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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2022–0453; Project Identifier MCAI–2020–01557–T; Amendment 39–22091; AD 2022–13–05]

RIN 2120–AA64

Airworthiness Directives; Bombardier, Inc., Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Bombardier, Inc., Model BD–700–1A10 and BD–700–1A11 airplanes. This AD was prompted by reports of the loss of all air data system information provided to the flightcrew during flight; the air data system information was recovered as the airplane descended to lower altitudes. This AD requires revising the existing airplane flight manual (AFM) to update the Unreliable Airspeed and Landing Distance Factor emergency procedures, which provide instructions for the flightcrew to stabilize the airspeed and altitude. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective August 11, 2022.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD as of August 11, 2022.

ADDRESSES: For service information identified in this final rule, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 1–514–855–2999; email *ac.yul@aero.bombardier.com;* internet *https://www.bombardier.com.* You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195. It is also available on the internet at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0453.

Examining the AD Docket

You may examine the AD docket on the internet at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0453; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Chirayu Gupta, Aerospace Engineer, Mechanical Systems and Administrative Services Section, FAA, New York ACO Branch, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 516–228–7300; email *9-avs-nyaco-cos@faa.gov.*

SUPPLEMENTARY INFORMATION:

Background

Transport Canada Civil Aviation (TCCA), which is the aviation authority for Canada, has issued TCCA AD CF–2020–50, dated November 20, 2020 (TCCA AD CF–2020–50) (also referred to after this as the Mandatory Continuing Airworthiness Information, or the MCAI), to correct an unsafe condition for certain Bombardier, Inc., Model BD–700–1A10 and BD–700–1A11 airplanes. You may examine the MCAI in the AD docket at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0453.

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to for certain Bombardier, Inc., Model BD–700–1A10 and BD–700–1A11 airplanes. The NPRM published in the **Federal Register** on April 11, 2022 (87 FR 21047). The NPRM was prompted by reports of the loss of all air data system information provided to the flightcrew during flight; the air data system information was recovered as the airplane descended to lower altitudes. The NPRM proposed to require revising the existing AFM to update the Unreliable Airspeed and Landing Distance Factor emergency procedures, which provide instructions for the flightcrew to stabilize the airspeed and altitude. The FAA is issuing this AD to address loss of all air data system information, which could lead to loss of continued safe flight and landing of the airplane. See the MCAI for additional background information.

Discussion of Final Airworthiness Directive

Comments

The FAA received no comments on the NPRM or on the determination of the cost to the public.

Conclusion

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

Related Service Information Under 1 CFR Part 51

Bombardier has issued the following service information. This service information describes procedures for stabilizing the airspeed and altitude of the airplane. These documents are distinct since they apply to different airplane models.

- Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global Express AFM, Publication No. CSP 700–1, Revision 107, dated February 22, 2021. (For obtaining the procedures for Bombardier Global Express AFM, Publication No. CSP 700–1, use Document Identification No. GL 700 AFM–1.)
- Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global Express AFM, Publication No. CSP 700–1, Revision 107, dated February 22, 2021. (For obtaining the

procedures for Bombardier Global Express AFM, Publication No. CSP 700–1, use Document Identification No. GL 700 AFM–1.)

• Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global Express AFM, Publication No. CSP 700–1A, Revision 107, dated February 22, 2021. (For obtaining the procedures for Bombardier Global Express AFM, Publication No. CSP 700–1A, use Document Identification No. GL 700 AFM–1A.)

• Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global Express AFM, Publication No. CSP 700–1A, Revision 107, dated February 22, 2021. (For obtaining the procedures for Bombardier Global Express AFM, Publication No. CSP 700–1A, use Document Identification No. GL 700 AFM–1A.)

• Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, Revision 68, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, use Document Identification No. GL 5000 AFM.)

• Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, Revision 68, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, use Document Identification No. GL 5000 AFM.)

• Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, Revision 37, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, use Document Identification No. GL 5000 GVFD AFM.)

• Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, Revision 37, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, use Document Identification No. GL 5000 GVFD AFM.)

• Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 5500 AFM, Publication No. CSP 700–5500–1, Revision 8, dated November 11, 2020. (For obtaining the procedures for Bombardier Global 5500 AFM, Publication No. CSP 700–5500–1, use Document Identification No. GL 5500 AFM.)

• Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 6000 AFM, Publication No. CSP 700–1V, Revision 37, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 6000 AFM, Publication No. CSP 700–1V, use Document Identification No. GL 6000 AFM.)

• Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 6000 AFM, Publication No. CSP 700–1V, Revision 37, dated February 22, 2021. (For obtaining the procedures for Bombardier Global 6000 AFM, Publication No. CSP 700–1V, use Document Identification No. GL 6000 AFM.)

• Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures of the Bombardier Global 6500 AFM, Publication No. CSP 700–6500–1, Revision 8, dated November 11, 2020. (For obtaining the procedures for Bombardier Global 6500 AFM, Publication No. CSP 700–6500–1, use Document Identification No. GL 6500 AFM.)

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

Costs of Compliance

The FAA estimates that this AD affects 395 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS FOR REQUIRED ACTIONS

Labor cost	Parts cost	Cost per product	Cost on U.S. operators
1 work-hour × $85 per hour = $85	$0	$85	$33,575

Authority for This Rulemaking

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

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

Regulatory Findings

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

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

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

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

(3) Will not have a significant economic impact, positive or negative,

on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2022–13–05 Bombardier, Inc.: Amendment 39–22091; Docket No. FAA–2022–0453; Project Identifier MCAI–2020–01557–T.

(a) Effective Date

This airworthiness directive (AD) is effective August 11, 2022.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Bombardier, Inc., Model BD–700–1A10 and BD–700–1A11 airplanes, certificated in any category, serial numbers (S/Ns) 9002 through 9998 inclusive, and S/Ns 60001 through 60027 inclusive.

(d) Subject

Air Transport Association (ATA) of America Code 34, Navigation.

(e) Unsafe Condition

This AD was prompted by reports of the loss of all air data system information provided to the flightcrew during flight; the air data system information was recovered as the airplanes descended to lower altitudes. The FAA is issuing this AD to address loss of all air data system information, which could lead to loss of continued safe flight and landing of the airplane.

(f) Compliance

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

(g) Revision of the Existing Airplane Flight Manual (AFM)

Within 30 days after the effective date of this AD: Revise the existing AFM to incorporate the information specified in the AFM sections and supplements, as applicable, of the AFM revisions specified in figure 1 to paragraph (g) of this AD.

Figure 1 to paragraph (g) – *AFM References*

Bombardier Airplane Model (Marketing Designation)	AFM	AFM Section	AFM Supplement, If Applicable	AFM Revision and Issue Date
BD-700-1A10 (Global Express)	Bombardier Global Express AFM, Publication No. CSP 700-1[1]	Unreliable Airspeed procedure, Section 03-12, Primary Flight Displays, Chapter 3 – Emergency Procedures	Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20 – Operations at Airport Elevations Above 10,000 Feet, Chapter 7 – Supplements	Revision 107, dated February 22, 2021
BD-700-1A10 (Global Express XRS)	Bombardier Global Express AFM, Publication No. CSP 700-1A[2]	Unreliable Airspeed procedure, Section 03-12, Primary Flight Displays, Chapter 3 – Emergency Procedures	Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20 – Operations at Airport Elevations Above 10,000 Feet, Chapter 7 – Supplements	Revision 107, dated February 22, 2021

Bombardier Airplane Model (Marketing Designation)	AFM	AFM Section	AFM Supplement, If Applicable	AFM Revision and Issue Date
BD-700-1A11 (Global 5000)	Bombardier Global 5000 AFM, Publication No. CSP 700-5000-1[3]	Unreliable Airspeed procedure, Section 03-12, Primary Flight Displays, Chapter 3 – Emergency Procedures	Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20 – Operations at Airport Elevations Above 10,000 Feet, Chapter 7 – Supplements	Revision 68, dated February 22, 2021
BD-700-1A11 (Global 5000 ft. GVFD)	Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700-5000-1V[4]	Unreliable Airspeed procedure, Section 03-12, Instruments System, Chapter 3 – Emergency Procedures	Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20 – Operations at Airport Elevations Above 10,000 Feet, Chapter 7 – Supplements	Revision 37, dated February 22, 2021
BD-700-1A11 (Global 5500)	Bombardier Global 5500 AFM, Publication No. CSP 700-5500-1[5]	Unreliable Airspeed procedure, Section 03-12, Instruments System, Chapter 3 – Emergency Procedures	Not applicable	Revision 8, dated November 11, 2020

Bombardier Airplane Model (Marketing Designation)	AFM	AFM Section	AFM Supplement, If Applicable	AFM Revision and Issue Date
BD-700-1A10 (Global 6000)	Bombardier Global 6000 AFM, Publication No. CSP 700-1V[6]	Unreliable Airspeed procedure, Section 03-12, Instruments System, Chapter 3 – Emergency Procedures	Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20 – Operations at Airport Elevations Above 10,000 Feet, Chapter 7 – Supplements	Revision 37, dated February 22, 2021
BD-700-1A10 (Global 6500)	Bombardier Global 6500 AFM, Publication No. CSP 700-6500-1[7]	Unreliable Airspeed procedure, Section 03-12, Instruments System, Chapter 3 – Emergency Procedures	Not applicable	Revision 8, dated November 11, 2020

[1] For obtaining the procedures for Bombardier Global Express AFM, Publication No. CSP 700-1, use Document Identification No. GL 700 AFM-1.

[2] For obtaining the procedures for Bombardier Global Express AFM, Publication No. CSP 700-1A, use Document Identification No. GL 700 AFM-1A.

[3] For obtaining the procedures for Bombardier Global 5000 AFM, Publication No. CSP 700-5000-1, use Document Identification No. GL 5000 AFM.

[4] For obtaining the procedures for Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700-5000-1V, use Document Identification No. GL 5000 GVFD AFM.

[5] For obtaining the procedures for Bombardier Global 5500 AFM, Publication No. CSP 700-5500-1, use Document Identification No. GL 5500 AFM.

[6] For obtaining the procedures for Bombardier Global 6000 AFM, Publication No. CSP 700-1V, use Document Identification No. GL 6000 AFM.

[7] For obtaining the procedures for Bombardier Global 6500 AFM, Publication No. CSP 700-6500-1, use Document Identification No. GL 6500 AFM.

(h) Other FAA AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, New York ACO 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 certification office, send it to ATTN: Program Manager, Continuing Operational Safety, FAA, New York ACO Branch, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 516–228–7300. 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, New York ACO Branch, FAA; or Transport Canada Civil Aviation (TCCA); or Bombardier, Inc.'s TCCA Design Approval Organization (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

(i) Related Information

(1) Refer to Mandatory Continuing Airworthiness Information (MCAI) TCCA AD CF–2020–50, dated November 20, 2020, for related information. This MCAI may be found in the AD docket at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0453.

(2) For more information about this AD, contact Chirayu Gupta, Aerospace Engineer, Mechanical Systems and Administrative Services Section, FAA, New York ACO Branch, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 516–228–7300; email *9-avs-nyaco-cos@faa.gov.*

(j) Material Incorporated by Reference

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

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

(i) Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global Express Airplane Flight Manual (AFM), Publication No. CSP 700–1, Revision 107, dated February 22, 2021.

Note 1 to paragraph (j)(2)(i): For obtaining the procedures specified in paragraphs (j)(2)(i) and (ii) of this AD for Bombardier Global Express AFM, Publication No. CSP 700–1, use Document Identification No. GL 700 AFM–1.

(ii) Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global Express AFM, Publication No. CSP 700–1, Revision 107, dated February 22, 2021.

