, NHTSA has necessarily made assumptions regarding all of these factors. NHTSA's Final SEIS projects that increases in air toxics and criteria pollutants would occur in some non-attainment areas under certain alternatives. However, the CAFE standards do not mandate specific manufacturer decisions, consumer purchasing, or driver behavior, and NHTSA cannot practically control any of them.[1382] In addition, NHTSA does not have the statutory authority or practical ability to control the actual vehicle miles traveled (VMT) by drivers. As the extent of emissions is directly dependent on the operation of motor vehicles, changes in any emissions that would result from NHTSA's finalized

[1374] ME DEP, Docket No. NHTSA–2025–0490–0026, at 6; OR DEQ, Docket No. NHTSA–2025–0491–5937, at 5; NACAA, Docket No. NHTSA–2025–0491–5884, at 7–8, 11; South Coast AQMD, Docket No. NHTSA–2025–0490–0064, at 2–5.

[1375] NACAA, Docket No. NHTSA–2025–0491–5884, at 6.

[1376] 40 CFR 93.152.

[1377] *Dep't of Transp.* v. *Pub. Citizen,* 541 U.S. 752, 772 (2004) (''The emissions from the Mexican trucks are not 'direct' because they will not occur at the same time or at the same place as the promulgation of the regulations.''). NHTSA's final rule would establish fuel economy standards for MYs 2022–2031 passenger cars and light trucks; any emissions increases would occur in a different place and well after promulgation of the final rule.

[1378] 40 CFR 93.152.

[1379] 40 CFR 93.152.

[1380] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928–A2, at 113–115.

[1381] South Coast AQMD, Docket No. NHTSA–2025–0490–0064, at 2–5.

[1382] *See, e.g., Dep't of Transp.* v. *Pub. Citizen,* 541 U.S. 752, 772–73 (2004); *S. Coast Air Quality Mgmt. Dist.* v. *Fed. Energy Regulatory Comm'n,* 621 F.3d 1085, 1101 (9th Cir. 2010).

CAFE standards are not changes NHTSA can practically control or for which NHTSA has continuing program responsibility.

Regarding legal precedent cited by commenters, as noted in the Supreme Court's reversal in *Dept. of Transportation* v. *Public Citizen,* 541 U.S. 752 (2004), a ''but for'' causal relationship is insufficient to establish practical control where an agency lacks the statutory authority to prevent a certain resource use or emissions increase. Contrary to the commenters' claims, NHTSA is not an environmental regulator, and the agency's direction under EPCA is to set maximum feasible vehicle fuel economy standards by balancing four statutory factors, none of which have an environmental protection basis.

NHTSA, by this rule, does not cause indirect emissions under the General Conformity Rule, and a general conformity determination is not required.

3. Endangered Species Act (ESA)

Under Section 7(a)(2) of the Endangered Species Act (ESA), Federal agencies must ensure that actions they authorize, fund, or carry out are ''not likely to jeopardize the continued existence'' of any federally listed threatened or endangered species (collectively, ''listed species'') or result in the destruction or adverse modification of the designated critical habitat of these species.[1383] If a Federal agency determines that an agency action may affect a listed species or designated critical habitat, it must initiate consultation with the appropriate service—the U.S. Fish and Wildlife Service (FWS) of the Department of the Interior (DOI) or the National Oceanic and Atmospheric Administration's National Marine Fisheries Service of the Department of Commerce (together, ''the Services''), or both, depending on the species involved—in order to ensure that the action is not likely to jeopardize the species or destroy or adversely modify designated critical habitat.[1384] Under this standard, the Federal agency taking action evaluates the possible effects of its action and determines whether to initiate consultation.[1385]

The Services have previously provided legal and technical guidance about whether CO_2 emissions associated with a specific proposed Federal action trigger ESA Section 7(a)(2) consultation. NHTSA analyzed the Services' history of actions, analysis, and guidance in Appendix G of the MY 2012–2016 CAFE standards EIS and incorporates that analysis by reference here.[1386] In that appendix, NHTSA looked at the history of the Polar Bear Special Rule and several guidance memoranda provided by FWS and the U.S. Geological Survey. Ultimately, DOI concluded that a causal link could not be made between CO_2 emissions associated with a proposed Federal action and specific effects on listed species; therefore, no Section 7(a)(2) consultation would be required.

Subsequent to the publication of that appendix, a court vacated the Polar Bear Special Rule on NEPA grounds, though it upheld the ESA analysis as having a rational basis.[1387] FWS then issued a revised Final Special Rule for the Polar Bear.[1388] In that final rule, FWS provided for ESA Section 7, that the determination of whether consultation is triggered is narrow and focused on the discrete effect of the proposed agency action. FWS wrote that, ''the consultation requirement is triggered only if there is a causal connection between the proposed action and a discernible effect to the species or critical habitat that is reasonably certain to occur. One must be able to 'connect the dots' between an effect of proposed action and an impact to the species and there must be a reasonable certainty that the effect will occur.'' [1389] The statement in the revised Final Special Rule is consistent with the prior guidance published by FWS and remains valid.[1390] If the consequence is not reasonably certain to occur, it is not an ''effect of a proposed action'' and does not trigger the consultation requirement.

In the NPRM for this action, NHTSA stated that, pursuant to Section 7(a)(2) of the ESA, NHTSA considered the effects of the proposed CAFE standards and reviewed applicable ESA regulations, case law, and guidance to determine what, if any, impact there might be to listed species or designated critical habitat. NHTSA stated that, based on this assessment, the agency determined that the action of setting CAFE standards does not require consultation under Section 7(a)(2) of the ESA.

During the public comment period, NHTSA received comments from the NRDC and other organizations asserting that the agency violated the ESA by failing to consult under Section 7.[1391] The commenters argued that the rule's projected increases in CO_2 emissions (approximately one billion metric tons by 2050) and NO_X emissions (between 55,000 and 170,000 tons) satisfy the ''may affect'' threshold. Specifically, commenters claimed that the increased CO_2 emissions will accelerate Arctic Sea ice loss, harming the threatened polar bear, while increased NO_X emissions will lead to nitrogen deposition that harms the threatened bay checkerspot butterfly by creating soil conditions for invasive grasses. Finally, the commenters alleged that NHTSA failed to conduct a proper effects determination, claiming there was no evidence of such an assessment in the record.

NHTSA disagrees with the commenters' assertions that this rulemaking triggers Section 7 consultation. As established by FWS guidance, a consultation requirement is triggered only if there is a causal connection between the proposed action and a discernible effect on a species or critical habitat that is reasonably certain to occur. While commenters cite broad studies linking global greenhouse gases to sea ice loss and regional nitrogen deposition to habitat degradation, they fail to establish a discrete, reasonably certain causal link between the specific incremental emissions attributable to this CAFE rulemaking and a discernible impact on the polar bear, the bay checkerspot butterfly, or any other listed species. It does not appear possible to establish a causal connection between the marginal vehicle emissions shifts resulting from this specific action and those localized environmental harms. Furthermore, NHTSA's review of the applicable ESA regulations, historical guidance, and case law discussed above constitutes the agency's formal effects determination, which satisfies the

[1383] 16 U.S.C. 1536(a)(2).

[1384] *See* 50 CFR 402.14.

[1385] *See* 50 CFR 402.14(a) (''Each Federal agency shall review its actions at the earliest possible time to determine whether any action may affect listed species or critical habitat.'').

[1386] Available on NHTSA's Corporate Average Fuel Economy website at: NHTSA, Appendix G: Endangered Species Act Consideration, In Final Environmental Impact Statement for Corporate Average Fuel Economy Standards, Passenger Cars and Light Trucks, Model Years 2012–2016, NHTSA: Washington, DC (2010), available at: *https://static.nhtsa.gov/nhtsa/downloads/CAFE/2012-2016%20Docs-PCLT/2012-2016%20Final%20Environmental%20Impact%20Statement/Appendix_G_Endangered_Species_Act_Consideration.pdf* (accessed: June 11, 2026).

[1387] *In re: Polar Bear Endangered Species Act Listing and section 4(D) Rule Litigation,* 818 F.Supp.2d 214 (D.D.C. Oct. 17, 2011).

[1388] 78 FR 11766 (Feb. 20, 2013).

[1389] 78 FR 11784–11785 (Feb. 20, 2013).

[1390] See DOI, Guidance on the Applicability of the Endangered Species Act Consultation Requirements to Proposed Actions Involving the Emissions of Greenhouse Gases, Solicitor's Opinion No. M–37017, DOI: Washington, DC (2008), available at: *https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/M-37017.pdf* (accessed: June 11, 2026).

[1391] NRDC *et al.,* Docket No. NHTSA–2025–0491–5928, at 15.

agency's obligations under 50 CFR 402.14(a).

Based on this assessment, NHTSA determined that the action of setting CAFE standards does not require consultation under Section 7(a)(2) of the ESA. NHTSA's determination remains unchanged from the proposal and concludes the agency's review of this action under Section 7 of the ESA.

4. Other Regulatory Analyses Discussed in the Final SEIS

NHTSA conducted qualitative reviews of the impacts of action alternatives on potentially affected resources, including those related to the statutory requirements and orders listed below, in the Draft SEIS, and determined that setting CAFE standards for passenger cars and light trucks is not the type of activity to have impacts on such resource categories. NHTSA's determination remains unchanged from the proposal:

- National Historic Preservation Act (NHPA);
- Fish and Wildlife Conservation Act (FWCA);
- Coastal Zone Management Act (CZMA);
- Floodplain Management (E.O. 11988 and DOT Order 5650.2);
- Preservation of the Nation's Wetlands (E.O. 11990 and DOT Order 5660.1a);
- Migratory Bird Treaty Act (MBTA), Bald and Golden Eagle Protection Act (BGEPA), E.O. 13186; and
- Department of Transportation Act (Section 4(f)).

A commenter noted that NHTSA should consult with other agencies or outside experts about causal connections between this final rule and the resource categories covered under ESA and other statutes and orders listed above, such as endangered species, ecological damage, wildlife, and wetlands.[1392] In light of this comment, NHTSA re-evaluated its obligations under the ESA and other statutes, regulations, case law, and guidance. Ultimately, NHTSA arrived at the same determination as in the NPRM, namely that, though there may be a general association between the actions undertaken in this final rule and environmental impacts, as described in this preamble and the Final SEIS, the setting of CAFE standards for passenger cars and light trucks is not the type of activity that has impacts on the resource categories identified by the commenter. Furthermore, NHTSA lacks sufficient authority under EPCA to regulate for these purposes. As such, NHTSA finds it unnecessary to conduct any additional analyses beyond those conducted for the NPRM and the Draft SEIS.

5. Executive Order 13045: ''Protection of Children From Environmental Health Risks and Safety Risks''

This final rule is subject to E.O. 13045 (62 FR 19885, Apr. 23, 1997). Pursuant to E.O. 13045, NHTSA must prepare an evaluation of the environmental health or safety effects of the planned action on children, and an explanation of why the planned action is preferable to other potentially effective and reasonably feasible alternatives considered by NHTSA. Further, this analysis may be included as part of any other required analysis.

While children are more vulnerable to adverse health effects related to mobile source emissions, environmental and health effects associated with criteria pollutant and toxic air pollutant emissions estimated from the final standards vary over time and across alternatives, and negative effects, when estimated, are extremely small. In addition, as discussed above, effects will vary based on how manufacturers respond to standards and how consumers choose to drive. This preamble and the Final SEIS discuss air quality, climate, and their related environmental and health effects. In addition, Section V of this preamble explains why NHTSA believes the finalized CAFE standards are preferable to other alternatives considered. Together, this preamble and Final SEIS satisfy NHTSA's responsibilities under E.O. 13045.

6. Executive Order 14154: ''Unleashing American Energy''

E.O. 14154, ''Unleashing American Energy'' (90 FR 8353, Jan. 29, 2025), announced the administration's policy regarding energy resources, specifically to promote the production, distribution, and use of reliable domestic energy supplies, including oil, natural gas, and biofuels; to ensure that all regulatory requirements related to energy are ''grounded in clearly applicable law''; and ''to eliminate the 'electric vehicle (EV) mandate' and promote true consumer choice'' [1393] by ''removing regulatory barriers to motor vehicle access; by ensuring a level regulatory playing field for consumer choice in vehicles; by terminating, where appropriate, State emissions waivers that function to limit sales of gasoline-powered automobiles; and by considering the elimination of unfair subsidies and other ill-conceived government-imposed market distortions that favor EVs over other technologies and effectively mandate their purchase by individuals, private businesses, and government entities alike by rendering other types of vehicles unaffordable.'' [1394] E.O. 14154 also directs agencies to adhere only to relevant legislated requirements for environmental considerations and to eliminate any considerations beyond these requirements. Further, E.O. 14154 specifically directed the CEQ to propose rescinding its NEPA regulations found at 40 CFR 1500. CEQ rescinded its NEPA regulations in an interim final rule published on February 25, 2025, which was adopted as final on January 8, 2026.[1395]

This final rule follows the direction of E.O. 14154 to ensure that all analysis related to energy is grounded in clearly applicable law and that only the relevant legislated requirements for environmental considerations and any considerations beyond these requirements are eliminated from the assessment of maximum feasible standards and the Final SEIS.

7. Executive Order 14173: ''Ending Illegal Discrimination and Restoring Merit-Based Opportunity''

E.O. 14173, ''Ending Illegal Discrimination and Restoring Merit-Based Opportunity'' (90 FR 8633, Jan. 31, 2025), removed ''diversity, equity, and inclusion'' (DEI) and ''diversity, equity, inclusion, and accessibility'' (DEIA) principles from mandates, policies, programs, activities, guidance, regulations, and requirements. This Executive Order revoked E.O. 12898, ''Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations'' (59 FR 7629, Feb. 11, 1994), which directed Federal agencies to identify and address, as appropriate, ''disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations.'' [1396] The final rule is in compliance with E.O. 14173, and the Final SEIS analyzes the impacts on the quality of life of all Americans potentially affected by the final rule.

[1392] Roselie Bright, Docket No. NHTSA–2025–0491–4891, at 4.

[1393] E.O. 14154, sec. 2.

[1394] E.O. 14154, sec. 2(e).

[1395] *See* Removal of National Environmental Policy Act Implementing Regulations, 90 FR 10610 (Feb. 25, 2025) (interim final rule); 91 FR 618 (Jan. 8, 2026) (final rule).

[1396] E.O. 12898, sec. 1–101.

C. Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.,* as amended), whenever an agency is required to publish an NPRM or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (*e.g.,* small businesses, small organizations, and small governmental jurisdictions). No regulatory flexibility analysis is required if the head of an agency certifies the rule will not have a significant economic impact on a substantial number of small entities and publishes with the rule a statement of the factual basis for certifying that a rule will not have a significant economic impact on a substantial number of small entities.

NHTSA has considered the impacts of this final rule under the Regulatory Flexibility Act, and the NHTSA Administrator certifies this final rule will not have a significant economic impact on a substantial number of small entities. NHTSA's statement providing the factual basis for this certification pursuant to 5 U.S.C. 605(b) follows.

Small businesses are defined based on the North American Industry Classification System (NAICS) code.[1397] One of the criteria for determining size is the number of employees in the firm. For establishments primarily engaged in manufacturing or assembling automobiles, the firm must have less than 1,500 employees to be classified as a small business. This rulemaking would affect motor vehicle manufacturers. As shown in Table VII–1, NHTSA has identified nine small manufacturers that produce passenger cars, light trucks, and SUVs. NHTSA acknowledges that some very new manufacturers may potentially not be listed. However, those new manufacturers tend to have transportation products that are not part of the light-duty vehicle fleet and have yet to start production of relevant vehicles.[1398]

Table VII-1: Small Domestic Manufacturers

Manufacturers	Founded	Employees[1399]	Estimated Annual Production[1400]
BXR Motors	2007	< 25	< 100
Equus Automotive	2008	< 25	< 100
Faraday Future	2014	644	<100
Lyons Motor Car	2012	< 25	< 100
Panoz	1988	< 50	< 100
RAESR	2013	< 25	< 100
Rezvani Motors	2014	< 25	< 100
Saleen Automotive, Inc.	1984	110	< 100
SSC Automotive	1999	< 25	< 100

NHTSA believes that the final rule would not have a significant economic impact on small vehicle manufacturers. The final rule is intended to reset the CAFE standards consistent with NHTSA's statutory authority. In addition, under 49 CFR part 525, passenger car manufacturers building less than 10,000 vehicles per year can petition NHTSA to have alternative standards apply to them. The listed manufacturers producing gasoline- and diesel-powered vehicles do not currently meet the standard and must already petition NHTSA for relief. This final rule to amend standards is not expected to have a meaningful impact on these manufacturers—they are still expected to be required to go through the same process and petition for relief, as the amended standards are expected to exceed the maximum feasibility of these small manufacturers. Accordingly, a regulatory flexibility analysis was not prepared.

D. Executive Order 13132 (''Federalism'')

E.O. 13132, ''Federalism'' (64 FR 43255, Aug. 10, 1999), requires Federal agencies to develop an accountable process to ensure ''meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.'' E.O. 13132 defines the term ''[p]olicies that have federalism implications'' to include regulations that 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.'' Under this order, agencies may not issue a regulation that has federalism implications, which imposes substantial direct compliance costs, unless the Federal Government provides the funds necessary to pay the direct compliance costs incurred by the State and local governments, or the agencies consult with State and local officials early in the process of developing the final rule.

NHTSA has determined that this final rule does not implicate E.O. 13132 because it neither imposes substantial direct compliance costs on State, local, or tribal governments, nor does it

[1397] Classified in NAICS under Subsector 336—Transportation Equipment Manufacturing for Automobile and Light Duty Motor Vehicle Manufacturing (336110). See U.S. Small Business Administration, Table of Size Standards, effective March 17, 2023, U.S. Small Business Administration: Washington, DC (2023), available at: *https://www.sba.gov/document/support-table-size-standards* (accessed: June 10, 2026).

[1398] 5 U.S.C. 605(b).

[1399] Estimated number of employees as of Jan. 2026, source: *linkedin.com*, *zoominfo.com*, *rocketreach.co*, and *datanyze.com*.

[1400] Rough estimate of LDV production for MY 2025.

preempt State law. NHTSA is not taking any action regarding preemption in this final rule and has determined that even though EPCA gives the agency express preemption authority, preemption is best executed through other actions. This rule's purpose is to finalize amended CAFE standards. Nothing in EPCA/EISA provides that NHTSA must make a determination or pronouncement on preemption in actions setting or amending CAFE standards. Thus, this final rule does not implicate the consultation procedures that E.O. 13132 imposes on agency regulations that would either preempt State law or impose substantial direct compliance costs on State, local, or tribal governments, as the only entities subject to this final rule are vehicle manufacturers.

E. Executive Order 12988 (''Civil Justice Reform'')

With respect to the review of the promulgation of a new regulation, Section 3(b) of E.O. 12988, ''Civil Justice Reform'' (61 FR 4729, Feb. 7, 1996), requires that executive agencies make every reasonable effort to ensure that the regulation: (1) clearly specifies the preemptive effect; (2) clearly specifies the effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct, while promoting simplification and burden reduction; (4) clearly specifies the retroactive effect, if any; (5) specifies whether administrative proceedings are to be required before parties file suit in court; (6) adequately defines key terms; and (7) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. This document is consistent with these requirements.

NHTSA has examined this final rule to reset the CAFE standards applicable to MYs 2022–2026 and MYs 2027–2031 and determined that it meets the requirements of the Executive Order. In particular, the issue of preemption is discussed above and the agency's assessment of the rule's effect on prior model years is discussed in Section V. NHTSA notes further that there is no requirement that individuals submit a petition for reconsideration or pursue other administrative proceedings before they file suit in court. In addition, the rule provides a clear legal standard for compliance, establishing CAFE standards for passenger cars and light trucks for MYs 2022–2026 and MYs 2027–2031.

F. Executive Order 13175 (''Consultation and Coordination With Indian Tribal Governments'')

This final rule does not have tribal implications, as specified in E.O. 13175, ''Consultation and Coordination with Indian Tribal Governments'' (65 FR 67249, Nov. 9, 2000). This final rule would be implemented at the Federal level and would directly impact only vehicle manufacturers. Thus, E.O. 13175, which requires consultation with tribal officials when agencies are developing policies that have ''substantial direct effects'' on tribes and tribal interests, does not apply to this final rule.

G. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires Federal agencies to prepare a written assessment of the costs, benefits, and other effects of a proposed or final rule that includes a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million in any 1 year (adjusted for inflation with base year of 1995). Adjusting this amount by the implicit GDP price deflator for 2024 results with $187 million (125.23/66.939=1.87).[1401] Before promulgating a rule for which a written statement is needed, Section 205 of UMRA generally requires NHTSA to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost effective, or least burdensome alternative that achieves the objective of the rule. The provisions of Section 205 do not apply when they are inconsistent with applicable law. Moreover, Section 205 allows NHTSA to adopt an alternative other than the least costly, most cost effective, or least burdensome alternative if NHTSA publishes with the rule an explanation of why that alternative was not adopted.

This final rule will not result in the expenditure by State, local, or tribal governments, in the aggregate, of more than $187 million annually, but it will result in cost savings exceeding that amount for vehicle manufacturers and their suppliers. In developing this final rule, NHTSA considered a range of alternative fuel economy standards. As explained in detail in Section V of the preamble above, NHTSA concludes its selected alternatives are the maximum feasible alternatives that achieve the objectives of this final rule, as required by EPCA/EISA.

H. Regulation Identifier Number

DOT assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in the spring and fall of each year. The RIN contained in the heading at the beginning of this document may be used to find this action in the Unified Agenda.

I. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) requires NHTSA to evaluate and use existing voluntary consensus standards in its regulatory activities unless doing so would be inconsistent with applicable law (*i.e.,* the statutory provisions regarding NHTSA's vehicle safety authority) or otherwise impractical.[1402] Voluntary consensus standards are technical standards developed or adopted by voluntary consensus standards bodies. Technical standards are defined by the NTTAA as ''performance-based or design-specific technical specification and related management systems practices.'' They pertain to ''products and processes, such as the size, strength, or technical performance of a product, process, or material.'' [1403] Examples of organizations generally regarded as voluntary consensus standards bodies include the American Society for Testing and Materials, International, the SAE, and the American National Standards Institute (ANSI). If NHTSA does not use available and potentially applicable voluntary consensus standards, it is required by the act to provide Congress, through OMB, an explanation of reasons for not using such standards.

NHTSA is incorporating by reference two SAE standards into this rule. NHTSA considered several options for evaluating a vehicle's tow rating for purposes of classification as a non-passenger automobile and has opted to use trailer weight rating (TWR) defined in accordance with SAE J2807 in the finalized provisions for the new LDWF pathway. SAE J2807 is an objective, industry-accepted, test-based methodology for evaluating towing capacity. In addition, many U.S. and Japanese auto manufacturers have well-

[1401] Bureau of Economic Analysis (BEA), National Income and Product Accounts, NIPA Table 1.1.9: Implicit Price Deflators for Gross Domestic Product (2025), available at: *https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey* (accessed: June 9, 2026).

[1402] 15 U.S.C. 272.

[1403] 142 Cong. Rec. S1081 (Feb. 7, 1996) (statement of Sen. Rockefeller).

documented use of SAE J2807 for their tow ratings dating back to at least 2015. This is discussed in more detail in Section VI, above. In addition, NHTSA has long referenced SAE J1100 for purposes of the definition of *passenger-carrying volume.* NHTSA is finalizing a technical change to the definition of *passenger-carrying volume* to update the title of SAE Surface Vehicle Recommended Practice J1100, Motor Vehicle Dimensions. Though not proposed in the NPRM, this change is being finalized as a technical amendment that has no regulatory impact. NHTSA is also adding SAE J1100 NOV2009 to the list of materials incorporated by reference in § 523.11. This is also discussed in more detail in Section VI, above.

J. Incorporation by Reference

Under regulations issued by the Office of the Federal Register (1 CFR 51.5), an agency, as part of a proposed rule that includes material incorporated by reference, must summarize material that is proposed to be incorporated by reference and discuss the ways the material is reasonably available to interested parties or how the agency worked to make materials available to interested parties. At the final rule stage, regulations require that the agency seek formal approval, summarize the material that it incorporates by reference in the preamble of the final rule, discuss the ways that the materials are reasonably available to interested parties, and provide other specific information to the Office of the Federal Register.

NHTSA is incorporating by reference two SAE standards into this rule. NHTSA incorporates by reference SAE J2807 Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, specifically the TWR definition used in that standard. SAE J2807 establishes minimum performance criteria at GCWR and calculation methodology to determine tow-vehicle TWR for passenger cars, multipurpose passenger vehicles, and trucks. NHTSA's regulations will use TWR for manufacturers to determine whether a vehicle qualifies as a non-passenger automobile for purposes of the CAFE program. NHTSA also incorporates by reference SAE J1100 Motor Vehicle Dimensions (NOV2009). SAE J1100 defines a set of measurements and standard procedures for motor vehicle dimensions. NHTSA specifies that this standard should be used for measurements related to the definition of *passenger-carrying volume* as specified in 49 CFR part 523.

All standards incorporated by reference in this rule are available for review at NHTSA's headquarters in Washington, DC, and for purchase from SAE. In addition, SAE's Reading Room provides public access to foreign-government authored content and the sections of SAE standards that have been incorporated by reference into the CFR, at *https://www.sae.org/standards/sae-reading-room.*

K. Department of Energy Review

In accordance with 49 U.S.C. 32902(j)(2), NHTSA submitted this final rule to DOE for review. The agency did not make any comments that NHTSA did not address.[1404]

L. Paperwork Reduction Act

Under the procedures established by the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 *et seq.*), Federal agencies must obtain approval from OMB for each collection of information they conduct, sponsor, or require through regulations. A person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid OMB control number. This final rule implements changes that relate to information collections that are subject to the PRA. Accordingly, NHTSA is forwarding an Information Collection Request (ICR) for a modification to NHTSA's existing information collection for CAFE Reporting to OMB for approval.

This final rule modifies NHTSA's previously approved ICR for its CAFE program (OMB control number 2127–0019). NHTSA sought comment on its intention to seek approval from OMB for this modification in the proposal and forwarded the ICR to OMB for approval. OMB deferred approval of this ICR and instructed NHTSA to resubmit the ICR with publication of the final rule. NHTSA is now resubmitting its request for revision of its existing CAFE information collection.

NHTSA's ICR describes the nature of the information collections for the CAFE program and their expected burden. As described in the NPRM, the ICR covers requirements for manufacturers to submit information on CAFE standards, exemptions, vehicles, technologies, and CAFE compliance test results. Manufacturers also provide information on any of the flexibilities and incentives they use during the model year to comply with CAFE standards. These reporting requirements are necessary to ensure compliance with its CAFE program.

In the NPRM, NHTSA proposed changes to the CAFE program's standardized reporting templates for manufacturers to submit information to NHTSA on their vehicle production and CAFE credits used to comply with the CAFE standards. In the ICR for the NPRM, NHTSA proposed modifications to the previously approved collection, including: (1) amending reporting elements related to vehicle classification on the pre-model year and mid-model year reports; (2) removing data elements related to AC and OC fuel consumption incentive values (FCIVs), in line with the AC and OC FCIV alternative pathways ending with MY 2026; (3) removing reporting requirements for credit trading in line with NHTSA's proposal to end credit trading with MY 2027, which includes credit trade contracts, credit allocation plans, credit transaction requests, and credit value reports; and (4) updating the pre-model year and mid-model year reporting templates to align with revised requirements. NHTSA is also removing reporting related to fuel consumption incentive values earned by full-size pickup trucks, which ended in MY 2024. As noted in the NPRM, these changes are expected to result in a decrease in burden to respondents. As a result of these changes, NHTSA estimated the total annual burden associated with the ICR would be 4,576 hours, a decrease of 285 hours from the previously approved collection which had an estimated burden of 4,861 hours.

While NHTSA did not receive any comments about its burden estimates, NHTSA did receive comments on the proposed changes to reporting requirements. NHTSA discusses these comments and the agency's response in the relevant sections above (See Section VI.B.4). After reviewing the comments, NHTSA is revising reporting requirements, as discussed in Section VI. Accordingly, the modifications to the ICR from NHTSA's previous approval are as follows: (1) amending reporting elements related to vehicle classification on the pre-model and mid-model reports as discussed in Section VI.B.4; (2) removing reporting requirements for credit trading in line with NHTSA ending the program for credits earned after MY 2027 (though credits earned through MY 2027 may be traded and used for up to five model years after they were used); (3) removing information collection requirements related to AC and OC FCIV petitions, which are set to end in MY 2026; and (4) updating the pre-model year and mid-model year reporting templates to

[1404] Memorandum from U.S. Department of Energy, Corporate Average Fuel Economy (Aug. 8, 2026).

align with finalized changes. NHTSA is also removing reporting related to fuel consumption incentive values earned by full-size pickup trucks, which ended in MY 2024. NHTSA determined that no changes to the burden estimates included in the NPRM are warranted. Therefore, for the ICR NHTSA is forwarding to OMB for approval, NHTSA estimates that the total burden for the collection is 4,576 hours and $0. For additional information, see the supporting documentation for this ICR that is posted to the docket.[1405]

List of Subjects

49 CFR Part 523

Fuel economy, Incorporation by reference.

49 CFR Part 531

Energy conservation, Fuel economy, Gasoline, Imports, Motor vehicles, Reporting and recordkeeping requirements.

49 CFR Parts 533, 536, and 537

Fuel economy, Reporting and recordkeeping requirements.

49 CFR Part 578

Imports, Motor vehicle safety, Motor vehicles, Penalties, Rubber and rubber products.

For the reasons discussed in the preamble, NHTSA is amending 49 CFR parts 523, 531, 533, 536, 537, and 578 as follows:

■ 1. Revise part 523 to read as follows:

PART 523—VEHICLE CLASSIFICATION

Sec.

523.1 Scope.
523.2 Definitions.
523.3 Automobile.
523.4 Passenger automobile.
523.5 Non-passenger automobile.
523.6 Heavy-duty vehicle.
523.7 Heavy-duty pickup trucks and vans.
523.8 Heavy-duty vocational vehicle.
523.9 Truck tractors.
523.10 Heavy-duty trailers.
523.11 Incorporation by reference.

Authority: 49 U.S.C. 32901; delegation of authority at 49 CFR 1.95.

§ 523.1 Scope.

This part establishes categories of vehicles subject to title V of the Motor Vehicle Information and Cost Savings Act, 49 U.S.C. 32901 *et seq.*

§ 523.2 Definitions.

As used in this part:

Ambulance has the meaning given in 40 CFR 86.1803.

Approach angle means the smallest angle, in a plane side view of an automobile, formed by the level surface on which the automobile is standing and a line tangent to the front tire static loaded radius arc and touching the underside of the automobile forward of the front tire.