(iii) Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global Express AFM, Publication No. CSP 700–1A, Revision 107, dated February 22, 2021.

Note 2 to paragraph (j)(2)(iii): For obtaining the procedures specified in paragraphs (j)(2)(iii) and (iv) of this AD for Bombardier Global Express AFM, Publication No. CSP 700–1A, use Document Identification No. GL 700 AFM–1A.

(iv) Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global Express AFM, Publication No. CSP 700–1A, Revision 107, dated February 22, 2021.

(v) Unreliable Airspeed procedure, Section 03–12, Primary Flight Displays, Chapter 3—Emergency Procedures, of the Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, Revision 68, dated February 22, 2021.

Note 3 to paragraph (j)(2)(v): For obtaining the procedures specified in paragraphs (j)(2)(v) and (vi) of this AD for Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, use Document Identification No. GL 5000 AFM.

(vi) Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 5000 AFM, Publication No. CSP 700–5000–1, Revision 68, dated February 22, 2021.

(vii) Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, Revision 37, dated February 22, 2021.

Note 4 to paragraph (j)(2)(vii): For obtaining the procedures specified in paragraphs (j)(2)(vii) and (viii) of this AD for Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, use Document Identification No. GL 5000 GVFD AFM.

(viii) Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 5000 Featuring Global Vision Flight Deck AFM, Publication No. CSP 700–5000–1V, Revision 37, dated February 22, 2021.

(ix) Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 5500 AFM, Publication No. CSP 700–5500–1, Revision 8, dated November 11, 2020.

Note 5 to paragraph (j)(2)(ix): For obtaining the procedure specified in paragraph (j)(2)(ix) of this AD for Bombardier Global 5500 AFM, Publication No. CSP 700–5500–1, use Document Identification No. GL 5500 AFM.

(x) Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 6000 AFM, Publication No. CSP 700–1V, Revision 37, dated February 22, 2021.

Note 6 to paragraph (j)(2)(x): For obtaining the procedures specified in paragraphs (j)(2)(x) and (xi) of this AD for Bombardier Global 6000 AFM, Publication No. CSP 700–1V, use Document Identification No. GL 6000 AFM.

(xi) Instruments procedure, Landing Distance Factors section, of the Emergency Procedures section of Supplement 20—Operations at Airport Elevations Above 10,000 Feet, Chapter 7—Supplements, of the Bombardier Global 6000 AFM, Publication No. CSP 700–1V, Revision 37, dated February 22, 2021.

(xii) Unreliable Airspeed procedure, Section 03–12, Instruments System, Chapter 3—Emergency Procedures, of the Bombardier Global 6500 AFM, Publication No. CSP 700–6500–1, Revision 8, dated November 11, 2020.

Note 7 to paragraph (j)(2)(xii): For obtaining the procedure specified in paragraph (j)(2)(xii) of this AD for Bombardier Global 6500 AFM, Publication No. CSP 700–6500–1, use Document Identification No. GL 6500 AFM.

(3) For service information identified in this AD, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 1–514–855–2999; email *ac.yul@aero.bombardier.com;* internet *https://www.bombardier.com.*

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

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, email *fr.inspection@nara.gov,* or go to: *https://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued on June 13, 2022.

Christina Underwood,

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

[FR Doc. 2022–14274 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2022–0450; Project Identifier MCAI–2021–00854–A; Amendment 39–22092; AD 2022–13–06]

RIN 2120–AA64

Airworthiness Directives; Diamond Aircraft Industries Inc. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Diamond Aircraft Industries Inc. Model DA 40, DA 40 F, and DA 40 NG airplanes. This AD was prompted by mandatory continuing airworthiness

information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as baggage nets installed with defective buckles, which may result in failure of the baggage net to restrain the baggage or cargo, which could lead to injury to the occupants in the case of an emergency landing. This AD requires identifying and replacing the affected part. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective August 11, 2022.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD as of August 11, 2022.

ADDRESSES: For service information identified in this final rule, contact Diamond Aircraft Industries Inc., Att: Thit Tun, 1560 Crumlin Road, London, N5V 1S2, Canada; phone: (519) 457–4000; email: *T.Tun@diamondaircraft.com.* You may view this referenced service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222–5110. Service information that is incorporated by reference is also available at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0450.

Examining the AD Docket

You may examine the AD docket at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0450; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the MCAI, any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Chirayu Gupta, Aviation Safety Engineer, New York ACO Branch, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (516) 228–7300; email: *Chirayu.A.Gupta@faa.gov.*

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to all Diamond Aircraft Industries Inc. Model DA 40, DA 40 F, and DA 40 NG airplanes. The NPRM published in the **Federal Register** on April 8, 2022 (87 FR 20781). The NPRM was prompted by MCAI originated by Transport Canada, which is the aviation authority for Canada. Transport Canada issued AD CF–2021–24, dated July 21, 2021 (referred to after this as ''the MCAI''), to address an unsafe condition on all Diamond Aircraft Industries Inc. Model DA 40, DA 40 D, DA 40 F, DA 40 NG, and DA 62 airplanes. The MCAI states:

> Diamond Aircraft Industries Inc. (DAI) has received reports of defective buckles installed as part of the baggage nets on DA 40 NG and DA 62 aeroplanes. An investigation revealed a quality escape in the manufacturing of the Quick Fix Baggage Net Assembly, part number (P/N) D44–2550–90–00 and P/N D67–2550–90–00_02, by the supplier. P/N D44–2550–90–00 baggage nets can also be installed on DA 40, DA 40 D and DA 40 F aeroplanes. The baggage nets installed with defective buckles may not maintain sufficient holding force to restrain the baggage or cargo that is carried in the same compartment as passengers, and consequently, may not provide adequate means to protect the passengers from injury.
>
> This condition, if not corrected, could result in the failure of the baggage net to restrain the baggage or cargo, which could lead to injury to the occupants in the case of an emergency landing.
>
> DAI undertook a voluntary campaign to replace all defective Quick Fix Baggage Net Assemblies. However, DAI was unable to complete the campaign in its entirety, and therefore, a number of aeroplanes with defective baggage nets that have not yet been replaced, remain in operation.
>
> As a result, DAI issued Mandatory Service Bulletin (MSB) 40–093, MSB D4–110, MSB F4–039, MSB 40NG–065 and MSB 62–028, providing accomplishment instructions to replace the defective Quick Fix Baggage Net Assemblies.
>
> This [Transport Canada] AD mandates the removal and replacement of the affected baggage nets. This [Transport Canada] AD also renders any affected baggage nets not eligible for installation as a replacement part on DA 40, DA 40 D, DA 40 F, DA 40 NG and DA 62 aeroplanes.

You may examine the MCAI in the AD docket at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0450.

In the NPRM, the FAA proposed to require identifying and replacing affected baggage nets. The FAA is issuing this AD to prevent failure of the baggage net to restrain the baggage or cargo. This unsafe condition, if not corrected, could result in injury to occupants in the case of an emergency landing.

Discussion of Final Airworthiness Directive

Comments

The FAA received one comment on the NPRM from an individual. The commenter supported the NPRM without change.

Conclusion

These products have been approved by the 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, it has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data, considered the comment received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. This AD is adopted as proposed in the NPRM.

Related Service Information Under 1 CFR Part 51

The FAA reviewed the following service information issued by Diamond Aircraft Industries Inc., which specify procedures for identifying, removing, and replacing the affected baggage nets.

- Mandatory Service Bulletin No. MSB 40–093, Rev. 0, dated July 6, 2021.
- Mandatory Service Bulletin No. MSB F4–039, Rev. 0, dated July 6, 2021.
- Mandatory Service Bulletin No. MSB 40NG–065, Rev. 1, dated July 6, 2021.

These documents are distinct since they apply to different airplane models.

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

Differences Between This AD and the MCAI or Service Information

The MCAI applies to Diamond Aircraft Industries Inc. Model DA 40, DA 40 D, DA 40 F, DA 40 NG, and DA 62 airplanes. This AD does not apply to Model DA 62 airplanes. The FAA plans to address Model DA 62 airplanes in future rulemaking.

In addition, the MCAI applies to the Model DA 40 D airplanes and this AD does not because it does not have an FAA type certificate.

Costs of Compliance

The FAA estimates that this AD affects 800 airplanes of U.S. registry.

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

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per airplane	Cost on U.S. operators
Replace Model DA 40, DA 40 F, and DA 40 NG baggage net.	0.25 work-hour × $85 per hour = $21.25	$382	$403.25	$322,600

Authority for This Rulemaking

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

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

Regulatory Findings

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

For the reasons discussed above, I certify this AD:

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

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

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

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2022–13–06 Diamond Aircraft Industries Inc.: Amendment 39–22092; Docket No. FAA–2022–0450; Project Identifier MCAI–2021–00854–A.

(a) Effective Date

This airworthiness directive (AD) is effective August 11, 2022.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Diamond Aircraft Industries Inc. Model DA 40, DA 40 F, and DA 40 NG airplanes (including Model DA 40 D airplanes that have been converted to Model DA 40 NG airplanes), all serial numbers, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 2550, Cargo Compartments.

(e) Unsafe Condition

This AD was prompted by mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as baggage nets installed with defective buckles. The FAA is issuing this AD to prevent failure of the baggage net to restrain the baggage or cargo. This unsafe condition, if not corrected, could result in injury to occupants in the case of an emergency landing.

(f) Compliance

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

(g) Definitions

The following are ''affected baggage nets'' for purposes of this AD:

(1) Quick fix baggage net assembly part number (P/N) D44–2550–90–00 with a date of manufacture of December 2015, November 2016, or March 2017; and

(2) Quick fix baggage net assembly P/N D67–2550–90–00_02 with a date of manufacture of June 2016.

(h) Required Actions

(1) Within 12 months after the effective date of this AD or within 50 hours time-in-service (TIS) after the effective date of this AD, whichever occurs first, inspect each baggage net to determine whether an affected baggage net is installed on your airplane.

Note to paragraph (h)(1): The date of manufacture is located on the label with the abbreviation ''DMF.''

(i) If an affected baggage net is installed, before further flight, remove the baggage net from service.

(ii) Before the next flight carrying baggage or cargo in the baggage compartment, install a baggage net that is not an affected baggage net in accordance with Figure 1 of the Accomplishment Instructions in the applicable service information in paragraph (i) of this AD.

(2) As of the effective date of this AD, do not install an affected baggage net on any airplane.

(i) Service Information

(1) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB 40–093, Rev. 0, dated July 6, 2021, for Model DA 40 airplanes.

(2) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB F4–039, Rev. 0, dated July 6, 2021, for Model DA 40 F airplanes.

(3) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB 40NG–065, Rev. 1, dated July 6, 2021, for Model DA 40 NG airplanes.

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, New York ACO 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 certification office, send it to the attention of the person identified in paragraph (k)(1) of this AD.

(2) For any requirement in this AD to obtain corrective actions from a manufacturer, the action must instead be accomplished using a method approved by the Manager, New York ACO Branch, FAA; or Transport Canada Civil Aviation (TCCA); or Diamond Aircraft Industries Inc.'s Design Organization Approval (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

(k) Related Information

(1) For more information about this AD, contact Chirayu Gupta, Aviation Safety Engineer, New York ACO Branch, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY

11590; phone: (516) 228–7300; email: *chirayu.a.gupta@faa.gov.*

(2) Refer to Transport Canada AD CF–2021–24, dated July 21, 2021, for more information. You may view the Transport Canada AD at *https://www.regulations.gov* in Docket No. FAA–2022–0450.

(l) Material Incorporated by Reference

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

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

(i) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB 40–093, Rev. 0, dated July 6, 2021.