Axle clearance means the vertical distance from the level surface on which an automobile is standing to the lowest point on the axle differential of the automobile.

Base tire (for passenger automobiles, non-passenger automobiles, and medium-duty passenger vehicles) means the tire size specified as standard equipment by the manufacturer on each unique combination of a vehicle's footprint and model type.

Basic vehicle frontal area is used as defined in 40 CFR 86.1803–01 for passenger automobiles, non-passenger automobiles, medium-duty passenger vehicles and Class 2b through 3 pickup trucks and vans. For heavy-duty tracts and vocational vehicles, it has the meaning given in 40 CFR 1037.801.

Breakover angle means the supplement of the largest angle, in the plane side view of an automobile that can be formed by two lines tangent to the front and rear static loaded radii arcs and intersecting at a point on the underside of the automobile.

Bus has the meaning given in 49 CFR 571.3.

Cab-complete vehicle means a vehicle that is first sold as an incomplete vehicle that substantially includes the vehicle cab section as defined in 40 CFR 1037.801. For example, vehicles known commercially as chassis-cabs, cab-chassis, box-deletes, bed-deletes, and cut-away vans are considered cab-complete vehicles. A cab includes a steering column and a passenger compartment. Note that a vehicle lacking some components of the cab is a cab-complete vehicle if it substantially includes the cab.

Cargo-carrying volume means the luggage capacity or cargo volume index, as appropriate, and as those terms are defined in 40 CFR 600.315–08, in the case of automobiles to which either of these terms apply. With respect to automobiles to which neither of these terms apply, ''cargo-carrying volume'' means the total volume in cubic feet, rounded to the nearest 0.1 cubic feet, of either an automobile's enclosed non-seating space that is intended primarily for carrying cargo and is not accessible from the passenger compartment, or the space intended primarily for carrying cargo bounded in the front by a vertical plane that is perpendicular to the longitudinal centerline of the automobile and passes through the rearmost point on the rearmost seat and elsewhere by the automobile's interior surfaces.

Class 2b vehicles are vehicles with a gross vehicle weight rating (GVWR) ranging from 8,501 to 10,000 pounds.

Class 3 through Class 8 vehicles are vehicles with a gross vehicle weight rating (GVWR) of 10,001 pounds or more as defined in 49 CFR 565.15.

Coach bus has the meaning given in 40 CFR 1037.801.

Commercial medium- and heavy-duty on-highway vehicle means an on-highway vehicle with a gross vehicle weight rating of 10,000 pounds or more as defined in 49 U.S.C. 32901(a)(7).

Complete vehicle has the meaning given to *completed vehicle* as defined in 49 CFR 567.3.

Concrete mixer has the meaning given in 40 CFR 1037.801.

Curb weight means:

(1) For vehicles produced through model year (MY) 2027, the actual or the manufacturer's estimated weight of the vehicle in operational status with all standard equipment, and weight of fuel at nominal tank capacity, and the weight of optional equipment computed in accordance with 40 CFR 86.1832–01;

(2) For vehicles produced in MY 2028 and beyond, the actual weight of the vehicle in operational status, including the weight of all standard and all optional equipment installed on the vehicle as sold to the first retail purchaser, and the weight of the fuel at nominal tank capacity.

Dedicated vehicle has the same meaning as dedicated automobile as defined in 49 U.S.C. 32901(a)(8).

Departure angle means the smallest angle, in a plane side view of an automobile, formed by the level surface on which the automobile is standing and a line tangent to the rear tire static loaded radius arc and touching the underside of the automobile rearward of the rear tire.

Dual-fueled vehicle (multi-fuel, or flexible-fuel vehicle) has the same meaning as dual fueled automobile as defined in 49 U.S.C. 32901(a)(9).

Electric vehicle means a vehicle that does not include a combustion engine and is powered solely by an external source of electricity and/or solar power. Note that this does not include hybrid-electric or hydrogen combustion vehicles that use a chemical fuel such as gasoline, diesel fuel, or hydrogen. Electric vehicles may also be referred to as BEVs and fuel cell electric vehicles to distinguish them from hybrid-electric vehicles.

Emergency vehicle means one of the following:

(1) For passenger automobiles, non-passenger automobiles, and medium-

[1405] Docket No. NHTSA–2025–0491.

duty passenger vehicles, emergency vehicle has the meaning given in 49 U.S.C. 32902(e).

(2) For heavy-duty vehicles, emergency vehicle has the meaning given in 40 CFR 1037.801.

Engine code has the meaning given in 40 CFR 86.1803.

Final-stage manufacturer has the meaning given in 49 CFR 567.3.

Fire truck has the meaning given in 40 CFR 86.1803.

Footprint is defined as the product of track width (measured in inches, calculated as the average of front and rear track widths, and rounded to the nearest tenth of an inch) times wheelbase (measured in inches and rounded to the nearest tenth of an inch), divided by 144 and then rounded to the nearest tenth of a square foot. For purposes of this definition, track width is the lateral distance between the centerlines of the base tires at ground, including the camber angle. For purposes of this definition, wheelbase is the longitudinal distance between front and rear wheel centerlines.

Full-size pickup truck means a non-passenger automobile, including a medium-duty passenger vehicle, that meets the specifications in 40 CFR 86.1803–01 for a full-size pickup truck.

Gross axle weight rating (GAWR) has the meaning given in 49 CFR 571.3.

Gross combination weight rating (GCWR) has the meaning given in 49 CFR 571.3.

Gross vehicle weight rating (GVWR) has the meaning given in 49 CFR 571.3.

Heavy-duty engine means any engine used for (or for which the engine manufacturer could reasonably expect to be used for) motive power in a heavy-duty vehicle. For purposes of this definition in this part, the term ''engine'' includes internal combustion engines and other devices that convert chemical fuel into motive power. For example, a fuel cell and motor used in a heavy-duty vehicle is a heavy-duty engine. Heavy duty-engines include those engines subject to the standards in 49 CFR part 535.

Heavy-duty vehicle means a vehicle as defined in § 523.6.

Hitch means a device attached to the chassis of a vehicle for towing.

Incomplete vehicle has the meaning given in 49 CFR 567.3.

Light truck means a non-passenger automobile meeting the criteria in § 523.5. The term light truck includes medium-duty passenger vehicles that meet the criteria in § 523.5 for non-passenger automobiles.

Manufacturer has the meaning given in 49 U.S.C. 32901(a)(14).

Medium-duty passenger vehicle means any complete or incomplete motor vehicle rated at more than 8,500 pounds GVWR and less than 10,000 pounds GVWR that is designed primarily to transport passengers, but does not include a vehicle that—

(1) Is an ''incomplete truck,'' meaning any truck that does not have the primary load carrying device or container attached; or

(2) Has a seating capacity of more than 12 persons; or

(3) Is designed for more than 9 persons in seating rearward of the driver's seat; or

(4) Is equipped with an open cargo area (for example, a pick-up truck box or bed) of 72.0 inches in interior length or more. A covered box not readily accessible from the passenger compartment will be considered an open cargo area for purposes of this definition. (See paragraph (1) of the definition of *medium-duty passenger vehicle* at 40 CFR 86.1803–01.)

Mild hybrid gasoline-electric vehicle means a vehicle as defined by EPA in 40 CFR 86.1866–12(e).

Motor home has the meaning given in 49 CFR 571.3.

Motor vehicle has the meaning given in 49 U.S.C. 30102.

Nominal tank capacity means a fuel tank's volume as specified by the manufacturer.

Optional equipment means any equipment or feature not standard on a vehicle model that is installed by the manufacturer or provided by the manufacturer for installation prior to a vehicle's first retail purchase.

Passenger-carrying volume means the sum of the front seat volume and, if any, rear seat volume, as defined in 40 CFR 600.315–08, in the case of automobiles to which that term applies. With respect to automobiles to which that term does not apply, ''passenger-carrying volume'' means the sum in cubic feet, rounded to the nearest 0.1 cubic feet, of the volume of a vehicle's front seat and seats to the rear of the front seat, as applicable, calculated as follows with the head room, shoulder room, and leg room dimensions determined in accordance with the procedures outlined in SAE J1100 (incorporated by reference, see § 523.11).

(1) For front seat volume, divide 1,728 into the product of the following SAE dimensions, measured in inches to the nearest 0.1 inches, and round the quotient to the nearest 0.001 cubic feet.

(i) H61-Effective head room—front.

(ii) W3-Shoulder room—front.

(iii) L34-Maximum effective leg room-accelerator.

(2) For the volume of seats to the rear of the front seat, divide 1,728 into the product of the following SAE dimensions, measured in inches to the nearest 0.1 inches, and rounded the quotient to the nearest 0.001 cubic feet.

(i) H63-Effective head room—second.

(ii) W4-Shoulder room—second.

(iii) L51-Minimum effective leg room—second.

Pickup truck means a non-passenger automobile that has a passenger compartment and an open cargo area (bed).

Pintle hooks means a type of towing hitch that uses a tow ring configuration to secure to a hook or a ball combination for the purpose of towing.

Recreational vehicle or RV means a motor vehicle equipped with living space and amenities found in a motor home.

Refuse hauler has the meaning given in 40 CFR 1037.801.

Running clearance means the distance from the surface on which an automobile is standing to the lowest point on the automobile, excluding unsprung weight.

School bus has the meaning given in 49 CFR 571.3.

Standard equipment means those features or equipment which are marketed on a vehicle over which the purchaser can exercise no choice.

Static loaded radius arc means a portion of a circle whose center is the center of a standard tire-rim combination of an automobile and whose radius is the distance from that center to the level surface on which the automobile is standing, measured with the automobile at curb weight, the wheel parallel to the vehicle's longitudinal centerline, and the tire inflated to the manufacturer's recommended pressure.

Strong hybrid gasoline-electric vehicle means a vehicle as defined by EPA in 40 CFR 86.1866–12(e).

Temporary living quarters means a space in the interior of an automobile in which people may temporarily live that includes sleeping surfaces, such as beds, and household conveniences, such as a sink, stove, refrigerator, or toilet.

Transmission class has the meaning given in 40 CFR 600.002.

Transmission configuration has the meaning given in 40 CFR 600.002.

Transmission type has the meaning given in 40 CFR 86.1803.

Truck tractor has the meaning given in 49 CFR 571.3 and 49 CFR 535.5(c). This includes most heavy-duty vehicles specifically designed for the primary purpose of pulling trailers, but does not include vehicles designed to carry other loads. For purposes of this definition ''other loads'' would not include loads carried in the cab, sleeper compartment, or toolboxes. Examples of vehicles

similar to tractors but not tractors under this part include dromedary tractors, automobile haulers, straight trucks with trailers hitches, and tow trucks.

Van means a vehicle with a body that fully encloses the driver and a cargo carrying or work performing compartment. The distance from the leading edge of the windshield to the foremost body section of vans is typically shorter than that of pickup trucks and sport utility vehicles.

Vocational tractor means a tractor that is classified as a vocational vehicle according to 40 CFR 1037.630

Vocational vehicle (or heavy-duty vocational vehicle) has the meaning given in § 523.8 and 49 CFR 535.5(b). This includes any vehicle that is equipped for a particular industry, trade, or occupation such as construction, heavy hauling, mining, logging, oil fields, or refuse and includes vehicles such as school buses, motorcoaches, and RVs.

Work truck means a vehicle that is rated at more than 8,500 pounds and less than or equal to 10,000 pounds gross vehicle weight, and is not a medium-duty passenger vehicle as defined in 49 U.S.C. 32901(a)(19).

§ 523.3 Automobile.

An automobile is any 4-wheeled vehicle propelled by fuel, or by alternative fuel, manufactured primarily for use on public streets, roads, and highways and rated at less than 10,000 pounds gross vehicle weight, except:

(a) A vehicle operated only on a rail line;

(b) A vehicle manufactured in different stages by 2 or more manufacturers, if no intermediate or final-stage manufacturer of that vehicle manufactures more than 10,000 multi-stage vehicles per year; or

(c) A work truck.

§ 523.4 Passenger automobile.

A passenger automobile is any automobile (other than an automobile capable of off-highway operation) manufactured primarily for use in the transportation of not more than 10 individuals. A medium-duty passenger vehicle that does not meet the criteria for non-passenger motor vehicles in § 523.5 is a passenger automobile.

§ 523.5 Non-passenger automobile.

A non-passenger automobile means an automobile that is not a work truck and possesses one or more of the characteristics described in paragraph (a) of this section or meets the off-highway features described in paragraph (b) of this section. A medium-duty passenger vehicle that meets the criteria in either paragraph (a) or (b) of this section is a non-passenger automobile.

(a) An automobile not manufactured primarily for transporting 10 or fewer individuals, determined by the presence of at least one of the following chief characteristics:

(1) Transports more than 10 individuals;

(2) Provides temporary living quarters, as defined in § 523.2;

(3) Transports property on an open bed;

(4) Provides, as sold to the first retail purchaser, greater cargo-carrying than passenger-carrying volume, such as in a cargo van; if a vehicle is sold with two or more rows of seating, its cargo-carrying volume is determined with those seats installed, regardless of whether the manufacturer has described that seat as optional; or

(5) Permits expanded use of the automobile for cargo-carrying purposes or other non-passenger-carrying purposes through:

(i) For automobiles manufactured in model year 2022 through model year 2029, for vehicles equipped with at least 3 rows of designated seating positions as standard equipment, permit expanded use of the automobile for cargo-carrying purposes or other non-passenger-carrying purposes through the removal or stowing of foldable or pivoting seats so as to create a flat, leveled cargo surface extending from the forwardmost point of installation of those seats to the rear of the automobile's interior.

(ii) [Reserved]

(6) For automobiles manufactured in model year 2030 and beyond, as sold to the first retail purchaser, has a light-duty work factor (LDWF) value greater than or equal to 8500, calculated according to equation 1 to this paragraph (a).

$$LDWF = [GVWR - C_w] + [TWR]$$

Where:

GVWR is the gross vehicle weight rating;
C_w is the curb weight;
TWR is the Trailer Weight Rating, determined in accordance with SAE J2807 (incorporated by reference, see § 523.11);
GVWR minus C_w is the payload capacity.

(b) An automobile capable of off-highway operation, as indicated by the presence of the significant features contained in this paragraph (b):

(1)(i) Has 4-wheel drive; or

(ii) Is rated at more than 6,000 pounds gross vehicle weight; and

(2) For automobiles manufactured through model year 2029, has at least four of the following high ground clearance feature characteristics measured when the automobile is at curb weight, on a level surface, with the front wheels parallel to the automobile's longitudinal centerline, and the tires inflated to the manufacturer's recommended pressure—

(i) Approach angle of not less than 28 degrees.

(ii) Breakover angle of not less than 14 degrees.

(iii) Departure angle of not less than 20 degrees.

(iv) Running clearance of not less than 20 centimeters.

(v) Front and rear axle clearances of not less than 18 centimeters each.

(3) For automobiles manufactured in model year 2030 and beyond, has all four of the following high ground clearance feature characteristics measured when the automobile is at curb weight, on a level surface, with the front wheels parallel to the automobile's longitudinal centerline, and the tires inflated to the manufacturer's recommended pressure—

(i) Approach angle of not less than 28 degrees.

(ii) Breakover angle of not less than 14 degrees.

(iii) Departure angle of not less than 20 degrees.

(iv) Running clearance of not less than 20 centimeters.

§ 523.6 Heavy-duty vehicle.

(a) A heavy-duty vehicle is any commercial medium- or heavy-duty on-highway vehicle or a work truck, as defined in 49 U.S.C. 32901(a)(7) and (19). For the purpose of this section, heavy-duty vehicles are divided into three regulatory categories as follows:

(1) Heavy-duty pickup trucks and vans;

(2) Heavy-duty vocational vehicles; and

(3) Truck tractors with a GVWR above 26,000 pounds.

(b) The heavy-duty vehicle classification does not include vehicles excluded as specified in 49 CFR 535.3.

§ 523.7 Heavy-duty pickup trucks and vans.

(a) Heavy-duty pickup trucks and vans are pickup trucks and vans with a gross vehicle weight rating between 8,501 pounds and 14,000 pounds (Class 2b through 3 vehicles) manufactured as complete vehicles by a single or final-stage manufacturer or manufactured as incomplete vehicles as designated by a manufacturer. See references in 40 CFR 86.1801–12, 40 CFR 86.1819–17, 40 CFR 1037.150, and 49 CFR 535.5(a).

(b) Heavy duty vehicles above 14,000 pounds GVWR may be optionally certified as heavy-duty pickup trucks and vans and comply with fuel consumption standards in 49 CFR 535.5(a), if properly included in a test group with similar vehicles at or below 14,000 pounds GVWR. Fuel consumption standards apply to these vehicles as if they were Class 3 heavy-duty vehicles. The work factor for these vehicles may not be greater than the largest work factor that applies for vehicles in the test group that are at or below 14,000 pounds GVWR (see 40 CFR 86.1819–14).

(c) Incomplete heavy-duty vehicles at or below 14,000 pounds GVWR may be optionally certified as heavy-duty pickup trucks and vans and comply with the fuel consumption standards in 49 CFR 535.5(a).

§ 523.8 Heavy-duty vocational vehicle.

Heavy-duty vocational vehicles are vehicles with a gross vehicle weight rating (GVWR) above 8,500 pounds excluding:

(a) Heavy-duty pickup trucks and vans defined in § 523.7;

(b) Medium-duty passenger vehicles; and

(c) Truck tractors, except vocational tractors, with a GVWR above 26,000 pounds.

§ 523.9 Truck tractors.

Truck tractors for the purpose of this part are considered as any truck tractor as defined in 49 CFR part 571 having a GVWR above 26,000 pounds.

§ 523.10 Heavy-duty trailers.

(a) A trailer means a motor vehicle with or without motive power, designed for carrying cargo and for being drawn by another motor vehicle as defined in 49 CFR 571.3. For the purpose of this part, heavy-duty trailers include only those trailers designed to be drawn by a truck tractor excluding non-box trailers other than flatbed trailers, tanker trailers, and container chassis, and those that are coupled to vehicles exclusively by pintle hooks or hitches instead of a fifth wheel. Heavy-duty trailers may be divided into different types and categories as follows:

(1) Box vans are trailers with enclosed cargo space that is permanently attached to the chassis, with fixed sides, nose, and roof. Tank trailers are not box vans.

(2) Box vans with front-mounted HVAC systems are refrigerated vans. Note that this includes systems that provide cooling, heating, or both. All other box vans are dry vans.

(3) Trailers that are not box vans are non-box trailers.

(4) Box vans with a length greater than 50 feet are long box vans. Other box vans are short box vans.

(5) The following types of equipment are not trailers:

(i) Containers that are not permanently mounted on chassis.

(ii) Dollies used to connect tandem trailers.

(iii) Equipment that serves similar purposes but are not intended to be pulled by a tractor.

(b) Heavy-duty trailers do not include trailers excluded in 49 CFR 535.3.

§ 523.11 Incorporation by reference.

Certain material is incorporated by reference into this part with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. All approved incorporation by reference (IBR) material is available for inspection at the National Highway Traffic Safety Administration (NHTSA) and at the National Archives and Records Administration (NARA). Contact NHTSA at: 1200 New Jersey Avenue SE, Washington, D.C. 20590; (888) 327–4236; *CAFE_Mbox@dot.gov; www.nhtsa.gov*. For information on the availability of this material at NARA, visit *www.archives.gov/federal-register/cfr/ibr-locations.html* or email *fr.inspection@nara.gov*. The material may be obtained from: SAE International (SAE). SAE International, 400 Commonwealth Dr., Warrendale, PA 15096–0001; (877) 606–7323 (U.S. and Canada) or (724) 776–4970 (outside the U.S. and Canada) website: *www.sae.org.*

(a) SAE J1100, Motor Vehicle Dimensions, revised November 2009, into § 523.2.

(b) SAE J2807, Performance Requirements for Determining Tow-Vehicle Gross Combination Weight Rating and Trailer Weight Rating, reaffirmed February 2024, into § 523.5.

■ 2. Revise part 531 to read as follows:

PART 531—PASSENGER AUTOMOBILE AVERAGE FUEL ECONOMY STANDARDS

Sec.
531.1 Scope.
531.2 Purpose.
531.3 Applicability.
531.4 Definitions.
531.5 Fuel economy standards.
531.6 Measurement and calculation procedures.
Appendix A to Part 531—Example of Calculating a Fleet Average Fuel Economy Standard for a Passenger Automobile Fleet Under § 531.5(a)

Authority: 49 U.S.C. 32902, delegation of authority at 49 CFR 1.95.

§ 531.1 Scope.

This part establishes average fuel economy standards pursuant to 49 U.S.C. 32902 for passenger automobiles.

§ 531.2 Purpose.

The purpose of this part is to increase the fuel economy of passenger automobiles by establishing minimum levels of average fuel economy for those vehicles.

§ 531.3 Applicability.

This part applies to manufacturers of passenger automobiles.

§ 531.4 Definitions.

(a) *Statutory terms.* (1) The terms *average fuel economy, manufacture, manufacturer,* and *model year* are used as defined in 49 U.S.C. 32901.

(2) The terms *automobile* and *passenger automobile* are used as defined in 49 U.S.C. 32901 and in accordance with the determination in part 523 of this chapter.

(b) *Other terms.* As used in this part, unless otherwise required by the context—

(1) The term *domestically manufactured passenger automobile* means the vehicle is deemed to be manufactured domestically under 49 U.S.C. 32904(b)(3) and 40 CFR 600.511–08.

(2) The term *footprint* has the meaning given in § 523.2 of this chapter.

§ 531.5 Fuel economy standards.

(a) Except as provided in paragraph (c) of this section, for model years 2022 through 2031, a manufacturer's passenger automobile fleet shall comply with the fleet average fuel economy level calculated for that model year according to equation 1 to this paragraph (a) and the appropriate values in table 1 to this paragraph (a).

$$CAFE_{required} = \frac{\sum_i PRODUCTION_i}{\sum_i \frac{PRODUCTION_i}{TARGET_i}}$$

Where:

$CAFE_{required}$ is the fleet average fuel economy standard for a given fleet (domestic passenger automobiles or imported passenger automobiles);

Subscript *i* is a designation of multiple groups of automobiles, where each group's designation, *i.e., i* = 1, 2, 3, etc., represents automobiles that share a unique model type and footprint within the applicable fleet, either domestic passenger automobiles or imported passenger automobiles;

$Production_i$ is the number of passenger automobiles produced for sale in the United States within each *ith* designation, *i.e.,* which share the same model type and footprint; and

$TARGET_i$ is the fuel economy target in miles per gallon (mpg) applicable to the footprint of passenger automobiles within each *ith* designation, *i.e.,* which share the same model type and footprint, calculated according to equation 2 to this paragraph (a) and rounded to the nearest hundredth of a mpg, *i.e.,* 35.455 = 35.46 mpg, and the summations in the numerator and denominator are both performed over all models in the fleet in question.

Equation 2 to Paragraph (a)

$$TARGET = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}$$

Where:

TARGET is the fuel economy target (in mpg) applicable to vehicles of a given footprint (*FOOTPRINT,* in square feet);

Parameters *a, b, c,* and *d* are defined in Table 1 to this paragraph (a); and

The *MIN* and *MAX* functions take the minimum and maximum, respectively, of the included values.

TABLE 1 TO PARAGRAPH (a)—PARAMETERS FOR THE PASSENGER AUTOMOBILE FUEL ECONOMY TARGETS

[MYs 2022–2031]

Model year	Parameters			
	a (mpg)	b (mpg)	c (gal/mi/ft^2)	d (gal/mi)
2022	39.60	33.75	0.00039781	0.00814761
2023	39.96	34.06	0.00039423	0.00807428
2024	40.32	34.37	0.00039068	0.00800161
2025	40.69	34.68	0.00038716	0.0079296
2026	41.06	34.99	0.00038368	0.00785823
2027	41.43	35.31	0.00038023	0.00778751
2028	41.81	35.63	0.00037681	0.00771742
2029	42.19	35.95	0.00037342	0.00764796
2030	42.62	33.45	0.00064322	−0.00612481
2031	43.05	33.79	0.00063678	−0.00606357

(b) In addition to the requirements of paragraph (a) of this section, each manufacturer, other than manufacturers subject to standards in paragraph (c) of this section, shall also meet the minimum fleet standard for domestically manufactured passenger automobiles expressed in table 2 to this paragraph (b):

TABLE 2 TO PARAGRAPH (b)—MINIMUM FUEL ECONOMY STANDARDS FOR DOMESTICALLY MANUFACTURED PASSENGER AUTOMOBILES

[MYs 2022–2031]

Model year	Minimum standard
2022	34.4
2023	34.5
2024	35.1
2025	35.4
2026	35.7
2027	35.8
2028	36.1
2029	36.4
2030	36.3

TABLE 2 TO PARAGRAPH (b)—MINIMUM FUEL ECONOMY STANDARDS FOR DOMESTICALLY MANUFACTURED PASSENGER AUTOMOBILES—Continued

[MYs 2022–2031]

Model year	Minimum standard
2031	36.6

(c) The following manufacturers shall comply with the standards indicated in paragraphs (c)(1) through (4) of this section for the specified model years:

(1) Aston Martin Lagonda Limited.

TABLE 3 TO PARAGRAPH (c)(1)—AVERAGE FUEL ECONOMY STANDARDS

Model year	Miles per gallon
2022	24.9
2023	24.9

(2) Koenigsegg.

TABLE 4 TO PARAGRAPH (c)(2)—AVERAGE FUEL ECONOMY STANDARDS

Model year	Miles per gallon
2022	16.9
2023	16.9

(3) McLaren.

TABLE 5 TO PARAGRAPH (c)(3)—AVERAGE FUEL ECONOMY STANDARDS

Model year	Miles per gallon
2022	24.6
2023	25.7

(4) Pagani.

TABLE 6 TO PARAGRAPH (c)(4)—AVERAGE FUEL ECONOMY STANDARDS

Model year	Miles per gallon
2022	15.5
2023	15.5

§ 531.6 Measurement and calculation procedures.

The fleet average fuel economy performance of all passenger automobiles manufactured for sale in the United States for a model year shall be determined in accordance with procedures established by the Administrator of the Environmental Protection Agency (EPA) under 49 U.S.C. 32904 and set forth in 40 CFR part 600.

Appendix A to Part 531—Example of Calculating a Fleet Average Fuel Economy Standard for a Passenger Automobile Fleet Under § 531.5(a)

Assume a hypothetical manufacturer (Manufacturer X) produces a fleet of passenger automobiles as follows:

APPENDIX A—TABLE I

Model type				Description	Base tire size	Wheelbase (inches)	Track width F&R average (inches)	Footprint (ft^2)	Volume	Fuel economy target standard (mpg)
Group	Carline name	Basic engine (L)	Transmission class							
1	PC A FWD	1.8	A5	2-door sedan	205/75R14	99.8	61.2	42.4	1,500	35.01
2	PC A FWD	1.8	M6	2-door sedan	215/70R15	99.8	60.9	42.2	2,000	35.14
3	PC A FWD	2.5	A6	4-door wagon	215/70R15	100.0	60.9	42.3	2,000	35.08
4	PC A AWD	1.8	A6	4-door wagon	235/60R15	100.0	61.2	42.5	1,000	35.95
5	PC A AWD	2.5	M6	2-door hatchback	225/65R16	99.6	59.5	41.2	3,000	35.81
6	PC B RWD	2.5	A6	4-door wagon	265/55R18	109.2	66.8	50.7	8,000	30.33
7	PC B RWD	2.5	A7	4-door sedan	235/65R17	109.2	67.8	51.4	2,000	29.99
8	PC C AWD	3.2	A7	4-door sedan	265/55R18	111.3	67.8	52.4	5,000	29.52
9	PC C FWD	3.2	M6	2-door coupe	225/65R16	111.3	67.2	51.9	3,000	29.76
Total									27,500	

Note to Table I to this appendix: *With the appropriate fuel economy targets determined for each unique model type and footprint combination, Manufacturer X's required fleet average fuel economy standard would be calculated as illustrated in Figure 1 to this appendix.*

Appendix A Figure 1—Calculation of Manufacturer X's Fleet Average Fuel Economy

$$FE_{Standard} = \frac{(Manufacturer's\ Passenger\ Automobile\ Production\ for\ Applicable\ Model\ Year)}{\sum_i \left(\frac{Group_1\ Production}{Group_1\ Target\ Standard} + \frac{Group_2\ Production}{Group_2\ Target\ Standard} + \cdots + \frac{Group_9\ Production}{Group_9\ Target\ Standard}\right)}$$

$$FE_{Standard} = \frac{27{,}500}{\left(\frac{1{,}500}{35.01} + \frac{2{,}000}{35.14} + \frac{2{,}000}{35.08} + \frac{1{,}000}{35.95} + \frac{3{,}000}{35.81} + \frac{8{,}000}{30.33} + \frac{2{,}000}{29.99} + \frac{5{,}000}{29.52} + \frac{3{,}000}{29.79}\right)}$$

$$FE_{Standard} = 31.6\ mpg$$

■ 3. Revise part 533 to read as follows:

PART 533—NON-PASSENGER AUTOMOBILE FUEL ECONOMY STANDARDS

Sec.

533.1 Scope.
533.2 Purpose.
533.3 Applicability.
533.4 Definitions.
533.5 Requirements.
533.6 Measurement and calculation procedures.
Appendix A to Part 533—Example of Calculating a Fleet Average Fuel Economy Standard for a Non-passenger Automobile Fleet Under § 533.5(a)

Authority: 49 U.S.C. 32902; delegation of authority at 49 CFR 1.95.

§ 533.1 Scope.

This part establishes average fuel economy standards pursuant to 49 U.S.C. 32902 for non-passenger automobiles.

§ 533.2 Purpose.

The purpose of this part is to increase the fuel economy of non-passenger automobiles by establishing minimum levels of average fuel economy for those vehicles.

§ 533.3 Applicability.

This part applies to manufacturers of non-passenger automobiles.

§ 533.4 Definitions.

(a) *Statutory terms.* (1) The terms *average fuel economy, average fuel economy standard, fuel economy, import, manufacture, manufacturer,* and *model year* are used as defined in 49 U.S.C. 32901.

(2) The term *automobile* is used as defined in 49 U.S.C. 32901 and in accordance with the determinations in part 523 of this chapter.

(b) *Other terms.* As used in this part, unless otherwise required by the context—

(1) *Non-passenger automobile* is used in accordance with the determinations in part 523 of this chapter.

(2) *Captive import* means, with respect to a non-passenger automobile, one that is not domestically manufactured, as defined in section 502(b)(2)(E) of the Motor Vehicle Information and Cost Savings Act, but that is imported in the 1980 model year or thereafter by a manufacturer whose principal place of business is in the United States.