(ii) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB 40NG–065, Rev. 1, dated July 6, 2021.

(iii) Diamond Aircraft Industries Mandatory Service Bulletin No. MSB F4–039, Rev. 0, dated July 6, 2021.

(3) For service information identified in this AD, contact Diamond Aircraft Industries Inc., Att: Thit Tun, 1560 Crumlin Road, London, N5V 1S2, Canada; phone: (519) 457–4000; email: *T.Tun@diamondaircraft.com.*

(4) You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, email: *fr.inspection@nara.gov,* or go to: *https://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued on June 13, 2022.

Christina Underwood,

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

[FR Doc. 2022–14335 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 356

Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds

AGENCY: Department of the Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (Treasury) is issuing in final form several technical amendments to the terms and conditions for the sale and issuance to the public of marketable Treasury securities. These amendments are designed to modernize the regulations, enhance clarity, and improve consistency in the use of terminology.

DATES: Effective August 8, 2022.

ADDRESSES: This final rule is available at *http://www.treasurydirect.gov.*

FOR FURTHER INFORMATION CONTACT: Lori Santamorena (Executive Director), Kurt Eidemiller (Associate Director), Kevin Hawkins (Associate Director) or John Garrison (Associate Director), Government Securities Regulations Staff, Bureau of the Fiscal Service, Department of the Treasury, (202) 504–3632 or email us at *govsecreg@fiscal.treasury.gov.*

SUPPLEMENTARY INFORMATION: Chapter 31 of Title 31 of the United States Code authorizes the Secretary of the Treasury to issue United States obligations, and to offer them for sale under such terms and conditions as the Secretary may prescribe. Title 31 CFR part 356, also referred to as the Uniform Offering Circular (UOC), sets out the terms and conditions for the sale and issuance by Treasury to the public of marketable, book-entry Treasury bills, notes, and bonds.[1] The UOC, together with the auction announcement for each Treasury security auction, represents a comprehensive statement of those terms and conditions. Following a review of the UOC, Treasury is issuing in final form eight technical amendments.

The first change removes specific references to the Legacy Treasury Direct and TreasuryDirect systems. This change removes outdated references to legacy technology and reduces the likelihood that Treasury would need to make future regulation changes based on technological developments.

The second change removes references to ''press release'' throughout part 356 to allow for a range of distribution methods for Treasury auction announcements and results.

The third change modifies § 356.5 paragraphs (b)(2) and (c)(2) to clarify that Treasury does not conduct unscheduled reopenings of Treasury inflation-protected securities (TIPS). In a reopening, Treasury auctions an additional amount of an outstanding security. Treasury's planned auction schedule includes regularly scheduled reopenings. In an unscheduled reopening, the highest accepted yield determined in the auction of a new, non-indexed note or bond coincidentally aligns with the yield of an outstanding non-indexed note or bond with the same maturity date. In that situation, Treasury reopens the outstanding non-indexed note or bond rather than issuing a new security. Because TIPS have a 6-digit, inflation-index ratio set when each security is issued, there is an extremely low probability that a previously issued TIPS will have an initial index ratio, coupon rate, and maturity date that coincidentally aligns with a newly issued TIPS. Therefore, Treasury does not conduct unscheduled reopenings of TIPS.

The fourth change increases the noncompetitive bid limit for all marketable Treasury securities auctions from $5 million to $10 million considering the increase in auction sizes and inflation over several decades. This change aims to encourage participation by smaller investors by expanding their opportunities to bid noncompetitively.

The fifth change adds clarifying language at § 356.14(a) to confirm that the bidder has been properly identified when submitting a customer bid in an auction. Currently, the UOC does not directly address the identification of customers on bids that satisfy guarantee arrangements.[2] To eliminate any potential ambiguity regarding such bids, the UOC is being amended to explicitly require the identification of customers on bids that satisfy guarantee arrangements. Treasury expects any entity guaranteeing bids to confirm that the customer has been properly identified on the bid and raise any questions with Treasury staff.

The sixth change revises paragraph § 356.20(b) to clarify that new inflation-protected notes and bonds are issued with a minimum interest rate of ⅛ of one percent.[3]

The seventh change revises certain examples in Appendix B to part 356 to replace references to ''inflation-indexed'' with ''inflation-protected'' for consistency.

The eighth change adds clarifying language in Appendix B to part 356 to the examples for calculating the investment rate (coupon-equivalent yield) for Treasury bills. The clarifying language explains how to calculate variable *y* when the year following the issue date of a Treasury bill is a leap year.

To provide market participants and Treasury sufficient time to modify their systems and to make any other

[1] The Uniform Offering Circular was published as a final rule on January 5, 1993 (58 FR 412).

[2] In 2009, Treasury amended the UOC to remove a provision regarding auction bids that fulfilled a guarantee. The guarantee provision was intended for multiple-price auctions which Treasury no longer conducts. 74 FR 26084 (June 1, 2009).

[3] On March 1, 2011, Treasury published in the **Federal Register** a final amendment to the UOC that established a minimum interest rate of ⅛ of one percent for all new Treasury note and bond issues, including inflation-protected securities (76 FR 11079).

operational changes that may be needed, we are providing a 30-day delayed effective date.

Procedural Requirements

Executive Order 12866. This final rule is not a significant regulatory action pursuant to Executive Order 12866.

Administrative Procedure Act (APA). This rule falls within the contract exception to the APA, 5 U.S.C. 553(a)(2), because it relates to United States securities, which are contracts between Treasury and the owner of the security. As a result, the notice, public comment, and delayed effective date provisions of the APA are inapplicable to this rule.

Regulatory Flexibility Act. The provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.,* do not apply to this final rule because, pursuant to 5 U.S.C. 553(a)(2), it is not required to be issued with notice and opportunity for public comment.

Paperwork Reduction Act. We ask for no collections of information in this final rule. Therefore, the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.,* does not apply.

Congressional Review Act (CRA). This final rule is not a major rule pursuant to the CRA, 5 U.S.C. 801 *et seq.*

List of Subjects in 31 CFR Part 356

Banks, Banking, Bonds, Federal Reserve System, Government securities, Reporting and recordkeeping requirements, Securities.

Text of Amendments

For the reasons set forth in the preamble, amend 31 CFR part 356 as follows:

PART 356—SALE AND ISSUE OF MARKETABLE BOOK-ENTRY TREASURY BILLS, NOTES, AND BONDS (DEPARTMENT OF THE TREASURY CIRCULAR, FISCAL SERVICE SERIES NO. 1–93)

■ 1. The authority citation for part 356 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 3102, *et seq.;* 12 U.S.C. 391.

■ 2. Amend § 356.2 by revising the definitions of ''Book-entry security'', ''Index rate'', removing the definition of ''Legacy Treasury Direct'', revising the definition of ''Security'', and removing the definition of ''TreasuryDirect''.

The revisions read as follows:

§ 356.2 What definitions do I need to know to understand this part?

Book-entry security means a security that is issued or maintained as an accounting entry or electronic record. (*See* § 356.4.)

* * * * *

Index rate means the simple-interest money market yield, computed on an actual/360 basis and rounded to nine decimal places, from the highest accepted discount rate of a 13-week bill auction as announced in the Treasury auction results. (*See* appendix B for methods and examples for computing the index rate.)

* * * * *

Security means a Treasury bill, note, or bond, each as described in this part. Security also means any other obligation we issue that is subject to this part according to its auction announcement. Security includes an interest or principal component under the STRIPS program, as well as a certificate of indebtedness.

* * * * *

■ 3. Amend § 356.4 by revising the introductory text and paragraph (b) and removing paragraph (c) to read as follows:

§ 356.4 What are the book-entry systems in which auctioned Treasury securities may be issued or maintained?

We issue marketable Treasury securities into the commercial book-entry system and into accounts maintained directly on the records of the Department of the Treasury (''securities held directly with Treasury'').

* * * * *

(b) *Securities held directly with Treasury.* Account holders maintain accounts in a book-entry system directly on the records of the Department of the Treasury. Securities held directly with Treasury are subject to the terms and conditions in this part, the auction announcement, and the regulations governing the system in which the securities are held. (*See* subtitle B, chapter II of this title.)

■ 4. Amend § 356.5 by revising the introductory text and footnote 1 to paragraph (b)(1) introductory text and adding paragraphs (b)(2)(vi) and (c)(2)(vi) to read as follows:

§ 356.5 What types of securities does the Treasury auction?

We offer securities under this part exclusively in book-entry form and as direct obligations of the United States issued under Chapter 31 of Title 31 of the United States Code. When we issue additional securities with the same CUSIP number as outstanding securities, we consider them to be the same securities as the outstanding securities.

* * * * *

(b) * * *

(1) * * *

[1] We use the term ''non-indexed'' in this part to distinguish such notes and bonds from ''inflation-protected securities'' and ''floating rate notes.'' We refer to non-indexed notes and non-indexed bonds as ''notes'' and ''bonds'' in official Treasury publications, such as auction announcements and auction results, as well as in auction systems.

(2) * * *

(vi) Are only reopened as scheduled or announced.

* * * * *

(c) * * *

(2) * * *

(vi) Are only reopened as scheduled or announced.

■ 5. Amend § 356.11 by revising the first sentence of paragraph (a)(1), revising paragraph (c), and removing paragraph (d) to read as follows:

§ 356.11 How are bids submitted in an auction?

(a) * * *

(1) All bids must be submitted using an approved method, which depends on the system into which the awarded securities will be issued. (*See* § 356.4.) * * *

* * * * *

(c) *Securities held directly with Treasury.* You must submit your bids in accordance with the regulations governing the system in which the security will be held. You may reinvest the proceeds of a maturing security held directly with Treasury as permitted by the system in which it is held.

■ 6. Amend § 356.12 by revising paragraphs (b)(1) and (c)(3) to read as follows:

§ 356.12 What are the different types of bids and do they have specific requirements or restrictions?

* * * * *

(b) * * *

(1) *Maximum bid.* You may not bid noncompetitively for more than $10 million. The maximum bid limitation does not apply if you are bidding solely through a request to reinvest the proceeds of a maturing security held directly with Treasury, which is a noncompetitive bid.

* * * * *

(c) * * *

(3) *Additional restrictions.* You may not bid competitively in an auction in which you are bidding noncompetitively. You may not bid competitively for securities to be held directly with Treasury.

■ 7. Amend § 356.14 by revising paragraph (a) to read as follows:

§ 356.14 What are the requirements for submitting bids for customers?

(a) *Institutions that may submit bids for customers.* Only depository institutions or dealers may submit bids for customers (*see* definitions at § 356.2), or for customers of intermediaries, under the requirements set out in this section. If a bid fulfills a guarantee to sell to a customer a specified amount of securities at the price determined in the auction, then the bid is a bid of that customer.

* * * * *

■ 8. Amend § 356.17 by revising paragraph (b), removing paragraph (c), and redesignating paragraph (d) as paragraph (c) to read as follows:

§ 356.17 How and when do I pay for securities awarded in an auction?

* * * * *

(b) *Securities held directly with Treasury.* You must pay for your awarded securities by a debit entry to a deposit account that you are authorized to debit or by using the redemption proceeds of your certificate of indebtedness. Payment by debit entry occurs on the settlement date for the actual settlement amount due. (*See* § 356.25.)

* * * * *

■ 9. Amend § 356.20 by revising paragraph (b) introductory text to read as follows:

§ 356.20 How does the Treasury determine auction awards?

* * * * *

(b) *Determining the interest rate for new non-indexed and inflation-protected note and bond issues.* If a Treasury non-indexed or inflation-protected note or bond auction results in a yield lower than 0.125 percent, the interest rate will be set at ⅛ of one percent, and successful bidders' award prices will be calculated accordingly. (*See* appendix B to this part for formulas.)