(3) *4-wheel drive, general utility vehicle* means a 4-wheel drive, general purpose automobile capable of off-highway operation that has a wheelbase of not more than 280 centimeters, and that has a body shape similar to 1977 Jeep CJ–5 or CJ–7, or the 1977 Toyota Land Cruiser.

(4) *Basic engine* means a unique combination of manufacturer, engine displacement, number of cylinders, fuel system (as distinguished by number of carburetor barrels or use of fuel injection), and catalyst usage.

(5) *Limited product line non-passenger automobile* means a non-passenger automobile manufactured by a manufacturer whose light truck fleet is powered exclusively by basic engines that are not also used in passenger automobiles.

(6) *Footprint* has the meaning given in § 523.2 of this chapter.

§ 533.5 Requirements.

Each manufacturer of non-passenger automobiles shall comply with the following fleet average fuel economy standards, expressed in miles per gallon, in the model year (MY) specified as applicable:

(a) For model years 2022–2031, a manufacturer's non-passenger automobile fleet shall comply with the fleet average fuel economy standard calculated for that model year according to equations 1 and 2 to this paragraph (a) and the appropriate values in table 1 to this paragraph (a).

Equation 1 to Paragraph (a)

$$CAFE_{required} = \frac{\sum_i PRODUCTION_i}{\sum_i \frac{PRODUCTION_i}{TARGET_i}}$$

Where:

$CAFE_{required}$ is the fleet average fuel economy standard for a given non-passenger automobile fleet;

Subscript *i* is a designation of multiple groups of non-passenger automobiles, where each group's designation, *i.e., i* = 1, 2, 3, etc., represents non-passenger automobiles that share a unique model type and footprint within the applicable fleet;

$Production_i$ is the number of non-passenger automobiles produced for sale in the United States within each *ith* designation, *i.e.,* which share the same model type and footprint; and

$TARGET_i$ is the fuel economy target in miles per gallon (mpg) applicable to the footprint of non-passenger automobiles within each *ith* designation, *i.e.,* which share the same model type and footprint, calculated according to equation 2 to this paragraph (a) and rounded to the nearest hundredth of a mpg, *i.e.,* 35.455 = 35.46 mpg, and the summations in the numerator and denominator are both performed over all models in the fleet in question.

Equation 2 to Paragraph (a)

$$TARGET = \frac{1}{MIN\left[MAX\left(c \times FOOTPRINT + d, \frac{1}{a}\right), \frac{1}{b}\right]}$$

Where:

TARGET is the fuel economy target (in mpg) applicable to vehicles of a given footprint (*FOOTPRINT,* in square feet);

Parameters *a, b, c,* and d are defined in table 1 to this paragraph (a); and

The *MIN* and *MAX* functions take the minimum and maximum, respectively, of the included values.

TABLE 1 TO PARAGRAPH (a)—PARAMETERS FOR THE NON-PASSENGER AUTOMOBILE FUEL ECONOMY

[Targets for MYs 2022–2031]

Model year	Parameters			
	a (mpg)	b (mpg)	c (gal/mi/ft^2)	d (gal/mi)
2022	37.31	21.74	0.00059995	0.00160203
2023	37.5	21.85	0.00059689	0.00159386
2024	37.69	21.96	0.00059385	0.00158573
2025	37.88	22.07	0.00059082	0.00157764
2026	38.07	22.18	0.00058781	0.00156959

TABLE 1 TO PARAGRAPH (a)—PARAMETERS FOR THE NON-PASSENGER AUTOMOBILE FUEL ECONOMY—Continued
[Targets for MYs 2022–2031]

Model year	Parameters			
	a (mpg)	b (mpg)	c (gal/mi/ft²)	d (gal/mi)
2027	38.27	22.29	0.00058481	0.00156159
2028	38.47	22.4	0.00058183	0.00155363
2029	38.67	22.51	0.00057886	0.00154571
2030	29.25	22.74	0.00044494	0.01104960
2031	29.55	22.97	0.00044049	0.01093910

(b) [Reserved]

§ 533.6 Measurement and calculation procedures.

(a) Any reference to a class of non-passenger automobiles manufactured for sale in the United States in a model year shall be deemed—

(1) To include all non-passenger automobiles in that class manufactured by persons who control, are controlled by, or are under common control with, such manufacturer;

(2) To include only automobiles that qualify as non-passenger vehicles in accordance with § 523.5 of this chapter; and

(3) To exclude all non-passenger automobiles in that class manufactured (within the meaning of paragraph (a)(1) of this section) during a model year by such manufacturer that are exported prior to the expiration of 30 days following the end of such model year.

(b) The fleet average fuel economy performance of all non-passenger automobiles manufactured for sale in the United States in a model year shall be determined in accordance with procedures established by the Administrator of the Environmental Protection Agency (EPA) under 49 U.S.C. 32904 and set forth in 40 CFR part 600.

Appendix A to Part 533—Example of Calculating a Fleet Average Fuel Economy Standard for a Non-passenger Automobile Fleet Under § 533.5(a)

Assume a hypothetical manufacturer (Manufacturer X) produces a fleet of non-passenger automobiles as follows:

APPENDIX A—TABLE I

Model type				Description	Base tire size	Wheelbase (inch)	Track width F&R avg (inch)	Footprint (ft²)	Volume	Fuel economy target standard (mpg)
Group	Carline name	Basic engine (L)	Transmission class							
1	Pickup A 2WD	4	A5	Reg cab, MB	235/75R15	100.0	68.8	47.8	800	27.30
2	Pickup B 2WD	4	M5	Reg cab, MB	235/75R15	100.0	68.2	47.4	200	27.44
3	Pickup C 2WD	4.5	A5	Reg cab, LB	255/70R17	125.0	68.8	59.7	300	23.79
4	Pickup C 2WD	4	M5	Ext cab, MB	255/70R17	125.0	68.8	59.7	400	23.79
5	Pickup C 4WD	4.5	A5	Crew cab, SB	275/70R17	150.0	69.0	71.9	400	22.27
6	Pickup D 2WD	4.5	A6	Crew cab, SB	255/70R17	125.0	68.8	59.7	400	23.79
7	Pickup E 2WD	5	A6	Ext cab, LB	255/70R17	125.0	68.8	59.7	500	23.79
8	Pickup E 2WD	5	A6	Crew cab, MB	285/70R17	125.0	69.2	60.1	500	23.68
9	Pickup F 2WD	4.5	A5	Reg cab, LB	255/70R17	125.0	68.9	59.8	1,600	23.76
10	Pickup F 4WD	4.5	A5	Ext cab, MB	275/70R17	150.0	69.0	71.9	800	22.27
11	Pickup F 4WD	4.5	A5	Crew cab, SB	285/70R17	150.0	69.2	72.1	800	22.27
Total									6,700	

Note to Table I to this appendix: *With the appropriate fuel economy targets determined for each unique model type and footprint combination, Manufacturer X's required fleet average fuel economy standard would be calculated as illustrated in Figure 1 to this appendix:*

Appendix A Figure 1—Calculation of Manufacturer X's Fleet Average Fuel Economy Standard Using Table I

$$FE_{Standard} = \frac{(Manufacturer's\ Light\ Truck\ Production\ for\ Applicable\ Model\ Year)}{\sum_i \left(\frac{Group_1\ Production}{Group_1\ Target\ Standard} + \frac{Group_2\ Production}{Group_2\ Target\ Standard} + \cdots + \frac{Group_{11}\ Production}{Group_{11}\ Target\ Standard}\right)}$$

$$FE_{Standard} = \frac{6{,}700}{\left(\frac{800}{27.30} + \frac{200}{27.44} + \frac{300}{23.79} + \frac{400}{23.79} + \frac{400}{22.27} + \frac{400}{23.79} + \frac{500}{23.79} + \frac{500}{23.68} + \frac{1{,}600}{23.76} + \frac{800}{22.27} + \frac{800}{22.27}\right)}$$

$$FE_{Standard} = 23.7\ mpg$$

■ 4. Revise part 536 to read as follows:

PART 536—TRANSFER AND TRADING OF FUEL ECONOMY CREDITS

Sec.
536.1 Scope.
536.2 Application.
536.3 Definitions.
536.4 Credits.
536.5 Trading infrastructure.
536.6 Credit flexibilities in the CAFE program.
536.7 Treatment of carryback credits.
536.8 Conditions for the trading of credits.
536.9 Use of credits with regard to the domestically manufactured passenger automobile minimum standard.
536.10 Treatment of dual-fuel and alternative fuel vehicles—consistency with 49 CFR part 538.

Authority: 49 U.S.C. 32903; delegation of authority at 49 CFR 1.95.

§ 536.1 Scope.

This part establishes regulations governing the use and application of corporate average fuel economy (CAFE) credits up to three model years before and five model years after the model year in which the credit was earned. It also specifies requirements for manufacturers wishing to transfer fuel economy credits between their compliance categories. It also establishes regulations that allow manufacturers and other persons to trade fuel economy credits through model year 2027.

§ 536.2 Application.

This part applies to all credits earned for exceeding applicable average fuel economy standards in a given model year for domestically manufactured passenger automobiles, imported passenger automobiles, and non-passenger automobiles.

§ 536.3 Definitions.

(a) *Statutory terms.* All terms defined in 49 U.S.C. 32901(a) are used pursuant to their statutory meaning.

(b) *Other terms.* (1) *Above standard fuel economy* means, with respect to a compliance category, that the automobiles manufactured by a manufacturer in that compliance category in a particular model year have greater average fuel economy (calculated in a manner that reflects the incentives for alternative fuel automobiles per 49 U.S.C. 32905) than that manufacturer's fuel economy standard for that compliance category and model year.

(2) *Adjustment factor* means a factor used to adjust the value of a traded or transferred credit for compliance purposes to ensure that the compliance value of the credit when used reflects the total volume of oil saved when the credit was earned.

(3) *Below standard fuel economy* means, with respect to a compliance category, that the automobiles manufactured by a manufacturer in that compliance category in a particular model year have lower average fuel economy (calculated in a manner that reflects the incentives for alternative fuel automobiles per 49 U.S.C. 32905) than that manufacturer's fuel economy standard for that compliance category and model year.

(4) *Compliance* means a manufacturer achieves compliance in a particular compliance category when:

(i) The average fuel economy of the vehicles in that category exceed or meet the fuel economy standard for that category; or

(ii) The average fuel economy of the vehicles in that category do not meet the fuel economy standard for that category, but the manufacturer proffers a sufficient number of valid credits, adjusted for total oil savings, to cover the gap between the average fuel economy of the vehicles in that category and the required average fuel economy. A manufacturer achieves compliance for its fleet if the conditions in paragraph (b)(4)(i) of this section or this paragraph (b)(4)(ii) are simultaneously met for all compliance categories.

(5) *Compliance category* means any of three categories of automobiles subject to Federal fuel economy regulations in this chapter. The three compliance categories recognized by 49 U.S.C. 32903(g)(6) are domestically manufactured passenger automobiles, imported passenger automobiles, and non-passenger automobiles.

(6) *Credit holder (or holder)* means a legal person or entity that has valid possession of credits, either because they are a manufacturer who has earned credits by exceeding an applicable fuel economy standard in this chapter, or because they are a designated recipient who has received credits from another holder. Credit holders need not be manufacturers, though all manufacturers may be credit holders.

(7) *Credits (or fuel economy credits)* means an earned or purchased allowance recognizing that the average fuel economy of a particular manufacturer's vehicles within a particular compliance category and model year exceeds that manufacturer's fuel economy standard for that compliance category and model year. One credit is equal to 1–10 of a mile per gallon above the fuel economy standard per one vehicle within a compliance category. Credits are denominated according to model year in which they are earned (vintage), originating manufacturer, and compliance category.

(8) *Expiry date* means the model year after which fuel economy credits may no longer be used to achieve compliance with fuel economy regulations in this chapter. Expiry dates are calculated in terms of model years: For example, if a manufacturer earns credits for model year 2011, these credits may be used for compliance in model years 2008–2016.

(9) *Fleet* means all automobiles manufactured by a manufacturer in a particular model year and are subject to fuel economy standards under parts 531 and 533 of this chapter. For the purposes of this part, a manufacturer's fleet means all domestically manufactured and imported passenger automobiles and non-passenger automobiles. ''Work trucks'' and medium and heavy trucks are not included in this definition for purposes of this part.

(10) *Originating manufacturer* means the manufacturer that originally earned a particular credit. Each credit earned will be identified with the name of the originating manufacturer.

(11) *Trade* means the movement of credits from the account of a credit holder to the account of another credit holder within the same compliance category in which the credits were originally earned, in accordance with all applicable provisions under this part.

(12) *Transfer* means the movement of credits from one compliance category to another in accordance with all applicable provisions under this part. Subject to the credit transfer limitations of 49 U.S.C. 32903(g)(3), credits can also be transferred across compliance categories and banked or saved in that category to be carried forward or backwards later to address a credit shortfall.

(13) *Vintage* means, with respect to a credit, the model year in which the credit was earned.

§ 536.4 Credits.

(a) *Type and vintage.* In each credit account, credits are identified and distinguished by the manufacturer that earned the credits, the compliance category in which they were earned, and the model year in which they were earned (vintage).

(b) *Application of credits.* All credits earned and applied (*i.e.,* used to resolve an existing credit shortfall) are calculated, per 49 U.S.C. 32903(c), in tenths of a mile per gallon by which the average fuel economy of vehicles in a particular compliance category manufactured by a manufacturer in the model year in which the credits are earned exceeds the applicable average

fuel economy standard, multiplied by the number of vehicles sold in that compliance category. However, credits that have been traded between credit holders or transferred between compliance categories are valued for compliance purposes using the adjustment factor specified in paragraph (c) of this section, pursuant to the ''total oil savings'' requirement of 49 U.S.C. 32903(f)(1).

(c) *Adjustment factor.* When traded or transferred fuel economy credits are applied, they are adjusted to ensure fuel oil savings is preserved. For traded credits, the user (or buyer) must multiply the calculated adjustment factor by the number of shortfall credits it plans to offset in order to determine the number of equivalent credits to acquire from the earner (or seller). For transferred credits, the user of credits must multiply the calculated adjustment factor by the number of shortfall credits it plans to offset to determine the number of equivalent credits to transfer from the compliance category holding the available credits. The adjustment factor is calculated according to the following equation in equation 1 to this paragraph (c):

Equation 1 to Paragraph (c)—Equation for Calculating Adjustment Factor

$$A = \frac{VMT_u \times MPG_{ae} \times MPG_{se}}{VMT_e \times MPG_{au} \times MPG_{su}}$$

Where:

A = Adjustment factor applied to traded and transferred credits. The quotient shall be rounded to 4 decimal places;

VMTe = Lifetime vehicle miles traveled as provided in the following table 1 to this paragraph (c) for the model year and compliance category in which the credit was earned;

VMTu = Lifetime vehicle miles traveled as provided in the following table 1 to this paragraph (c) for the model year and compliance category in which the credit is used for compliance;

MPGse = Required fuel economy standard for the originating (earning) manufacturer, compliance category, and model year in which the credit was earned;

MPGae = Actual fuel economy for the originating manufacturer, compliance category, and model year in which the credit was earned;

MPGsu = Required fuel economy standard for the user (buying) manufacturer, compliance category, and model year in which the credit is used for compliance; and

MPGau = Actual fuel economy for the user manufacturer, compliance category, and model year in which the credit is used for compliance.

TABLE 1 TO PARAGRAPH (c)—LIFETIME VEHICLE MILES TRAVELED

Category (model years 2017–2031)	Lifetime Vehicle Miles Traveled (VMT)
Passenger Automobiles	195,264
Non-passenger Automobiles	225,865

§ 536.5 Trading infrastructure.

(a) *Accounts.* NHTSA maintains ''accounts'' for each credit holder. The account consists of a balance of credits in each compliance category and vintage held by the holder.

(b) *Who may hold credits.* Every manufacturer subject to fuel economy standards under part 531 or 533 of this chapter is automatically an account holder. If the manufacturer earns credits pursuant to this part, or receives credits from another party, so that the manufacturer's account has a non-zero balance, then the manufacturer is also a credit holder. Any party designated as a recipient of credits by a current credit holder will receive an account from NHTSA and become a credit holder, subject to the following conditions:

(1) A designated recipient must provide name, address, contact information, and a valid taxpayer identification number or Social Security number;

(2) NHTSA does not grant a request to open a new account by any party other than a party designated as a recipient of credits by a credit holder; and

(3) NHTSA maintains accounts with zero balances for a period of time, but reserves the right to close accounts that have had zero balances for more than 1 year.

(c) *Automatic debits and credits of accounts.* (1) To carry credits forward, backward, transfer credits, or trade credits into other credit accounts, a manufacturer or credit holder must submit a credit instruction to NHTSA. A credit instruction must detail and include:

(i) The credit holder(s) involved in the transaction.

(ii) The originating credits described by the amount of the credits, compliance category, and the vintage of the credits.

(iii) The recipient credit account(s) for banking or applying the originating credits described by the compliance category(ies), model year(s), and if applicable the adjusted credit amount(s) and adjustment factor(s).

(iv) For trades, a contract authorizing the trade signed by the manufacturers or credit holders or by managers legally authorized to obligate the sale and purchase of the traded credits.

(2) Upon receipt of a credit instruction from an existing credit holder, NHTSA verifies the presence of sufficient credits in the account(s) of the credit holder(s) involved as applicable and notifies the credit holder(s) that the credits will be debited from and/or credited to the accounts involved, as specified in the credit instruction. NHTSA determines if the credits can be debited or credited based upon the amount of available credits, accurate application of any adjustment factors and the credit requirements prescribed by this part that are applicable at the time the transaction is requested.

(3) After notifying the credit holder(s), all accounts involved are either credited or debited, as appropriate, in line with the credit instruction. Traded credits identified by a specific compliance category are deposited into the recipient's account in that same compliance category and model year. If a recipient of credits as identified in a credit instruction is not a current account holder, NHTSA establishes the credit recipient's account, subject to the conditions described in paragraph (b) of this section, and adds the credits to the newly opened account.

(4) NHTSA will automatically delete unused credits from holders' accounts when those credits reach their expiry date.

(5) Starting January 1, 2022, all parties trading credits must also provide NHTSA the price paid for the credits including a description of any other monetary or non-monetary terms affecting the price of the traded credits, such as any technology exchanged or shared in exchange for the credits, any other non-monetary payment for the credits, or any other agreements related to the trade.

(6) Starting September 1, 2022, manufacturers or credit holders issuing credit instructions or providing credit allocation plans as specified in

paragraph (d) of this section, must use and submit the NHTSA Credit Template fillable form (Office of Management and Budget (OMB) Control No. 2127–0019, NHTSA Form 1475). In the case of a trade, manufacturers or credit holders buying traded credits must use the credit transactions template to submit trade instructions to NHTSA. Manufacturers or credit holders selling credits are not required to submit trade instructions. The NHTSA Credit Template must be signed by managers legally authorized to obligate the sale and/or purchase of the traded credits from both parties to the trade. The NHTSA Credit Template signed by both parties to the trade serves as an acknowledgement that the parties have agreed to trade a certain amount of credits, and does not dictate terms, conditions, or other business obligations of the parties.

(7) NHTSA will consider claims that information submitted to the agency under this section is entitled to confidential treatment under 5 U.S.C. 552(b) and under the provisions of part 512 of this chapter if the information is submitted in accordance with the procedures of part 512. The NHTSA Credit Template is available for download on the CAFE Public Information Center website. Manufacturers must submit the cost information to NHTSA in a PDF document along with the Credit Template through the CAFE email, *cafe@dot.gov.* NHTSA reserves the right to request additional information from the parties regarding the terms of the trade.

(d) *Compliance.* (1) NHTSA assesses compliance with fuel economy standards each year, utilizing the certified and reported CAFE data provided by the Environmental Protection Agency (EPA) for enforcement of the CAFE program pursuant to 49 U.S.C. 32904(e). Credit values are calculated based on the CAFE data from EPA. If a particular compliance category within a manufacturer's fleet has above standard fuel economy, NHTSA adds credits to the manufacturer's account for that compliance category and vintage in the appropriate amount by which the manufacturer has exceeded the applicable standard.

(2) If a manufacturer's vehicles in a particular compliance category have below standard fuel economy, NHTSA will provide written notification to the manufacturer that it has failed to meet a particular fleet target standard. The manufacturer will be required to confirm the shortfall and may also submit a plan indicating how it will allocate existing credits or earn, transfer and/or acquire credits to achieve compliance. If the manufacturer submits a plan, the plan must be submitted within 60 days of receiving agency notification.

(3) Credits used to offset shortfalls are subject to the three- and five-year limitations as described in § 536.6.

(4) Transferred credits are subject to the limitations specified by 49 U.S.C. 32903(g)(3) and this part.

(5) The value, when used for compliance, of any credits received via trade or transfer is adjusted, using the adjustment factor described in § 536.4(c), pursuant to 49 U.S.C. 32903(f)(1).

(6) Credit allocation plans received from a manufacturer will be reviewed and approved by NHTSA. Starting in model year 2022, credit holders must use the NHTSA Credit Template (OMB Control No. 2127–0019, NHTSA Forms 1475) to record the credit transactions. The template is a fillable form that has an option for recording and calculating credit transactions for credit allocation plans. The template calculates the required adjustments to the credits. The credit allocation plan and the completed transaction templates must be submitted to NHTSA. NHTSA will approve the credit allocation plan unless it finds that the proposed credits are unavailable or that it is unlikely that the plan will result in the manufacturer earning sufficient credits to offset the subject credit shortfall. If the plan is approved, NHTSA will revise the respective manufacturer's credit account accordingly. If the plan is rejected, NHTSA will notify the respective manufacturer and may request a revised plan.

(e) *Reporting.* (1) NHTSA periodically publishes the names and credit holdings of all credit holders. NHTSA does not publish individual transactions, nor respond to individual requests for updated balances from any party other than the account holder.

(2) NHTSA issues an annual credit status letter to each party that is a credit holder at that time. The letter to a credit holder includes a credit accounting record that identifies the credit status of the credit holder including any activity (earned, expired, transferred, traded, carry-forward and carry-back credit transactions/allocations) that took place during the identified activity period.

§ 536.6 Credit flexibilities in the CAFE program.

(a) *Carrying back and carrying forward of credits.* Credits earned in a compliance category may be applied by the manufacturer that earned them to carryback plans for that compliance category approved up to three years prior to the year in which the credits were earned, or may be held or applied for up to five model years after the year in which the credits were earned.

(b) *Transferring and trading of credits.* (1) Credits earned in a compliance category in model years 2022 through 2027 may be transferred or traded in accordance with all applicable provisions under this part.

(2) Credits earned in a compliance category in model year 2028 and beyond may be transferred or traded in accordance with all applicable provisions under this part. Credits earned in a compliance category in model year 2028 and beyond may not be traded.

§ 536.7 Treatment of carryback credits.

(a) Carryback credits earned in a compliance category in any model year may be used in carryback plans approved by NHTSA, pursuant to 49 U.S.C. 32903(b), for up to three model years prior to the year in which the credit was earned.

(b) No credits from any source (earned, transferred, and/or traded) will be accepted in lieu of compliance if those credits are not identified as originating within one of the three model years after the model year of the confirmed shortfall.

§ 536.8 Conditions for the trading of credits.

(a) *Trading of credits.* If a credit holder wishes to trade credits to another party, the current credit holder and the receiving party must jointly issue an instruction to NHTSA, identifying the quantity, vintage, compliance category, and originator of the credits to be traded. If the recipient is not a current account holder, the recipient must provide sufficient information for NHTSA to establish an account for the recipient. Once an account has been established or identified for the recipient, NHTSA completes the trade by debiting the transferor's account and crediting the recipient's account. NHTSA will track the quantity, vintage, compliance category, and originator of all credits held or traded by all account holders.

(b) *Using traded credits to comply with fuel economy standards.* For credits earned in model years 2022 through 2027, and used to satisfy compliance obligations for model years 2019 through 2032 in accordance with all applicable provisions under this part:

(1) Manufacturers may use credits originally earned by another

manufacturer in a particular compliance category to satisfy compliance obligations within the same compliance category.

(2) Once a manufacturer acquires by trade credits originally earned by another manufacturer in a particular compliance category, the manufacturer may transfer the credits to satisfy its compliance obligations in a different compliance category, but only to the extent that the CAFE increase attributable to the transferred credits does not exceed the limits in 49 U.S.C. 32903(g)(3). For any compliance category, the sum of a manufacturer's transferred credits earned by that manufacturer and transferred credits obtained by that manufacturer through trade must not exceed that limit.

(c) *Changes in corporate ownership and control.* Manufacturers must inform NHTSA of corporate relationship changes to ensure that credit accounts are identified correctly and credits are assigned and allocated properly.

(1) In general, if two manufacturers merge in any way, they must inform NHTSA how they plan to merge their credit accounts. NHTSA will subsequently assess corporate fuel economy and compliance status of the merged fleet instead of the original separate fleets.

(2) If a manufacturer divides or divests itself of a portion of its automobile manufacturing business, it must inform NHTSA how it plans to divide the manufacturer's credit holdings into two or more accounts. NHTSA will subsequently distribute holdings as directed by the manufacturer, subject to provision for reasonably anticipated compliance obligations.

(3) If a manufacturer is a successor to another manufacturer's business, it must inform NHTSA how it plans to allocate credits and resolve liabilities per part 534 of this chapter.

(d) *No short or forward sales.* NHTSA will not honor any instructions to trade or transfer more credits than are currently held in any account. NHTSA will not honor instructions to trade or transfer credits from any future vintage (*i.e.,* credits not yet earned). NHTSA will not participate in or facilitate contingent trades.

(e) *Cancellation of credits.* A credit holder may instruct NHTSA to cancel its currently held credits, specifying the originating manufacturer, vintage, and compliance category of the credits to be cancelled. These credits will be permanently null and void; NHTSA will remove the specific credits from the credit holder's account and will not reissue them to any other party.

(f) *Error or fraud in earning credits.* If NHTSA determines that a manufacturer has been credited, through error or fraud, with earning credits, NHTSA will cancel those credits if possible. If the manufacturer credited with having earned those credits has already traded them when the error or fraud is discovered, NHTSA will hold the receiving manufacturer responsible for returning the same or equivalent credits to NHTSA for cancellation.

(g) *Error or fraud in trading.* In general, all trades are final and irrevocable once executed, and may only be reversed by a new, mutually agreed transaction. If NHTSA executes an erroneous instruction to trade credits from one holder to another through error or fraud, NHTSA will reverse the transaction if possible. If those credits have been traded away, the recipient holder is responsible for obtaining the same or equivalent credits for return to the previous holder.

§ 536.9 Use of credits with regard to the domestically manufactured passenger automobile minimum standard.

(a) Each manufacturer is responsible for compliance with both the minimum standard and the attribute-based standard set out in the chapter.

(b) In any particular model year, the domestically manufactured passenger automobile compliance category credit excess or shortfall is determined by comparing the actual CAFE value against either the required standard value or the minimum standard value, whichever is larger.

(c) Transferred or traded credits may not be used, pursuant to 49 U.S.C. 32903(g)(4) and (f)(2), to meet the domestically manufactured passenger automobile minimum standard specified in 49 U.S.C. 32902(b)(4) and in 49 CFR 531.5(b).

(d) If a manufacturer's average fuel economy level for domestically manufactured passenger automobiles is lower than the attribute-based standard, but higher than the minimum standard, then the manufacturer may achieve compliance with the attribute-based standard by applying credits.

(e) If a manufacturer's average fuel economy level for domestically manufactured passenger automobiles is lower than the minimum standard, then the difference between the minimum standard and the manufacturer's actual fuel economy level may only be relieved by the use of credits earned by that manufacturer within the domestic passenger automobile compliance category that have not been transferred or traded. If the manufacturer does not have available earned credits to offset a credit shortage below the minimum standard, then the manufacturer can submit a carry-back plan that indicates sufficient future credits will be earned in its domestic passenger automobile compliance category.

§ 536.10 Treatment of dual-fuel and alternative fuel vehicles—consistency with 49 CFR part 538.

(a) The fuel economy of alternative fueled and dual fueled automobiles is calculated pursuant to EPA's regulations at 40 CFR 600.510–12 and included as part of EPA's calculation of a manufacturer's fleet average fuel economy for the model year and compliance category to which the alternative fueled or dual fueled automobile belongs, in accordance with 49 U.S.C. 32905 and limited by 49 U.S.C. 32906.

(b) If a manufacturer's calculated fuel economy for a particular compliance category, including any alternative fueled and dual fueled automobiles, is higher or lower than the applicable fuel economy standard, manufacturers will earn credits or must apply credits equal to the difference between the calculated fuel economy level in that compliance category and the applicable standard. Credits earned are the same as any other credits, and may be held, transferred, or traded by the manufacturer subject to the limitations of the statute and this part.

■ 5. Revise part 537 to read as follows:

PART 537—AUTOMOTIVE FUEL ECONOMY REPORTS

Sec.

537.1 Scope.
537.2 Purpose.
537.3 Applicability.
537.4 Definitions.
537.5 General requirements for reports.
537.6 General content of reports.
537.7 Pre-model year and mid-model year reports.
537.8 Supplementary reports.
537.9 Determination of fuel economy values and average fuel economy.
537.10 Incorporation by reference by manufacturers.
537.11 Public inspection of information.
537.12 Confidential information.

Authority: 49 U.S.C. 32907; delegation of authority at 49 CFR 1.95.

§ 537.1 Scope.

This part establishes requirements for automobile manufacturers to submit reports to the National Highway Traffic Safety Administration regarding their efforts to improve automotive fuel economy.

§ 537.2 Purpose.

The purpose of this part is to obtain information to aid the National Highway Traffic Safety Administration in evaluating automobile manufacturers' plans for complying with average fuel economy standards and in preparing an annual review of the average fuel economy standards.

§ 537.3 Applicability.

This part applies to automobile manufacturers, except for manufacturers subject to an alternate fuel economy standard under 49 U.S.C. 32902(d).

§ 537.4 Definitions.

(a) *Statutory terms.* (1) The terms *average fuel economy standard, fuel, manufacture,* and *model year* are used as defined in 49 U.S.C. 32901.

(2) The term *manufacturer* is used as defined in 49 U.S.C. 32901 and in accordance with part 529 of this chapter.

(3) The terms *average fuel economy, fuel economy,* and *model type* are used as defined in subpart A of 40 CFR part 600.

(4) The terms *automobile, automobile capable of off-highway operation, non-passenger automobile,* and *passenger automobile* are used as defined in 49 U.S.C. 32901 and in accordance with the determinations in part 523 of this chapter.

(b) *Other terms.* (1) The term *loaded vehicle weight* is used as defined in subpart A of 40 CFR part 86.