* * * * *

■ 10. Amend § 356.22 by revising paragraph (a) to read as follows:

§ 356.22 Does the Treasury have any limitations on auction awards?

(a) *Awards to noncompetitive bidders.* The maximum award to any noncompetitive bidder is $10 million. This limit does not apply to bidders bidding solely through a request to reinvest the proceeds of a maturing security held directly with Treasury.

* * * * *

■ 11. Amend § 356.23 by revising paragraph (a) and paragraph (b) introductory text to read as follows:

§ 356.23 How are the auction results announced?

(a) After the conclusion of the auction, we will make the auction results available on our website at *http://www.treasurydirect.gov.*

(b) The auction results will include such information as:

* * * * *

■ 12. Amend § 356.25 by revising paragraphs (a) and (b) and removing paragraph (d) to read as follows:

§ 356.25 How does the settlement process work?

* * * * *

(a) *Payment by debit entry to a deposit account.* If you are paying by debit entry to a deposit account as provided for in § 356.17(b), we will charge the settlement amount to the specified account on the issue date.

(b) *Payment by authorized charge to a funds account.* Where the submitter's method of payment is an authorized charge to the funds account of a depository institution as provided for in § 356.17(c), we will charge the settlement amount to the specified funds account on the issue date.

* * * * *

■ 13. Amend § 356.30 by revising the paragraph heading to paragraph (c)(2) and removing paragraph (c)(3) to read as follows:

§ 356.30 When does the Treasury pay principal and interest on securities?

* * * * *

(c) * * *

(2) *Securities held directly with Treasury.* * * *

■ 14. Amend appendix B to part 356:

■ a. In section I.C, by revising the first four sentences in paragraph 1 and the first two sentences in paragraph 3;

■ b. In section III.A and B, by removing ''inflation-indexed'' and adding in its place ''inflation-protected'' wherever it occurs; and

■ c. In section VI.D, by revising the first occurrence of the variable y in paragraphs 1 and 2.

The revisions read as follows:

Appendix B to Part 356—Formulas and Tables

* * * * *

I. * * *

C. * * *

1. * * * We issue floating rate notes with a daily interest accrual feature. This means that the interest rate ''floats'' based on changes in the representative index rate. We pay interest on a quarterly basis. The index rate is the High Rate of the 13-week Treasury bill auction announced on the auction results that has been converted into a simple-interest money market yield computed on an actual/360 basis and rounded to nine decimal places. * * *

* * * * *

3. * * * In general, accrued interest for a particular calendar day in an accrual period is calculated by using the index rate from the most recent auction of 13-week bills that took place before the accrual day, plus the spread determined at the time of a new floating rate note auction, divided by 360, subject to a zero-percent minimum daily interest accrual rate. However, the rate determined in a 13-week bill auction that takes place in the two-business-day period prior to a settlement date or interest payment date will be excluded from the calculation of accrued interest for purposes of the settlement amount or interest payment. * * *

* * * * *

VI. * * *

D. * * *

1. * * *

y = number of days in year following the issue date; normally 365, but if the period from the issue date to the same date 1 year ahead contains February 29, then y is 366. (*e.g.,* 2020 is a leap year. Suppose the issue date for a 26-week bill is February 28, 2019. The date 1 year ahead is February 28, 2020. That 1-year period from the issue date of the bill does not contain ''February 29,'' therefore y = 365. Now suppose the issue date of a 26-week bill is March 1, 2019. The date 1 year ahead is March 1, 2020. That 1-year period from the issue date of the bill contains ''February 29,'' therefore y = 366.)

* * * * *

2. * * *

y = number of days in year following the issue date; normally 365, but if the period from the issue date to the same date 1 year ahead contains February 29, then y is 366. (*e.g.,* 2020 is a leap year. Suppose the issue date for a 26-week bill is February 28, 2019. The date 1 year ahead is February 28, 2020. That 1-year period from the issue date of the bill does not contain ''February 29,'' therefore y = 365. Now suppose the issue date of a 26-week bill is March 1, 2019. The date 1 year ahead is March 1, 2020. That 1-year period from the issue date of the bill contains ''February 29,'' therefore y = 366.)

David A. Lebryk,

Fiscal Assistant Secretary.

[FR Doc. 2022–13409 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AS–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 25B, 36, 37, and 38

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 four general licenses (GLs) issued pursuant to the Russian Harmful Foreign Activities Sanctions Regulations: GL 25B, GL 36, GL 37, and GL 38, each of which was previously issued on OFAC's website.

DATES: GL 25B, GL 36, GL 37, and GL 38 were each issued on June 2, 2022. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; or Assistant Director for Sanctions Compliance & Evaluation, 202–622–2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

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

Background

On June 2, 2022, OFAC issued GL 25B, GL 36, GL 37, and GL 38 on its website to authorize certain transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587. GL 25B and GL 38 do not contain expiration dates. GL 36 expires at 12:01 a.m. eastern daylight time, August 31, 2022. GL 37 expires at 12:01 a.m. eastern daylight time, July 1, 2022. The texts of GLs 25B, 36, 37, and 38 are provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations 31 CFR Part 587

GENERAL LICENSE NO. 25B

Authorizing Transactions Related to Telecommunications and Certain Internet-Based Communications

(a) Except as provided in paragraph (c) of this general license, all transactions ordinarily incident and necessary to the receipt or transmission of telecommunications involving the Russian Federation that are prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), are authorized.

(b) Except as provided in paragraph (c) of this general license, the exportation or reexportation, sale, or supply, directly or indirectly, from the United States or by U.S. persons, wherever located, to the Russian Federation of services, software, hardware, or technology incident to the exchange of communications over the internet, such as instant messaging, videoconferencing, chat and email, social networking, sharing of photos, movies, and documents, web browsing, blogging, web hosting, and domain name registration services, that is prohibited by the RuHSR, is authorized.

(c) This general license does not authorize:

(1) The opening or maintaining of a correspondent account or payable-through account for or on behalf of any entity subject to Directive 2 under Executive Order (E.O.) 14024, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions;*

(2) Any debit to an account on the books of a U.S. financial institution of the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation;

(3) Any transactions prohibited by E.O. 14066 or E.O. 14068; or

(4) Any transactions involving Joint Stock Company Channel One Russia, Joint Stock Company NTV Broadcasting Company, Television Station Russia-1, or Limited Liability Algoritm, unless separately authorized.

(d) Effective June 2, 2022, General License No. 25A, dated May 8, 2022, is replaced and superseded in its entirety by this General License No. 25B.

Note to General License No. 25B. Nothing in this general license relieves any person from compliance with any other Federal laws or requirements of other Federal agencies, including export, reexport, and transfer (in-country) licensing requirements maintained by the Department of Commerce's Bureau of Industry and Security under the Export Administration Regulations, 15 CFR parts 730–774.

Andrea M. Gacki,
Director, Office of Foreign Assets Control

Dated: June 2, 2022

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations 31 CFR Part 587

GENERAL LICENSE NO. 36

Authorizing the Wind Down of Transactions Involving Public Joint Stock Company Severstal

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the wind down of transactions involving Public Joint Stock Company Severstal, or any entity in which Public Joint Stock Company Severstal owns, directly or indirectly, a 50 percent or greater interest are authorized through 12:01 a.m. eastern daylight time, August 31, 2022, provided that any payment to Public Joint Stock Company Severstal or any other blocked person must be made into a blocked account in accordance with the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR):

(b) This general license does not authorize:

(1) Any transactions prohibited by Directive 2 under E.O. 14024, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions;*

(2) Any transactions prohibited by Directive 4 under E.O. 14024, *Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation;* or

(3) Any transactions otherwise prohibited by the RuHSR, including transactions involving any person blocked pursuant to the RuHSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Andrea M. Gacki,
Director, Office of Foreign Assets Control

Dated: June 2, 2022

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations 31 CFR Part 587

GENERAL LICENSE NO. 37

Authorizing the Wind Down of Transactions Involving Nord Gold PLC

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the wind down of transactions involving Nord Gold PLC or any entity in which Nord Gold PLC owns, directly or indirectly, a 50 percent or greater interest are authorized through 12:01 a.m. eastern daylight time, July 1, 2022, provided that any payment to Nord Gold PLC or any other blocked person must be made into a blocked account in accordance with the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR).

(b) This general license does not authorize:

(1) Any transactions prohibited by Directive 2 under E.O. 14024, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions;*

(2) Any transactions prohibited by Directive 4 under E.O. 14024, *Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation;* or

(3) Any transactions otherwise prohibited by the RuHSR, including transactions involving any person blocked pursuant to the RuHSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Andrea M. Gacki,
Director, Office of Foreign Assets Control.

Dated: June 2, 2022

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations 31 CFR Part 587

GENERAL LICENSE NO. 38

Authorizing Transactions Related to Pension Payments to U.S. Persons

(a) Except as provided in paragraph (b) of this general license, all transactions ordinarily incident and necessary to the processing of pension payments to U.S. persons that are prohibited by Executive Order (E.O.) 14024 are authorized, provided that the only involvement of blocked persons is the processing of funds by financial institutions blocked pursuant to E.O. 14024.

(b) This general license does not authorize:

(1) The opening or maintaining of a correspondent account or payable-through account for or on behalf of any entity determined to be subject to the prohibitions of Directive 2, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions;*

(2) Any debit to an account on the books of a U.S. financial institution of the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation; or

(3) 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 the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Andrea M. Gacki,
Director, Office of Foreign Assets Control.

Dated: June 2, 2022.

Andrea M. Gacki,
Director, Office of Foreign Assets Control.

[FR Doc. 2022–14452 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Parts 100 and 165

[Docket Number USCG–2022–0374]

RIN 1625–AA08, 1625–AA00

Special Local Regulation and Safety Zone; Back River, Baltimore County, MD

AGENCY: Coast Guard, Department of Homeland Security (DHS).

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing temporary regulations for certain waters of the Back River. This action is necessary to provide for the safety of life on these navigable waters near Baltimore County, MD, during a fireworks display on July 16, 2022. This regulation prohibits persons and vessels from being in the regulated area and safety zone unless authorized by the Captain of the Port, Maryland-National Capital Region or a designated representative.

DATES: This rule is effective from 8 p.m. to 10:30 p.m. on July 16, 2022.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to *https://www.regulations.gov,* type USCG–2022–0374 in the search box and click ''Search.'' Next, in the Document Type column, select ''Supporting & Related Material.''

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Mr. Ron Houck, U.S. Coast Guard Sector Maryland-National Capital Region; telephone 410–576–2674, email *D05-DG-SectorMD-NCR-MarineEvents@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background Information and Regulatory History

On February 8, 2022, Fantastic Fireworks, on behalf of Tiki Lee's Dock Bar, notified the Coast Guard that it will be conducting a fireworks display between 9 and 10 p.m. on July 16, 2022, as a part of the ''Shootout on the River'' event activities. The fireworks are to be launched from a barge in the Back River located near Tiki Lee's Dock Bar in Sparrows Point, MD. Hazards from firework displays include accidental discharge of fireworks, dangerous projectiles, and falling hot embers or other debris. The Captain of the Port, Maryland-National Capital Region (COTP) has determined that potential hazards associated with the fireworks to be used in this display would be a safety concern for anyone within a 420-foot radius of the barge. The Coast Guard anticipates a large spectator fleet for these events. In response, on May 20, 2022, the Coast Guard published a notice of proposed rulemaking (NPRM) titled ''Special Local Regulation and Safety Zone; Back River, Baltimore County, MD'' (87 FR 30846). There, we stated why we issued the NPRM, and invited comments on our proposed regulatory action related to this fireworks event. During the comment period that ended June 21, 2022, we received no comments.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Due to the date of the event, it would be impracticable and contrary to the public interest to make the regulation effective 30 days after publication in the **Federal Register**. Delaying the effective date of this rule would be impracticable and contrary to the public interest because it would delay the safety measures necessary to respond to potential safety hazards associated with this fireworks event. Hazards include explosive materials, dangerous projectiles, and falling debris. The fireworks fall out zone extends across the navigable channel.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority in 46 U.S.C. 70034 (previously 33 U.S.C. 1231) and 46 U.S.C. 70041. The Captain of the Port, Maryland-National Capital Region (COTP) has determined that potential hazards associated with the fireworks to be used in the July 16, 2022, display will be a safety concern for anyone intending to operate within certain waters of Back River in Baltimore County, MD, in or near the event area.

IV. Discussion of Comments, Changes, and the Rule

As noted above, we received no comments on our NPRM published May 20, 2022. There are no changes in the regulatory text of this rule from the proposed rule in the NPRM.

This rule establishes a special local regulation for the area in the Back River

in which spectating vessels will transit and gather. The regulated area covers all navigable waters of Back River within an area bounded by a line connecting the following points: From the shoreline at Lynch Point at latitude 39°14′46″ N, longitude 076°26′23″ W, thence northeast to Porter Point at latitude 39°15′13″ N, longitude 076°26′11″ W, thence north along the shoreline to Walnut Point at latitude 39°17′06″ N, longitude 076°27′04″ W, thence southwest to the shoreline at latitude 39°16′41″ N, longitude 076°27′31″ W, thence south along the shoreline to the point of origin, located in Baltimore County, MD. The regulated area is approximately 4,200 yards in length and 1,200 yards in width.

In addition to establishing a special local regulation, the COTP is establishing a temporary safety zone around the fireworks discharge site, in approximate position latitude 39°15′35.54″ N, longitude 76°26′56.62″ W. The safety zone covers all navigable waters within 420 feet of a fireworks barge in the Back River located near Tiki Lee's Dock Bar in Sparrow's Point, MD. The duration of the zone is intended to ensure the safety of vessels and these navigable waters before, during, and after the scheduled fireworks display. No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or a designated representative.

V. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders, and we discuss First Amendment rights of protestors.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This rule has not been designated a ''significant regulatory action,'' under Executive Order 12866. Accordingly, this rule has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the size, duration, and time-of-day of the special local regulation and safety zone, which would impact a small designated area of the Back River for a total of no more than 2.5 enforcement hours during the evening when vessel traffic is normally low. Moreover, the Coast Guard will issue Local Notices to Mariners and a Broadcast Notice to Mariners via VHF–FM marine channel 16 about the zones.

B. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term ''small entities'' comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard received no comments from the Small Business Administration on this rulemaking. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities.

While some owners or operators of vessels intending to transit the safety zone may be small entities, for the reasons stated in section V.A above, this rule would not have a significant economic impact on any vessel owner or operator.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

C. Collection of Information

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

D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

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

E. Unfunded Mandates Reform Act

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

F. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves implementation of regulations within 33 CFR part 100 applicable to organized marine events on the navigable waters of the United States that could negatively impact the safety of waterway users and shore side activities in the event area, and within 33 CFR part 165 establishing a temporary safety zone that would prohibit entry within 420 feet of a fireworks barge, both lasting a total of 2.5 consecutive hours.

It is categorically excluded from further review under paragraph L60(a) of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble.

G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places, or vessels.

List of Subjects

33 CFR Part 100

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

33 CFR Part 165

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

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR parts 100 and 165 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

■ 1. The authority citation for part 100 continues to read as follows:

Authority: 46 U.S.C. 70041; 33 CFR 1.05–1.

■ 2. Add § 100.501T05–0374 to read as follows:

§ 100.501T05–0374 2022 Tiki Lee's Shootout on the River Fireworks, Back River, Baltimore County, MD.

(a) *Locations.* All coordinates are based on datum North American Datum (NAD) 1983.

(1) *Regulated area.* All navigable waters of Back River, within an area bounded by a line connecting the following points: From the shoreline at Lynch Point at latitude 39°14′46″ N, longitude 076°26′23″ W, thence northeast to Porter Point at latitude 39°15′13″ N, longitude 076°26′11″ W, thence north along the shoreline to Walnut Point at latitude 39°17′06″ N, longitude 076°27′04″ W, thence southwest to the shoreline at latitude 39°16′41″ N, longitude 076°27′31″ W, thence south along the shoreline to and terminating at the point of origin.

(2) [Reserved]

(b) *Definitions.* As used in this section—

Captain of the Port (COTP) Maryland-National Capital Region means the Commander, U.S. Coast Guard Sector Maryland-National Capital Region or any Coast Guard commissioned, warrant, or petty officer who has been authorized by the COTP to act on his behalf.

Event Patrol Commander or *Event PATCOM* means a commissioned, warrant, or petty officer of the U.S. Coast Guard who has been designated by the Commander, Coast Guard Sector Maryland-National Capital Region.

Official patrol means any vessel assigned or approved by Commander, Coast Guard Sector Maryland-National Capital Region with a commissioned, warrant, or petty officer on board and displaying a Coast Guard ensign.

Participant means a person or vessel registered with the event sponsor as participating in the ''2022 Tiki Lee's Shootout on the River Fireworks'' event, or otherwise designated by the event sponsor as having a function tied to the event.

Spectator means a person or vessel not registered with the event sponsor as participants or assigned as official patrols.

(c) *Special local regulations.* (1) The COTP Maryland-National Capital Region or Event PATCOM may forbid and control the movement of all vessels and persons, including event participants, in the regulated area described in paragraph (a)(1) of this section. When hailed or signaled by an official patrol, a vessel or person in the regulated area shall immediately comply with the directions given by the patrol. Failure to do so may result in the Coast Guard expelling the person or vessel from the area, issuing a citation for failure to comply, or both. The COTP Maryland-National Capital Region or Event PATCOM may terminate the event, or a participant's operations at any time the COTP Maryland-National Capital Region or Event PATCOM believes it necessary to do so for the protection of life or property.

(2) Except for participants and vessels already at berth, a person or vessel within the regulated area at the start of enforcement of this section must immediately depart the regulated area.

(3) A spectator must contact the Event PATCOM to request permission to either enter or pass through the regulated area. The Event PATCOM and official patrol vessels enforcing the regulated area can be contacted on marine band radio VHF–FM channel 16 (156.8 MHz) and channel 22A (157.1 MHz). If permission is granted, the spectator must enter a designated spectator area or pass directly through the regulated area as instructed by Event PATCOM. A vessel within the regulated area must operate at safe speed that minimizes wake. A spectator vessel must not loiter within the navigable channel while within the regulated area.

(4) A person or vessel that desires to transit, moor, or anchor within the regulated area must obtain authorization from the COTP Maryland-National Capital Region or Event PATCOM. A person or vessel seeking such permission can contact the COTP Maryland-National Capital Region at telephone number 410–576–2693 or on Marine Band Radio, VHF–FM channel 16 (156.8 MHz) or the Event PATCOM on Marine Band Radio, VHF–FM channel 16 (156.8 MHz).

(5) The Coast Guard will publish a notice in the Fifth Coast Guard District Local Notice to Mariners and issue a marine information broadcast on VHF–FM marine band radio announcing specific event dates and times.

(d) *Enforcement officials.* The Coast Guard may be assisted with marine event patrol and enforcement of the regulated area by other Federal, state, and local agencies.

(e) *Enforcement period.* This section will be enforced from 8 p.m. to 10:30 p.m. on July 16, 2022.

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.2.

■ 4. Add § 165.T05–0374 to read as follows:

§ 165.T05–0374 Safety Zone; Back River, Baltimore County, MD.

(a) *Location.* The following area is a safety zone: All navigable waters of the Back River within 420 feet of the fireworks barge in approximate position latitude 39°15′35.54″ N, longitude 76°26′56.62″ W. These coordinates are based on datum North American Datum (NAD) 1983.

(b) *Definitions.* As used in this section—

Captain of the Port (COTP) means the Commander, U.S. Coast Guard Sector Maryland-National Capital Region.

Designated representative means any Coast Guard commissioned, warrant, or petty officer who has been authorized by the Captain of the Port, Maryland-National Capital Region to assist in

enforcing the safety zone described in paragraph (a) of this section.

(c) *Regulations.* (1) Under the general safety zone regulations in subpart C of this part, you may not enter the safety zone described in paragraph (a) of this section unless authorized by the COTP or the COTP's designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative by telephone at 410–576–2693 or on Marine Band Radio VHF–FM channel 16 (156.8 MHz). The Coast Guard vessels enforcing this section can be contacted on Marine Band Radio VHF–FM channel 16 (156.8 MHz).

(3) Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement officials.* The U.S. Coast Guard may be assisted in the patrol and enforcement of the safety zone by Federal, State, and local agencies.

(e) *Enforcement period.* This section will be enforced from 8 p.m. to 10:30 p.m. on July 16, 2022.

Dated: July 1, 2022.

David E. O'Connell,

Captain, U.S. Coast Guard, Captain of the Port Maryland-National Capital Region.

[FR Doc. 2022–14484 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2022–0500]

RIN 1625–AA00

Safety Zone; Henderson Harbor, Henderson Harbor, NY

AGENCY: Coast Guard, Department of Homeland Security (DHS).

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for navigable waters within a 140-yard radius of a fireworks barge on Henderson Harbor, Henderson Harbor, NY. The safety zone is necessary to restrict usage by persons and vessels to protect personnel, vessels, and the marine environment from potential hazards created by the fireworks display. Entry of persons or vessels into this safety zone is prohibited unless authorized by the Captain of the Port Buffalo or his designated representative.

DATES: This rule is effective from 8:45 p.m. through 10 p.m. on July 30, 2022.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to *https://www.regulations.gov,* type USCG–2022–0500 in the ''SEARCH'' box and click ''SEARCH.'' Next, in the Document Type column, select ''Supporting & Related Material.''

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email LTJG William Kelley, Chief of Waterways Management Sector Buffalo, U.S. Coast Guard; telephone 716–843–9322, email *D09-DMB-SECBuffalo-WWM@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background Information and Regulatory History

The Coast Guard is issuing this temporary rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are ''impracticable, unnecessary, or contrary to the public interest.'' Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because doing so would be impracticable. This safety zone must be established by July 30, 2022, in order to protect the public and vessels from the hazards associated with a fireworks display with an expected fall-out area over the water.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Delaying the effective date would be contrary to the rule's objectives of protecting the public and vessels on the navigable waters in the vicinity of the fireworks display.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority in 46 U.S.C. 70034 (previously 33 U.S.C. 1231). The Captain of the Port Buffalo (COTP) has determined that potential hazards associated with the fireworks display occurring on July 30, 2022 will be a safety concern for anyone within a 140-yard radius of the barge. This rule is necessary to protect personnel, vessels, and the marine environment in the navigable waters within a 140-yard radius of the fireworks barge before, during, and immediately after the scheduled event.

IV. Discussion of the Rule

This rule establishes a safety zone from 8:45 p.m. through 10 p.m. on July 30, 2022. The safety zone will cover all navigable waters within 140 yards of a barge in Henderson Harbor located approximately 1,100 yards north of the town boat ramp located on the southern shore of Henderson Harbor in Henderson Harbor, NY. The duration of the zone is intended to protect personnel, vessels, and the marine environment in these navigable waters before, during, and after the scheduled fireworks display. No vessel or person will be permitted to enter the safety zone without obtaining permission from the COTP Buffalo or his designated representative.

V. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders, and we discuss First Amendment rights of protestors.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This rule has not been designated a ''significant regulatory action,'' under Executive Order 12866. Accordingly, this rule has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the size, location, duration, and time-of-day of the safety zone. Vessel traffic will be able to safely transit around this safety zone which would impact a small designated area of Henderson Harbor for less than 2 hours during the evening when vessel traffic is normally low. Moreover, the Coast Guard would issue a Broadcast Notice to Mariners via VHF–FM marine channel 16 about the safety zone, and the rule would allow vessels to seek permission to enter the safety zone.

B. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on

small entities during rulemaking. The term ''small entities'' comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities.

While some owners or operators of vessels intending to transit the safety zone may be small entities, for the reasons stated in section V.A above, this rule will not have a significant economic impact on any vessel owner or operator.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

C. Collection of Information

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

D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

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

E. Unfunded Mandates Reform Act

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

F. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves a safety zone lasting only 1 hour and 15 minutes that will prohibit entry within 140 yards of a fireworks barge. It is categorically excluded from further review under paragraph L60(a) of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Record of Environmental Consideration (REC) supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble.

G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places or vessels.

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.2.

■ 2. Add § 165.T09–0500 to read as follows:

§ 165.T09–0500 Safety Zone; Henderson Harbor, Henderson Harbor, NY.

(a) *Location.* The following area is a safety zone: All waters of Henderson Harbor, from surface to bottom, encompassing a 140 yard radius of position 43°51′33″ N, 076°12′24″ W. These coordinates are based on World Geodetic System 84 (WGS 84).

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Buffalo (COTP) in the enforcement of the safety zone.

(c) *Regulations.* (1) Under the general safety zone regulations in subpart C of this part, you may not enter the safety zone described in paragraph (a) of this section unless authorized by the COTP Buffalo or his designated representative.

(2) To seek permission to enter, contact the COTP Buffalo or his designated representative by telephone at 716–843–9322. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP Buffalo or his designated representative.

(d) *Enforcement period.* This safety zone will be enforced from 8:45 p.m. through 10 p.m. on July 30, 2022.

Dated: June 29, 2022.

M.I. Kuperman,

Captain, U.S. Coast Guard, Captain of the Port Buffalo.

[FR Doc. 2022–14453 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2022–0557]

RIN 1625–AA00

Safety Zone; Hoonigan Gymkhana Event, Boot Key Harbor, Marathon, FL

AGENCY: Coast Guard, Department of Homeland Security (DHS).

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone on the waters of Boot Key Harbor, surrounding Boot Key Harbor Bridge, Marathon, FL, during the Hoonigan Gymkhana event. The safety zone will include all waters of Boot Key Harbor, 300 feet East and West of the Boot Key Harbor Bridge in Marathon, FL, and is necessary to ensure the safety of participant vessels, spectators, and the public during the event. During the enforcement period, no person or vessel may enter, transit through, anchor in, or remain within the designated area unless specifically authorized by the Captain of the Port Key West or a designated representative.

DATES: This rule is effective from 7:00 a.m. on July 11, 2022, until 7:30 p.m., on July 12, 2022. The event is scheduled to take place from 7:00 a.m. to 7:30 p.m. on July 11, 2022, but if there is adverse weather on July 11, 2022, the event will be held from 7:00 a.m. until 7:30 p.m. on July 12, 2022.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to *https://www.regulations.gov,* type USCG–2022–0557 in the ''SEARCH'' box and click ''SEARCH.'' Click on Open Docket Folder on the line associated with this rule.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Isaiah Quinones, Waterways Management Division, Sector Key West, FL, U.S. Coast Guard; telephone (305) 292–8823, e-mail *SKWWaterways@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background Information and Regulatory History

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are ''impracticable, unnecessary, or contrary to the public interest.'' Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule. Doing so would be impracticable and contrary to the public interest. The primary justification for this action is that the Coast Guard did not receive final details of the event until June 27, 2022, and the event is scheduled to take place on July 11, 2022. Therefore, the Coast Guard lacks sufficient time to provide a reasonable comment period and then consider those comments before issuing the rule. It would be impracticable and contrary to the public interest to delay promulgating this rule, as it is necessary to protect the safety of participants, spectators, the public, and vessels transiting the Boot Key Harbor Bridge.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this temporary rule effective less than 30 days after publication in the **Federal Register**. Delaying the effective date of this rule would be impracticable because immediate action is needed to respond to the potential safety hazards associated with the event.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under the authority in 46 U.S.C. 70034. The Captain of the Port (COTP) Key West has determined that potential hazards associated with the Hoonigan Gymkhana event will be a safety concern for anyone within 300 feet East and West of the Boot Key Harbor Bridge in Marathon, FL. This rule is necessary to ensure the safety of the event participants, the public, vessels, and the navigable waters of Marathon, Florida, during the Hoonigan Gymkhana event.

IV. Discussion of the Rule

This rule establishes a safety zone on certain navigable waters of Boot Key Harbor near Marathon, FL, during the Hoonigan Gymkhana event. The safety zone will encompass all waters of Boot Key Harbor 300 feet East and West of the Boot Key Harbor Bridge in Marathon, FL. The event is scheduled to take place from 7:00 a.m. to 7:30 p.m. on July 11, 2022. In case of adverse weather on July 11, 2022, the event will be held from 7:00 a.m. until 7:30 p.m. on July 12, 2022. Approximately 10 spectator craft are anticipated to attend the event. No person or vessel will be permitted to enter, transit through, anchor in, or remain within the safety zone without first obtaining permission from the COTP Key West or a designated representative. If authorization to enter, transit through, anchor in, or remain within the safety zone is granted by the COTP Key West or a designated representative, all persons and vessels receiving such authorization must comply with the instructions of the COTP Key West or a designated representative. The Coast Guard will provide notice of the safety zone by Broadcast Notice to Mariners, and potentially by on-scene designated representatives.

V. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders, and we discuss First Amendment rights of protestors.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 13771 directs agencies to control regulatory costs through a budgeting process. This rule has not been designated a ''significant regulatory action,'' under Executive Order 12866. Accordingly, this rule has not been reviewed by the Office of Management and Budget (OMB), and pursuant to OMB guidance it is exempt from the requirements of Executive Order 13771.

This regulatory action determination is based on the following reasons: (1) the safety zone only being enforced for a total of eleven hours and thirty minutes; (2) although persons and vessels may not enter, transit through, anchor in, or remain within the zone without authorization from the COTP or a designated representative, they may operate in the surrounding area during the enforcement period; (3) persons and vessels may still enter, transit through, anchor in, or remain within the areas during the enforcement period if authorized by the COTP or a designated representative.

B. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term ''small entity'' comprises of small businesses and not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule would not have a significant economic impact on a substantial number of small entities.

While some owners or operators of vessels intending to transit the safety zone may be small entities, for the reasons stated in section V.A above, this rule will not have a significant economic impact on any vessel owner or operator.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

C. Collection of Information

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

D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes. If you believe this rule has implications for federalism or Indian tribes, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

E. Unfunded Mandates Reform Act

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

F. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023–01 Rev. 1, associated implementing instructions and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves a safety zone that will prohibit persons and vessels from entering, transiting through, anchoring in, or remaining within a limited area on the navigable waters of Marathon, Florida, during the Hoonigan Gymkhana even lasting eleven hours and thirty minutes. It is categorically excluded from further review under paragraph L60(a) of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble.

G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places or vessels.

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.2.

■ 2. Add § 165.T07–0557 to read as follows:

§ 165.T07–0557 Safety Zone; Marathon, Boot Key Harbor Bridge, FL, Hoonigan Gymkhana Event.

(a) *Location.* The following regulated area is a safety zone: The safety zone will encompass all waters of Boot Key Harbor, 300 feet East and West of the Boot Key Harbor Bridge in Marathon, FL.

(b) *Definition.* As used in this section, the term *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Key West (COTP) in the enforcement of the safety zone.

(c) *Regulations.* (1) All persons and vessels are prohibited from entering, transiting through, anchoring in, or remaining within the regulated area unless authorized by the COTP Key West or a designated representative.

(2) Persons and vessels desiring to enter, transit through, anchor in, or remain within the regulated area may contact the COTP Key West by telephone at (305) 292–8727, or a designated representative via VHF–FM radio on channel 16 to request authorization. If authorization is granted, all persons and vessels

receiving such authorization must comply with the instructions of the COTP Key West or a designated representative.

(3) The Coast Guard will provide notice of the regulated area by Broadcast Notice to Mariners via VHF–FM channel 16, and/or by on-scene designated representatives.

(d) *Enforcement period.* This section will be enforced from 7:00 a.m. until 7:30 p.m. on July 11, 2022. In case of adverse weather on July 11, 2022, this section will be enforced from 7:00 a.m. until 7:30 p.m. on July 12, 2022.

Dated: June 30, 2022.

J.D. Ingram,

Captain, U.S. Coast Guard, Captain of the Port Key West.

[FR Doc. 2022–14415 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2022–0547]

RIN 1625–AA00

Safety Zone; Lowering of Gerald Desmond Bridge; Long Beach, California

AGENCY: Coast Guard, Department of Homeland Security (DHS).

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for waters near Gerald Desmond Bridge during the removal of the over-the-water span. This action is necessary to provide for the safety of life on these navigable waters near Long Beach, CA, from July 9 through July 11, 2022, where the over-the-water portion of the Gerald Desmond Bridge will be lowered and transported to pier T, Port of Long Beach. This rulemaking will prohibit persons and vessels from being in the safety zone unless authorized by the Captain of the Port (COTP), Los Angeles—Long Beach, or a designated representative.

DATES: This rule is effective from 12:01 a.m. on July 9, 2022, through 11:59 p.m. July 11, 2022.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to *https://www.regulations.gov,* type USCG–2022–0547 in the search box and click ''Search.'' Next, in the Document Type column, select ''Supporting & Related Material.''

FOR FURTHER INFORMATION CONTACT: If you have questions about this rulemaking, call or email LCDR Maria Wiener at Sector Los Angeles—Long Beach Waterways Management Branch at (310) 521–3860 or email *D11-SMB-SectorLALB-WWM@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background Information and Regulatory History

On March 3, 2022, the Port of Long Beach notified the Coast Guard that it will be removing the over-the-water span of the Gerald Desmond Bridge from 12:01 a.m. on July 9, 2022, to 11:59 p.m. on July 11, 2022. The removal will take place at mile 3.3 over Long Beach Harbor on the section of the bridge that is over the water. Hazards from removal include falling debris and construction work conducted on a barge that will be moored in such a way that it blocks the entire channel. The Captain of the Port (COTP), Los Angeles—Long Beach has determined that potential hazards associated with the removal of Gerald Desmond Bridge would be a safety concern for anyone within a 200-yard radius of freight barge FOSS 3612 (O.N. 1255436) during lowering and transport of the bridge span.

The Coast Guard is issuing this temporary rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are ''impracticable, unnecessary, or contrary to the public interest.'' Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable; the Coast Guard must establish this safety zone by July 9, 2022. This urgent safety zone is required to protect the maritime public and the surrounding waterways from hazards associated with the bridge lowering and removal project. The Coast Guard lacks sufficient time to provide a reasonable comment period and then consider those comments before issuing the rule.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Delaying the effective date of this rule would be contrary to public interest because action is needed to ensure the safety of life on the navigable waters near Long Beach, CA, during the bridge demolition activities scheduled to begin on July 9, 2022.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority in 46 U.S.C. 70034 (previously 33 U.S.C. 1231). The Captain of the Port Los Angeles—Long Beach (COTP) has determined that potential hazards associated with the Gerald Desmond Bridge span removal and transport on July 9 through July 11, 2022, will be a safety concern for waterways users within a 200-yard radius of freight barge FOSS 3612 (O.N. 1255436). This rule is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone before, during, and after the scheduled demolition.