(2) The terms *axle ratio, base level, body style, car line, combined fuel economy, engine code, equivalent test weight, gross vehicle weight, inertia weight, transmission class, vehicle configuration,* and *vehicle subconfiguration* are used as defined in subpart A of 40 CFR part 600.

(3) The terms *approach angle, axle clearance, breakover angle, cargo carrying volume, departure angle, passenger carrying volume, running clearance,* and *temporary living quarters* are used as defined in part 523 of this chapter.

(4) The term *incomplete automobile manufacturer* is used as defined in part 529 of this chapter.

(5) As used in this part, unless otherwise required by the context:

(i) *Administrator* means the Administrator of the National Highway Traffic Safety Administration or the Administrator's delegate.

(ii) *Current model year* means:

(A) In the case of a pre-model year report, the full model year immediately following the period during which that report is required by § 537.5(b) to be submitted.

(B) In the case of a mid-model year report, the model year during which that report is required by § 537.5(b) to be submitted.

(iii) *Average* means a production-weighted harmonic average.

(iv) *Total drive ratio* means the ratio of an automobile's engine rotational speed (in revolutions per minute) to the automobile's forward speed (in miles per hour).

§ 537.5 General requirements for reports.

(a) For each current model year, each manufacturer shall submit a pre-model year report, a mid-model year report, and, as required by § 537.8, supplementary reports.

(b)(1) The pre-model year report required by this part for each current model year must be submitted during the month of December (*e.g.,* the pre-model year report for the 1983 model year must be submitted during December 1982).

(2) The mid-model year report required by this part for each current model year must be submitted during the month of July (*e.g.,* the mid-model year report for the 1983 model year must be submitted during July 1983).

(3) Each supplementary report must be submitted in accordance with § 537.8(c).

(c) Each report required by this part must:

(1) Identify the report as a pre-model year report, mid-model year report, or supplementary report as appropriate;

(2) Identify the manufacturer submitting the report;

(3) State the full name, title, and address of the official responsible for preparing the report;

(4) Be submitted electronically to *cafe@dot.gov.* For each report, manufacturers should submit a confidential version and a non-confidential (*i.e.,* redacted) version. The confidential report should be accompanied by a request letter that contains supporting information, pursuant to § 512.8 of this chapter. Your request must also include a certificate, pursuant to § 512.4(b) of this chapter and part 512, Appendix A, of this chapter. The word ''CONFIDENTIAL'' must appear on the top of each page containing information claimed to be confidential. If an entire page is claimed to be confidential, the submitter must indicate clearly that the entire page is claimed to be confidential. If the information for which confidentiality is being requested is contained within a page, the submitter shall enclose each item of information that is claimed to be confidential within brackets: ''[ ].'' Confidential portions of electronic files submitted in other than their original format must be marked ''Confidential Business Information'' or ''Entire Page Confidential Business Information'' at the top of each page. If only a portion of a page is claimed to be confidential, that portion shall be designated by brackets. Files submitted in their original format that cannot be marked as described in this paragraph (c)(4) must, to the extent practicable, identify confidential information by alternative markings using existing attributes within the file or means that are accessible through use of the file's associated program. A representative from NHTSA's Office of Chief Counsel, as designated by NHTSA, should be copied on any submissions with confidential business information;

(5) Identify the current model year;

(6) Be written in the English language; and

(7)(i) Specify any part of the information or data in the report that the manufacturer believes should be withheld from public disclosure as trade secret or other confidential business information.

(ii) With respect to each item of information or data requested by the manufacturer to be withheld under 5 U.S.C. 552(b)(4) and 15 U.S.C. 2005(d)(1), the manufacturer shall:

(A) Show that the item is within the scope of sections 552(b)(4) and 2005(d)(1);

(B) Show that disclosure of the item would result in significant competitive damage;

(C) Specify the period during which the item must be withheld to avoid that damage; and

(D) Show that earlier disclosure would result in that damage.

(d) Beginning with model year 2023, each manufacturer shall generate reports required by this part using the NHTSA CAFE Projections Reporting Template (Office of Management and Budget (OMB) Control No. 2127–0019, NHTSA Form 1474). The template is a fillable form.

(1) Manufacturers must select the option to identify the report as a pre-model year report, mid-model year report, or supplementary report as appropriate.

(2) Manufacturers must complete all required information for the manufacturer and for all vehicles produced for the current model year required to comply with corporate average fuel economy (CAFE) standards. The manufacturer must identify the manufacturer submitting the report, including the full name, title, and address of the official responsible for preparing the report and a point of

contact to answer questions concerning the report.

(3) Manufacturers must use the template to generate confidential and non-confidential reports for each of the compliance fleets (*i.e.,* domestic passenger automobile, imported passenger automobile, non-passenger automobile) produced by the manufacturer for the current model year. Manufacturers must submit a request for confidentiality in accordance with part 512 of this chapter to withhold projected production sales volume estimates from public disclosure. If the request is granted, NHTSA will withhold the projected production sales volume estimates from public disclosure until all the vehicles produced by the manufacturer have been made available for sale (usually 1 year after the current model year).

(4) Manufacturers must submit confidential reports and requests for confidentiality to NHTSA in accordance with § 537.12 and part 512 of this chapter using NHTSA's Confidential Business Information (CBI) Portal. Email copies of non-confidential (*i.e.,* redacted) reports to NHTSA's secure email address: *cafe@dot.gov.*

(5) Manufacturers can withhold information on projected production sales volumes under 5 U.S.C. 552(b)(4) and 15 U.S.C. 2005(d)(1). In accordance, the manufacturer must:

(i) Show that the item is within the scope of sections 552(b)(4) and 2005(d)(1);

(ii) Show that disclosure of the item would result in significant competitive damage;

(iii) Specify the period during which the item must be withheld to avoid that damage; and

(iv) Show that earlier disclosure would result in that damage.

(e) Each report required by this part must be based upon all information and data available to the manufacturer 30 days before the report is submitted to the Administrator.

§ 537.6 General content of reports.

(a) *Pre-model year and mid-model year reports.* Except as provided in paragraph (c) of this section, each pre-model year report and the mid-model year report for each model year must contain the information required by § 537.7(a).

(b) *Supplementary report.* Except as provided in paragraph (c) of this section, each supplementary report for each model year must contain the information required by § 537.7(a)(1) and (2), as appropriate for the vehicle fleets produced by the manufacturer, in accordance with § 537.8(b)(1) through (4) as appropriate.

(c) *Exceptions.* The pre-model year report, mid-model year report, and supplementary report(s) submitted by an incomplete automobile manufacturer for any model year are not required to contain the information specified in § 537.7(c)(4)(xv) through (xviii) and (c)(5). The information provided by the incomplete automobile manufacturer under § 537.7(c) shall be according to base level instead of model type or carline.

§ 537.7 Pre-model year and mid-model year reports.

(a) *Report submission requirements.* (1) Manufacturers must provide a report with the information required by paragraphs (b) and (c) of this section for each domestic and imported passenger automobile fleet, as specified in part 531 of this chapter, for the current model year.

(2) Manufacturers must provide a report with the information required by paragraphs (b) and (c) of this section for each non-passenger automobile fleet, as specified in part 533 of this chapter, for the current model year.

(3) For model year 2023 and later, for passenger automobiles specified in part 531 and non-passenger automobiles specified in part 533 of this chapter, manufacturers must provide the information for pre-model and mid-model year reports in accordance with the NHTSA CAFE Projections Reporting Template (OMB Control No. 2127–0019, NHTSA Form 1474). The required reporting template can be downloaded from NHTSA's website.

(i) Manufacturers are only required to provide the actual information on vehicles and technologies in production at the time the pre- and mid-model year reports are required. Otherwise, manufacturers must provide reasonable estimates or updated estimates where possible for pre-and mid-model year reports.

(ii) Manufacturers should attempt not to omit data, which should only be the done for products pending production and with unknown information at the time CAFE reports are prepared.

(b) *Projected average and required fuel economy.* (1) Manufacturers must state the projected average fuel economy for the manufacturer's automobiles determined in accordance with § 537.9 and based upon the fuel economy values and projected sales figures provided under paragraph (c)(2) of this section.

(2) Manufacturers must state the projected final average fuel economy that the manufacturer anticipates having if changes implemented during the model year will cause that average to be different from the average fuel economy projected under paragraph (b)(1) of this section.

(3) Manufacturers must state the projected required fuel economy for the manufacturer's passenger automobiles and non-passenger automobiles determined in accordance with §§ 531.5(a) and 533.5 of this chapter and based upon the projected sales figures provided under paragraph (c)(2) of this section. For each unique model type and footprint combination of the manufacturer's automobiles, the manufacturer must provide the information specified in paragraphs (b)(3)(i) and (ii) of this section in tabular form. The manufacturer must list the model types in order of increasing average inertia weight from top to bottom down the left side of the table and list the information categories in the order specified in paragraphs (b)(3)(i) and (ii) of this section from left to right across the top of the table. Other formats, such as those accepted by the Environmental Protection Agency (EPA), which contain all the information in a readily identifiable format, are also acceptable. For model year 2023 and later, for each unique model type and footprint combination of the manufacturer's automobiles, the manufacturer must provide the information specified in paragraphs (b)(3)(i) and (ii) of this section in accordance with the CAFE Projections Reporting Template (OMB Control No. 2127–0019, NHTSA Form 1474).

(i) In the case of passenger automobiles, manufacturers must report the following:

(A) Beginning model year 2013, base tire as defined in § 523.2 of this chapter;

(B) Beginning model year 2013, front axle, rear axle, and average track width as defined in § 523.2 of this chapter;

(C) Beginning model year 2013, wheelbase as defined in § 523.2 of this chapter;

(D) Beginning model year 2013, footprint as defined in § 523.2 of this chapter; and

(E) The fuel economy target value for each unique model type and footprint entry listed in accordance with the equation provided in part 531 of this chapter.

(ii) In the case of non-passenger automobiles, manufacturers must report the following:

(A) Beginning model year 2013, base tire as defined in § 523.2 of this chapter;

(B) Beginning model year 2013, front axle, rear axle, and average track width as defined in § 523.2 of this chapter;

(C) Beginning model year 2013, wheelbase as defined in § 523.2 of this chapter;

(D) Beginning model year 2013, footprint as defined in § 523.2 of this chapter; and

(E) The fuel economy target value for each unique model type and footprint entry listed in accordance with the equation provided in part 533 of this chapter.

(4) Manufacturers must state the projected final required fuel economy that the manufacturer anticipates having if changes implemented during the model year will cause the targets to be different from the target fuel economy projected under paragraph (b)(3) of this section.

(5) Manufacturers must state whether the manufacturer believes that the projections it provides under paragraphs (b)(2) and (4) of this section, or if it does not provide an average or target under paragraphs (b)(2) and (4), the projections it provides under paragraphs (b)(1) and (3) of this section, sufficiently represent the manufacturer's average and target fuel economy for the current model year for purposes of the Act. In the case of a manufacturer that believes that the projections are not sufficiently representative for the purpose of determining the projected average fuel economy for the manufacturer's automobiles, the manufacturers must state the specific nature of any reason for the insufficiency and the specific additional testing or derivation of fuel economy values by analytical methods believed by the manufacturer necessary to eliminate the insufficiency and any plans of the manufacturer to undertake that testing or derivation voluntarily and submit the resulting data to EPA under 40 CFR 600.509–12.

(c) *Model type and configuration fuel economy and technical information.* (1) For each model type of the manufacturer's automobiles, the manufacturers must provide the information specified in paragraph (c)(2) of this section in tabular form. List the model types in order of increasing average inertia weight from top to bottom down the left side of the table and list the information categories in the order specified in paragraph (c)(2) of this section from left to right across the top of the table. For model year 2023 and later, CAFE reports required by this part shall for each model type of the manufacturer's automobiles provide the information specified in paragraphs (c)(2) and (4) of this section using the NHTSA CAFE Projections Reporting Template (OMB Control No. 2127–0019, NHTSA Form 1474) and list the model types in order of increasing average inertia weight from top to bottom.

(2)(i) Combined fuel economy; and

(ii) Projected sales for the current model year and total sales of all model types.

(3) For pre-model year reports not subject to § 537.5(d) of this chapter, for each vehicle configuration whose fuel economy was used to calculate the fuel economy values for a model type under paragraph (c)(2) of this section, manufacturers must provide the information specified in paragraph (c)(4) of this section.

(4)(i) Loaded vehicle weight;

(ii) Equivalent test weight;

(iii) Engine displacement, liters;

(iv) Society of Automotive Engineers (SAE) net rated power, kilowatts;

(v) SAE net horsepower;

(vi) Engine code;

(vii) Fuel system (number of carburetor barrels or, if fuel injection is used, so indicate);

(viii) Emission control system;

(ix) Transmission class;

(x) Number of forward speeds;

(xi) Existence of overdrive (indicate yes or no);

(xii) Total drive ratio (N/V);

(xiii) Axle ratio;

(xiv) Combined fuel economy;

(xv) Projected sales for the current model year;

(xvi)(A) In the case of passenger automobiles:

(*1*) Interior volume index, determined in accordance with subpart D of 40 CFR part 600; and

(*2*) Body style;

(B) In the case of non-passenger automobiles:

(*1*) All functional ability characteristic metrics described in paragraph (c)(5)(i) of this section; and

(*2*) All off-highway characteristic metrics described in (c)(5)(ii) of this section;

(xvii) Frontal area;

(xviii) Road load power at 50 miles per hour, if determined by the manufacturer for purposes other than compliance with this part to differ from the road load setting prescribed in 40 CFR 86.177–11(d); and

(xix) Optional equipment that the manufacturer is required under 40 CFR parts 86 and 600 to have actually installed on the vehicle configuration, or the weight of which must be included in the curb weight computation for the vehicle configuration under 40 CFR parts 86 and 600, for fuel economy testing purposes.

(5) For each vehicle subconfiguration of non-passenger automobile classified under part 523 of this chapter, provide the following information described in paragraphs (c)(5)(i) and (ii) of this section:

(i) For an automobile not manufactured primarily for transporting 10 or fewer passengers, determined by the presence of at least one chief non-passenger characteristic in accordance with § 523.5(a) of this chapter, provide:

(A) A yes or no confirmation for whether the number of designated seating positions is greater than ten. If yes, provide the number of designated seating positions;

(B) A yes or no confirmation for the presence of temporary living accommodations, such as a bed, sink, stove, refrigerator, or toilet. If yes, list the provided accommodations;

(C) A yes or no confirmation for the ability to transport property on an open bed. If yes, provide bed width and length in inches, measured to the nearest tenth of inch;

(D) Maximum passenger carrying volume and minimum cargo carrying volume, as defined in § 523.2 of this chapter, with all seats, as sold to the first retail purchaser, installed and in their passenger-carrying position; and

(E) For automobiles manufactured in model year 2022 through model year 2029:

(*1*) A yes or no confirmation for the presence of three or more rows of designated seating positions;

(*2*) A yes or no confirmation that the 2nd and 3rd row seating can be removed, stowed, or folded as described in § 523.5(a)(5) of this chapter;

(3) A yes or no confirmation that the 2nd and 3rd rows create a flat, level surface when in their cargo-carrying configuration as described in § 523.5(a)(5) of this chapter.