The purpose of this rulemaking is to ensure the safety of vessels and the navigable waters within a 200-yard radius north of the bridge to 1,000-yard radius south of the Gerald Desmond Bridge before, during, and after the scheduled event. The Coast Guard is issuing this rulemaking under authority in 46 U.S.C. 70034 (previously 33 U.S.C. 1231).

IV. Discussion of the Rule

The COTP is establishing a safety zone from 12:01 a.m. on July 9, 2022, to 11:59 p.m. on July 11, 2022. The safety zone covers all navigable waters within a 200-yard radius of freight barge FOSS 3612 (O.N. 1255436). The duration of the zone is intended to ensure the safety of vessels and these navigable waters before, during, and after the scheduled lowering of the over-water-span of the Gerald Desmond Bridge. The COTP will announce the dates and times of enforcement via local notice to mariners. No vessel or person will be permitted to enter the safety zone without obtaining permission from the COTP or a designated representative. The regulatory text appears at the end of this document.

V. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders, and we discuss First Amendment rights of protestors.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This rule has not been designated a ''significant regulatory action,'' under Executive Order 12866. Accordingly, this rule has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the size location and duration of the safety zone. The safety zone will only last 3 days and will be limited in size to the area around the bridge.

B. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term ''small entities'' comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities.

While some owners or operators of vessels intending to transit the safety zone may be small entities, for the reasons stated in section V.A above, this rule will not have a significant economic impact on any vessel owner or operator.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

C. Collection of Information

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

D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

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

E. Unfunded Mandates Reform Act

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

F. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves a safety zone lasting 48 hours that would prohibit entry within a 200-yard radius surrounding freight barge FOSS 3612 (O.N. 1255436) due to potential hazards associated with the removal and transport of the over-water portion of the Gerald Desmond Bridge. It is categorically excluded from further review under paragraph L of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble.

G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places or vessels.

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.2.

■ 2. Add § 165.T11–104 to read as follows:

§ 165.T11–104 Safety Zone; Lowering of Gerald Desmond Bridge; Long Beach, California.

(a) *Location.* The safety zone covers all navigable waters within 200-yard radius surrounding freight barge FOSS 3612 (O.N. 1255436) due to potential hazards associated with the removal and transport of the over-water portion of the Gerald Desmond Bridge, located approximately at mile 3.3 over Long Beach Harbor on the section of the bridge that is over the water.

(b) *Effective period.* This section is effective from 12:01 a.m. on July 9, 2022, until 11:59 p.m. on July 11, 2022.

(c) *Enforcement period.* This section will be enforced from 12:01 a.m. on July 9, 2022, through 11:59 p.m. on July 11, 2022.

(d) *Regulations.* (1) In accordance with the general regulations in § 165.23, entry of vessels or persons into the zone is prohibited unless specifically authorized by the Captain of the Port Los Angeles Long Beach (COTP) or designated representative. A designated representative is a commissioned, warrant, or petty officer of the U.S. Coast Guard (USCG) assigned to units under the operational control of the COTP.

(2) In the event of an emergency, vessels requiring entry into the safety zone must request permission from the COTP or a designated representative. To seek entry into the safety zone, contact the COTP or the COTP's representative by telephone at (310) 521–3801 or on VHF–FM channel 16. To coordinate the movement of vessel traffic, vessel operators may contact the Jacobsen Pilot Station at (562) 432–0664 or the Water Traffic Coordinator, Andres Velasco, at (602) 376–5765.

(3) Persons and vessels permitted to enter the safety zone must transit at their slowest safe speed and comply with all lawful directions issued by the COTP or the designated representative.

(e) *Information broadcasts.* The COTP or a designated representative will inform the public when the safety zone is being enforced via a Broadcast Notices to Mariners.

Dated: June 30, 2022.

R.D. Manning,

Captain, U.S. Coast Guard, Captain of the Port, Los Angeles—Long Beach.

[FR Doc. 2022–14386 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 0

RIN 2900–AR52

Principle-Based Ethics Framework for Access to and Use of Veteran Data

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA or Department) amends its regulations concerning the standards of ethical conduct and related responsibilities of its employees by adopting an overarching principle-based ethics framework for access to and use of veteran data. This framework is an important part of VA's data governance strategy. A data ethics framework can ensure uniform ethics standards for data practices and address consumer protection and data stewardship concerns that are beyond traditional privacy and confidentiality practices. This framework is intended to be applied by all parties who oversee the access to, sharing of, or the use of veteran data, or who access, share, or use veteran data themselves in the context of all other specific clinical, technical, fiscal, regulatory, professional, industry, and other standards.

DATES: This final rule is effective July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Kenneth Berkowitz MD FCCP, Special Advisor, VHA National Center for Ethics in Health Care (10ETH), Department of Veterans Affairs, Veterans Health Administration, 810 Vermont Ave. NW, Washington, DC 20420. 202–632–8457. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: Federal statutes and regulation establish parameters for accessing, sharing, and use of data collected by Federal and state agencies as well as non-governmental organizations and institutions. Limitations on accessing, sharing, or use of data varies based on what type of data is collected. Various Federal laws require or permit disclosure or sharing of data under specific circumstances.

While law, regulation, and policy set important standards for data access, sharing, and use, they do not always provide definitive guidance about how VA should manage access, sharing, or use of veteran data when regulation and policy permit organizational discretion. Given burgeoning access to, sharing of, and use of VA data, proceeding without establishing clear expectations for access to, sharing of, and use of VA data is a disservice to veterans, the Department, and our partners, and creates a serious risk due to inconsistent or problematic data access, sharing, or use. These risks could undermine our imperative to harness the tremendous potential of VA data to support and improve veteran health and wellness; the delivery of services to veterans; and overall public health. VA has adopted an overarching principle-based ethics framework for access to, sharing of, and use of veteran data which is the subject of this rulemaking. This framework is an important part of VA's data governance strategy. A data ethics framework ensures uniform ethics standards for data practices and addresses concerns that are beyond traditional privacy and confidentiality practices.

This data ethics framework is intended to be applied by all parties who oversee the access to, sharing of, or the use of veteran data, or who access or use veteran data themselves in the context of all other specific clinical, technical, fiscal, regulatory, professional, industry, and other standards.

In brief, the Ethical Framework Principles for Access to and Use of Veteran Data, explained in further detail in regulation, are as follows:

Principle 1. The primary goal for use of veteran data is for the good of veterans. Veteran data is personal and sensitive.

Principle 2. Veteran data should be used in a manner that ensures equity to veterans.

Principle 3. The sharing of veteran data should be based on the veteran's meaningful choice.

Principle 4. Access to and exchange of veteran data should be transparent and consistent.

Principle 5. De-identified veteran data should not be reidentified without authorization.

Principle 6. There is an obligation of reciprocity for gains made using veteran data.

Principle 7. All parties are obligated to ensure data security, quality and integrity of veteran data.

Principle 8. Veterans should be able to access to their own information.

Principle 9. Veterans have the right to request amendments to their own information.

Administrative Procedure Act

The Administrative Procedure Act provides that the general requirement that notice and opportunity for public comment does not apply to a matter relating to agency management or personnel, rules of agency procedure or practice, or general statements of policy. 5 U.S.C. 553(a)(2) and (b)(3)(A). The Secretary finds that this rulemaking concerning VA's data ethics framework for access to and use of veteran data relates solely to agency procedure or practice and is a general statement of policy and is exempt from notice and comment provisions of the Administrative Procedure Act. For the same reason, this rule is also exempt from the delayed effective-date requirement in 5 U.S.C. 553(d).

Paperwork Reduction Act

This final rule contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521).

Regulatory Flexibility Act

The Secretary hereby certifies that this final rule does not have a significant economic impact on a substantial number of small entities as

they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. The provisions of this rulemaking have no economic and/or monetary impact. VA is merely establishing an overarching ethical framework and principles to adhere to when managing, accessing and usage of veteran data. Therefore, pursuant to 5 U.S.C. 605(b), the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604 do not apply.

Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The Office of Information and Regulatory Affairs has determined that this rule is not a significant regulatory action under Executive Oder 12866. The Regulatory Impact Analysis associated with this rulemaking can be found as a supporting document at *www.regulations.gov.*

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule 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 (adjusted annually for inflation) in any one year. This final rule has no such effect on State, local, and tribal governments, or on the private sector.

Assistance Listing

There are no Assistance Listing numbers and titles for the programs affected by this document.

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 not a major rule, as defined by 5 U.S.C. 804(2).

List of Subjects in 38 CFR Part 0

Conflict of interests.

Signing Authority

Denis McDonough, Secretary of Veterans Affairs, approved this document on June 30, 2022, and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs.

Consuela Benjamin,

Regulations Development Coordinator, Office of Regulation Policy & Management, Office of General Counsel, Department of Veterans Affairs.

For the reasons set forth in the preamble, the Department of Veterans Affairs amends 38 CFR part 0 as follows:

PART 0—VALUES, STANDARDS OF ETHICAL CONDUCT, AND RELATED RESPONSIBILITIES

■ 1. The authority citation for part 0 continues to read as follows:

Authority: 5 U.S.C. 301; 38 U.S.C. 501; see sections 201, 301, and 502(a) of E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215 as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306.

■ 2. Add § 0.605 to read as follows:

§ 0.605 Ethical framework principles for access to and use of veteran data.

(a) Veterans trust VA to promote and respect their privacy, confidentiality, and autonomy in the services we provide or support. We earn this trust when we adhere to VA's core values of integrity, commitment, advocacy, respect, and excellence (commonly referred to as ICARE).

(b) Consistent with the values listed in paragraph (a) of this section, VA must promote and ensure responsible practices whenever veteran data is accessed, shared, or used by VA or its partners. Veteran data is accessed, shared, and used for many purposes which are developing at an unparalleled pace. While the regulatory and policy framework that governs data access, sharing, and use sets important standards about what is required with respect to data access, sharing, and use, it does not always provide definitive guidance about how VA should manage access, sharing, or use of veteran data when regulation and policy permit organizational discretion, except in cases where there are already established federally protected classes.

(c) The following principles establish an overarching ethical framework for all individuals, groups, or entities to apply when managing access to, sharing of, or use of VA veteran data. All parties who have or obtain access to and use VA veteran data are encouraged to carefully consider and apply this principle-based ethical framework when not contradicted by other specific clinical, technical, fiscal, regulatory, professional, industry, and other standards. VA and its partners must apply this principle-based ethical framework when accessing, sharing or using veteran data unless prohibited by law. Consistent application of this framework will ensure the integrity and trustworthiness that veterans and other stakeholders expect and deserve when veteran data is accessed, shared, or used.

(1) *Principle 1. The primary goal for use of veteran data is for the good of veterans.* Veteran data is personal and sensitive. Use of veteran data by VA and its partners must have the primary goal of supporting and improving overall veteran health and wellness, and the delivery of benefits and services to veterans at large.

(2) *Principle 2. Veteran data should be used in a manner that ensures equity to veterans.* The proper use of veteran data by VA and its partners must help to ensure equity so that no veteran population is disproportionally excluded from the benefits of, or burdened by the risks of, data use because of race, color, religion, national origin, limited English proficiency, age, sex (including gender identity and transgender status), sexual orientation, pregnancy, marital and parental status, disability, or genetic information.