(F) For automobiles manufactured in 2030 and beyond, provide the following for the calculation of the light duty work factor (LDWF):

(1) Curb weight of the vehicle with the lowest calculated LDWF within the vehicle subconfiguration;

(2) Gross vehicle weight rating (GVWR);

(3) Trailer weight rating (TWR) determined in accordance with SAE J2807 NOV2024 (incorporated by reference, see § 523.11). If the vehicle subconfiguration has vehicles with different TWRs, provide the TWR for the vehicle with the lowest calculated LDWF.

(ii) For an automobile capable of off-highway operation, provide the features in paragraphs (c)(5)(ii)(A) through (D) of this section in accordance with § 523.5(b) of this chapter:

(A) A yes or no confirmation for the presence of 4-wheel drive;

(B) The gross vehicle weight rating (GVWR) in pounds;

(C) Measured or calculated in accordance with § 523.5(b)(2), provide the value of:

(*1*) Approach angle rounded to the nearest 0.1 degrees;

(*2*) Breakover angle rounded to the nearest 0.1 degrees;

(*3*) Departure angle rounded to the nearest 0.1 degrees; and

(*4*) Running clearance rounded to the nearest 0.1 centimeters.

(D) For automobiles manufactured through model year 2029, measured or calculated in accordance with § 523.5(b)(2), provide the value of:

(*1*) Front axle clearance rounded to the nearest 0.1 centimeters; and

(*2*) Rear axle clearance rounded to the nearest 0.1 centimeters.

(6) Manufacturers must determine the fuel economy values provided under paragraphs (c)(2) and (4) of this section in accordance with § 537.9.

(7) For the model years specified in paragraphs (c)(7)(i) through (iii) of this section, manufacturers must identify any air-conditioning (AC), off-cycle and full-size pick-up truck technologies used each model year to calculate the average fuel economy specified in 40 CFR 600.510–12.

(i) For automobiles manufactured in years in which a manufacturer may generate fuel consumption improvement values pursuant to 40 CFR part 600, each manufacturer must provide a list of each air conditioning (AC) efficiency improvement technology utilized in its fleet(s) of vehicles for each model year for which the manufacturer qualifies for fuel consumption improvement values. For each technology identify vehicles by make and model types that have the technology, which compliance category those vehicles belong to, and the number of vehicles for each model equipped with the technology. For each compliance category (domestic passenger automobile, imported passenger automobile, and non-passenger automobile), report the AC fuel consumption improvement value in gallons/mile in accordance with the applicable equation specified in 40 CFR part 600.

(ii) For automobiles manufactured in model years in which a manufacturer may generate fuel consumption improvement values pursuant to 40 CFR part 600, each manufacturer must provide a list of off-cycle efficiency improvement technologies utilized in its fleet(s) of vehicles for each model year that is pending or approved by EPA for which the manufacturer qualifies for fuel consumption improvement values. For each technology, manufacturers must identify vehicles by make and model types that have the technology, which compliance category those vehicles belong to, the number of vehicles for each model equipped with the technology, and the associated off-cycle credits (grams/mile) available for each technology. For each compliance category (domestic passenger automobile, imported passenger automobile, and non-passenger automobile), manufacturers must calculate the fleet off-cycle fuel consumption improvement value in gallons/mile in accordance with the applicable equation specified in 40 CFR part 600.

(iii) For model years up to 2024, each manufacturer must provide a list of full-size pickup trucks in its fleet that meet the mild and strong hybrid vehicle definitions. For each mild and strong hybrid type, manufacturers must identify vehicles by make and model types that have the technology, the number of vehicles produced for each model equipped with the technology, the total number of full-size pickup trucks produced with and without the technology, the calculated percentage of hybrid vehicles relative to the total number of vehicles produced, and the associated full-size pickup truck credits (grams/mile) available for each technology. For the non-passenger automobile compliance category, manufacturers must calculate the fleet pickup truck fuel consumption improvement value in gallons/mile in accordance with the applicable equation specified in 40 CFR part 600.

§ 537.8 Supplementary reports.

(a)(1) Except as provided in paragraph (d) of this section, each manufacturer whose most recently submitted mid-model year report contained an average fuel economy projection under § 537.7(b)(2) or, if no average fuel economy was projected under that section, under § 537.7(b)(1) that was not less than the applicable average fuel economy standard in this chapter and who now projects an average fuel economy that is less than the applicable standard in this chapter shall file a supplementary report containing the information specified in paragraph (b)(1) of this section.

(2) Except as provided in paragraph (d) of this section, each manufacturer that determines that its average fuel economy for the current model year as projected under § 537.7(b)(2) or, if no average fuel economy was projected under § 537.7(b)(2), as projected under § 537.7(b)(1), is less representative than the manufacturer previously reported it to be under § 537.7(b)(3), this section, or both, shall file a supplementary report containing the information specified in paragraph (b)(2) of this section.

(3) For model years through 2022, each manufacturer whose mid-model year report omits any of the information specified in § 537.7(b) or (c) shall file a supplementary report containing the information specified in paragraph (b)(3) of this section.

(4) Starting model year 2023, each manufacturer whose mid-model year report omits any of the information shall resubmit the information with other information required in accordance with the NHTSA CAFE Projections Reporting Template (OMB Control No. 2127–0019, NHTSA Form 1474).

(b)(1) The supplementary report required by paragraph (a)(1) of this section must contain:

(i) Such revisions of and additions to the information previously submitted by the manufacturer under this part regarding the automobiles whose projected average fuel economy has decreased as specified in paragraph (a)(1) of this section as are necessary—

(A) To reflect the change and its cause; and

(B) To indicate a new projected average fuel economy based upon these additional measures.

(ii) An explanation of the cause of the decrease in average fuel economy that led to the manufacturer's having to submit the supplementary report required by paragraph (a)(1) of this section.

(2) The supplementary report required by paragraph (a)(2) of this section must contain:

(i) A statement of the specific nature of and reason for the insufficiency in the representativeness of the projected average fuel economy;

(ii) A statement of specific additional testing or derivation of fuel economy values by analytical methods believed by the manufacturer necessary to eliminate the insufficiency; and

(iii) A description of any plans of the manufacturer to undertake that testing or derivation voluntarily and submit the resulting data to the EPA under 40 CFR 600.509–12.

(3) The supplementary report required by paragraph (a)(3) of this section must contain:

(i) All of the information omitted from the mid-model year report under § 537.6(c); and

(ii) Such revisions of and additions to the information submitted by the manufacturer in its mid-model year report regarding the automobiles produced during the current model year as are necessary to reflect the information provided under paragraph (b)(3)(i) of this section.

(4) The supplementary report required by paragraph (a)(4) of this section must contain:

(i) All information omitted from the mid-model year reports under § 537.6(c); and

(ii) Such revisions of and additions to the information submitted by the manufacturer in its pre-model or mid-model year reports regarding the automobiles produced during the current model year as are necessary to reflect the information provided under paragraph (b)(4)(i) of this section.

(c) Each report required by paragraph (a)(1), (2), (3), or (4) of this section must be submitted in accordance with § 537.5(c) not more than 45 days after the date on which the manufacturer determined, or could have determined with reasonable diligence, that the report was required.

(d) A supplementary report is not required to be submitted by the manufacturer under paragraph (a)(1) or (2) of this section:

(1) With respect to information submitted under this part before the most recent mid-model year report submitted by the manufacturer under this part; or

(2) When the date specified in paragraph (c) of this section occurs after the day by which the pre-model year report for the model year immediately following the current model year must be submitted by the manufacturer under this part.

(e) For model years 2008, 2009, and 2010, each manufacturer of non-passenger automobiles, as that term is defined in § 523.5 of this chapter, shall submit a report, not later than 45 days following the end of the model year, indicating whether the manufacturer is opting to comply with § 533.5(f) or (g) of this chapter.

§ 537.9 Determination of fuel economy values and average fuel economy.

(a) *Vehicle subconfiguration fuel economy values.* (1) For each vehicle subconfiguration for which a fuel economy value is required under paragraph (c) of this section and has been determined and approved under 40 CFR part 600, the manufacturer shall submit that fuel economy value.

(2) For each vehicle subconfiguration specified in paragraph (a)(1) of this section for which a fuel economy value approved under 40 CFR part 600, does not exist, but for which a fuel economy value determined under 40 CFR part 600 exists, the manufacturer shall submit that fuel economy value.

(3) For each vehicle subconfiguration specified in paragraph (a)(1) of this section for which a fuel economy value has been neither determined nor approved under 40 CFR part 600, the manufacturer shall submit a fuel economy value based on tests or analyses comparable to those prescribed or permitted under 40 CFR part 600 and a description of the test procedures or analytical methods used.

(4) For each vehicle configuration for which a fuel economy value is required under paragraph (c) of this section and has been determined and approved under 40 CFR part 600, the manufacturer shall submit that fuel economy value.

(b) *Base level and model type fuel economy values.* For each base level and model type, the manufacturer shall submit a fuel economy value based on the values submitted under paragraph (a) of this section and calculated in the same manner as base level and model type fuel economy values are calculated for use under subpart F of 40 CFR part 600.

(c) *Average fuel economy.* Average fuel economy must be based upon fuel economy values calculated under paragraph (b) of this section for each model type and must be calculated in accordance with subpart F of 40 CFR part 600, except that fuel economy values for running changes and for new base levels are required only for those changes made or base levels added before the average fuel economy is required to be submitted under this part.

§ 537.10 Incorporation by reference by manufacturers.

(a) A manufacturer may incorporate by reference in a report required by this part any document other than a report, petition, or application, or portion thereof submitted to any Federal department or agency more than two model years before the current model year.

(b) A manufacturer that incorporates by reference a document not previously submitted to the National Highway Traffic Safety Administration shall append that document to the report.

(c) A manufacturer that incorporates by reference a document shall clearly identify the document and, in the case of a document previously submitted to the National Highway Traffic Safety Administration, indicate the date on which and the person by whom the document was submitted to this agency.

§ 537.11 Public inspection of information.

Except as provided in § 537.12, any person may inspect the information and data submitted by a manufacturer under this part in the docket section of the National Highway Traffic Safety Administration. Any person may obtain copies of the information available for inspection under this section in accordance with the regulations of the Secretary of Transportation in part 7 of this title.

§ 537.12 Confidential information.

(a) *Treatment of confidential information.* Information made available under § 537.11 for public inspection does not include information for which confidentiality is requested under § 537.5(c)(7), is granted in accordance with section 505 of the Act and 5 U.S.C. 552(b) and is not subsequently released under paragraph (c) of this section in accordance with section 505 of the Act.

(b) *Denial of confidential treatment.* When the Administrator denies a manufacturer's request under § 537.5(c)(7) for confidential treatment of information, the Administrator gives the manufacturer written notice of the denial and reasons for it. Public disclosure of the information is not made until after the 10-day period immediately following the giving of the notice.

(c) *Release of confidential information.* After giving written notice to a manufacturer and allowing 10 days, when feasible, for the manufacturer to respond, the Administrator may make available for public inspection any information submitted under this part that is relevant to a proceeding under the Act, including information that was granted confidential treatment by the Administrator pursuant to a request by the manufacturer under § 537.5(c)(7).

PART 578—CIVIL AND CRIMINAL PENALTIES

■ 6. The authority citation for part 578 continues to read as follows:

Authority: Pub. L. 92–513, Pub. L. 94–163, Pub. L. 98–547, Pub. L. 101–410, Pub. L. 102–388, Pub. L. 102–519, Pub. L. 104–134, Pub. L. 109–59, Pub. L. 110–140, Pub. L. 112–141, Pub. L. 114–74, Pub. L. 114–94 (49 U.S.C. 30165, 30170, 30505, 32308, 32309, 32507, 32709, 32710, 32902, 32912, 33114, and 33115); delegation of authority at 49 CFR 1.81, 1.95.

■ 7. Amend § 578.6 by revising the introductory text of paragraph (h)(2) to read as follows:

§ 578.6 Civil penalties for violations of specified provisions of Title 49 of the United States Code.

* * * * *

(h) * * *

(2) Except as provided in 49 U.S.C. 32912(c), a manufacturer that violates a standard prescribed for a model year under 49 U.S.C. 32902 is liable to the United States Government for a civil penalty of $0 (for model years before

model year 2019, the civil penalty is $5.50; for model years 2019 through 2021, the civil penalty is $14; for model year 2022 and later, the civil penalty is $0), multiplied by each .1 of a mile a gallon by which the applicable average fuel economy standard under that section exceeds the average fuel economy—

* * * * *

Issued under authority delegated in 49 CFR 1.95. The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; 49 CFR 1.49; and DOT Order 1351.29A.

Jonathan Morrison,

Administrator.

[FR Doc. 2026–19964 Filed 9–29–26; 8:45 am]

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FEDERAL REGISTER

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Part IV

The President

Proclamation 11070—Gold Star Mother's and Family's Day, 2026

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Presidential Documents

Title 3—

The President

Proclamation 11070 of September 25, 2026

Gold Star Mother's and Family's Day, 2026

By the President of the United States of America

A Proclamation

America is free, strong, secure, and prosperous due to the courage of the heroes in uniform who are willing to lay down their lives in the defense of our Republic. The supreme sacrifice paid by every fallen warrior is borne in perpetual sorrow and profound anguish by the loved ones left behind. On Gold Star Mother's and Family's Day, we pause to honor the surviving families of our valiant patriots and renew our sacred obligation to always support them.

Gold Star Families endure the unfathomable—burying their Soldier, Sailor, Marine, Airman, Guardian, or Coast Guardsman who fell protecting our birthright of freedom. In an instant, their lives are forever changed; their future plans, hopes, and dreams are replaced by a folded flag, medals, awards, precious pictures, and cherished memories. In spite of incalculable loss, many bereaved often turn their grief into resolve, selflessly devoting themselves to service and outreach efforts in aid of those who have lost a family member in the Armed Forces. In communities nationwide, they support military members, families, and veterans and bring hope and healing to other shattered souls. Each act of kindness and compassion honors the memory of their beloved and is a testament to the uncommon resilience and grace of those from whom so much has been taken.

As President, I will always ensure that our Gold Star spouses and families have the support they deserve to carry forward with strength and to preserve their loved ones' legacies. To that end, I was proud to recently establish the first-ever Military Spouse Commission, whose members—the spouses of our Nation's highest-ranking military leaders and officials—bring more than 544 years of combined military family experience and a deep understanding of the sacrifices made on the home front. As part of this important work, they are finding solutions to the challenges facing military families, including strengthening deployment-readiness. Furthermore, the Commission members are standing with our Gold Star Mothers and Families, as well as working with the Department of War's Gold Star Advisory Council. Under my leadership, our Nation will always support those who have stood beside our fallen warriors—patriots who kept their oath to our Republic to the very end—and together, we will keep faith with their families and forever honor their sacrifices.

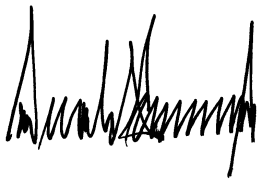
Today, the First Lady joins me in prayer, sympathy, and gratitude for every American whose loved one gave the last full measure of devotion. As Commander in Chief, I pledge to do everything in my power to love and support them and to valiantly safeguard the blessed freedom their spouses, children, and parents died to defend.

The Congress, by Senate Joint Resolution 115 of June 23, 1936 (49 Stat. 1895 as amended), has designated the last Sunday in September as ''Gold Star Mother's Day.''

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 Sunday, September 27, 2026, as Gold Star Mother's and Family's Day. I call upon all Government

officials to display the flag of the United States over Government buildings, and I encourage the American people to display the flag and hold appropriate ceremonies as an expression of our Nation's gratitude and respect.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth 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.



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LIST OF PUBLIC LAWS

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's **List of Public Laws**.

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