(3) *Principle 3. The sharing of veteran data should be based on the veteran's meaningful choice.* When regulation and policy permit organizational discretion, the sharing of veteran data by VA and its partners should be based on the veteran's meaningful choice to permit sharing their information for that specific purpose; exceptions for sharing based on a veteran's meaningful choice are treatment, payment, health care operations, public health and safety reporting, and when required by law. Timely, clear, relevant, concise, complete, and comprehensible information must be provided to the veteran to serve as a basis for their free and informed choice. A veteran's preference to change their mind about sharing or not sharing their information should be facilitated, with the understanding that information that has already been shared may be unable to be retrieved or retracted. A veteran's choice(s) about data sharing must not be the basis to deny care or benefits to which they are otherwise entitled. Meaningful choice may be expressed in many forms and a written requirement is not implied.

(4) *Principle 4. Access to and exchange of veteran data should be transparent and consistent.* Access to and the exchange of veteran data should be transparent and consistent, and in accordance with all applicable standards. For the Veterans Health Administration (VHA), this includes practices described in VHA's Notice of Privacy Practices. Data should only be shared or accessed for approved and specified purposes; there should be no unspecified use, or re-use of veteran data without VA agreement or approval. The release of veteran data for purposes other than those which were originally approved or specified, such as in an agreement, requires a separate approval and commitment of all parties to follow these principles. Failure to ensure such protections is a breach of veteran trust and confidentiality.

(5) *Principle 5. De-identified veteran data should not be reidentified without authorization.* Parties who receive de-identified veteran data must not attempt to re-identify the data in any manner without prior VA agreement or approval. VA considers unauthorized re-identification a breach of veteran trust and confidentiality.

(6) *Principle 6. There is an obligation of reciprocity for gains made using veteran data.* A financial or other gain from innovation by non-VA parties that uses veteran data obtained from VA creates a moral and tangible obligation of reciprocity to share this gain with veterans, veterans' service organizations, and/or veterans' causes. For example, parties could fulfill this obligation by giving back to the veteran community through support of veteran causes or organizations, by facilitating veteran access to innovations to which veteran data contributed, or, at a minimum, by publicly recognizing veteran contributions to the gain or innovation. Veteran data must not be sold by VA or its partners.

(7) *Principle 7. All parties are obligated to ensure data security, quality and integrity of veteran data.* All parties who send, receive, or use VA veteran data must ensure data security, quality, and integrity. In other words, that the data remain secure; accurate; complete; and representative of the data quality, meaning, and integrity when it was received or accessed from VA. Access to data by VA and its partners should be limited to the minimum amount needed to accomplish the stated purpose and should be terminated when no longer required. Data that are not necessary to accomplish the purpose for which it was obtained should not be retained longer than legally required. Transparency about breaches in data security, quality or integrity is also essential to promote trust and minimize impacts to veterans.

(8) *Principle 8. Veterans should be able to access to their own information. Veterans must have user-friendly access to their own information.* Access may be through electronic means such as mobile applications, web portals, or through convenient written or in-person processes.

(9) *Principle 9. Veterans have the right to request amendments to their own information.* Veterans must be able to request amendments to information in their VA records if they feel it is untimely, inaccurate, incomplete, or not relevant.

(d) As used in this section, *de-identified veteran data* means information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information is individually identifiable information or can be used by any means to identify an individual. For protected health information (PHI), veteran data is not de-identified unless in compliance with 45 CFR parts 160 and 164.

[FR Doc. 2022–14437 Filed 7–6–22; 8:45 am]

BILLING CODE 8320–01–P

POSTAL SERVICE

39 CFR Part 111

Periodicals Requester Records Requirements

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is amending *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM®) to revise verification requirements for authorized audit bureaus.

DATES: Effective July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at (202) 268–6592.

SUPPLEMENTARY INFORMATION: On March 24, 2022, the Postal Service published a notice of proposed rulemaking (NPRM) (87 FR 16702–16703) to revise verification requirements for authorized audit bureaus. The Postal Service did not receive any comments regarding the NPRM.

The Postal Service is enacting new procedures for auditing compliance with circulation standards for Periodicals requester publications and standardizing existing procedures across Postal Service publications.

In addition, the Postal Service is revising the applicable Customer Support Ruling and customer Handbooks to reflect this DMM revision.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service amends *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations* as follows (*see* 39 CFR 111.1):

PART 111—[AMENDED]

■ 1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401–404, 414, 416, 3001–3018, 3201–3220, 3401–3406, 3621, 3622, 3626, 3629, 3631–3633, 3641, 3681–3685, and 5001.

■ 2. Revise the *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM) as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

* * * * *

200 Commercial Mail Letters, Flats, and Parcels

* * * * *

207 Periodicals

* * * * *

8.0 Record Keeping Standards for Publishers

* * * * *

8.1 Basic Standards

* * * * *

[Replace 8.1.3 to read as follows:]

8.1.3 Retention

The publisher must keep records for each issue of a publication for 3 years from its issue date, except for circulation records for general or requester publications for which USPS verification of circulation is done by a USPS-authorized audit bureau. In addition, the publisher must retain records for paid subscribers for 12 months following the issue date. A publisher whose records are verified by an authorized audit bureau is not required to keep source records of requests and subscriptions longer than required by the audit bureau, provided, however, the authorized audit bureau shall be required to retain records related to such requests and

subscriptions for 3 years following each issue date.

8.2 Verification

* * * * *

[Replace 8.2.2 to read as follows:]

8.2.2 Authorized Verification

USPS employees or an authorized audit bureau may conduct verifications of circulation for an application for Periodicals mailing privileges, reentry application, or other required circulation verification of general or requester publications, provided, however, that the Postal Service will have the authority to review audit procedures upon request. In addition, the Postal Service reserves the right to verify each audit bureau's compliance with such audit procedures. The Postal Service shall have the authority to revoke any audit bureau's authorization to conduct verifications if it finds such audit bureau has failed to follow approved audit procedures.

Joshua J. Hofer,

Attorney, Ethics & Legal Compliance.

[FR Doc. 2022–14500 Filed 7–6–22; 8:45 am]

BILLING CODE 7710–12–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3040

[Docket No. RM2020–8]

Update to Product Lists

AGENCY: Postal Regulatory Commission.

ACTION: Direct final rule.

SUMMARY: The Commission is announcing an update to the Market Dominant and Competitive product lists. This action reflects a publication policy adopted by Commission rules. The referenced policy assumes periodic updates. The updates are identified in the body of this document. The Market Dominant and Competitive product lists, which are re-published in their entirety, include these updates.

DATES: This rule is effective August 22, 2022, without further action, unless adverse comment is received by August 8, 2022. If adverse comment is received, the Commission will publish a timely withdrawal of the rule in the **Federal Register**.

ADDRESSES: For additional information, this document can be accessed electronically through the Commission's website at *https://www.prc.gov.*

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6800.

SUPPLEMENTARY INFORMATION:

I. Introduction
II. Commission Process
III. Authorization
IV. Modifications
V. Ordering Paragraphs

I. Introduction

Pursuant to 39 U.S.C. 3642(d)(2) and 39 CFR 3040.103, the Commission provides a Notice of Update to Product Lists by listing all necessary modifications to both the Market Dominant and Competitive product lists between January 1, 2022, and March 31, 2022.

II. Commission Process

Pursuant to 39 CFR part 3040, the Commission maintains a Mail Classification Schedule (MCS) that includes rates, fees, and product descriptions for each Market Dominant and Competitive product, as well as product lists that categorize Postal Service products as either Market Dominant or Competitive. *See generally* 39 CFR part 3040. The product lists are published in the Code of Federal Regulations as 39 CFR part 3040, appendix A to subpart A, Market Dominant Product List, and appendix B to subpart A, Competitive Product List, pursuant to 39 U.S.C. 3642(d)(2). *See* 39 U.S.C. 3642(d)(2). Both the MCS and its product lists are updated by the Commission on its website on a quarterly basis.[1] In addition, these quarterly updates to the product lists are also published in the **Federal Register** pursuant to 39 CFR 3040.103. *See* 39 CFR 3040.103.

III. Authorization

Pursuant to 39 CFR 3040.103(d)(1), this Notice of Update to Product Lists identifies any modifications made to the Market Dominant or Competitive product list, including product additions, removals, and transfers.[2] Pursuant to 39 CFR 3040.103(d)(2), the modifications identified in this document result from the Commission's most recent MCS update posted on the Commission's website on March 31, 2022, and supersede all previous product lists.[3]

[1] *See https://www.prc.gov/mail-classification-schedule* in the Current MCS section.

[2] 39 CFR 3040.103(d)(1). More detailed information (*e.g.,* Docket Nos., Order Nos., effective dates, and extensions) for each Market Dominant and Competitive product can be found in the MCS, including the ''Revision History'' section. *See, e.g.,* file ''MCSRedline01092022.docx,'' available at *https://www.prc.gov/mail-classification-schedule.*

[3] Previous versions of the MCS and its product lists can be found on the Commission's website, available at *https://www.prc.gov/mail-classification-schedule* in the MCS Archives section.

IV. Modifications

The following list of products is being added to 39 CFR part 3040, appendix A to subpart A, Market Dominant Product List:

1. USPS Connect Local Mail

The following list of products is being added to 39 CFR part 3040, appendix B to subpart A, Competitive Product List:

1. First-Class Package Service Contract 119
2. Priority Mail Contract 735
3. Priority Mail Contract 736
4. Priority Mail Contract 737
5. Priority Mail & First-Class Package Service Contract 213
6. Priority Mail & First-Class Package Service Contract 214
7. Priority Mail & First-Class Package Service Contract 215
8. Priority Mail Express & Priority Mail Contract 129
9. Priority Mail Express & Priority Mail Contract 130
10. Priority Mail Express, Priority Mail & First-Class Package Service Contract 78
11. Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 11

The following list of products is being removed from 39 CFR part 3040, appendix A to subpart A, Market Dominant Product List:

1. Plus One

The following list of products is being removed from 39 CFR part 3040, appendix B to subpart A, Competitive Product List:

1. International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8
2. Parcel Return Service Contract 11
3. Priority Mail Contract 457
4. Priority Mail Contract 650
5. Priority Mail Contract 677
6. Priority Mail Contract 681
7. Priority Mail Contract 684
8. Priority Mail Contract 688
9. Priority Mail Contract 689
10. Priority Mail Contract 696
11. Priority Mail Contract 697
12. Priority Mail Contract 698
13. Priority Mail Contract 703
14. Priority Mail Contract 706
15. Priority Mail & First-Class Package Service Contract 94
16. Priority Mail & First-Class Package Service Contract 122
17. Priority Mail & First-Class Package Service Contract 176
18. Priority Mail & First-Class Package Service Contract 182
19. Priority Mail & First-Class Package Service Contract 187
20. Priority Mail & First-Class Package Service Contract 196
21. Priority Mail & First-Class Package Service Contract 201
22. Priority Mail Express Contract 89

23. Priority Mail Express Contract 90
24. Priority Mail Express & Priority Mail Contract 85
25. Priority Mail Express & Priority Mail Contract 88
26. Priority Mail Express & Priority Mail Contract 89
27. Priority Mail Express & Priority Mail Contract 125
28. Priority Mail Express, Priority Mail & First-Class Package Service Contract 40

The above-referenced changes to the Market Dominant product list and the Competitive product list are incorporated into 39 CFR part 3040, appendices A and B to subpart A.

V. Ordering Paragraphs

It is ordered:

1. Part 3040 of title 39, Code of Federal Regulations, is amended as set forth below the signature of this notification, effective 45 days after the date of publication of the notification in the **Federal Register** without further action, unless adverse comments are received.

2. The Secretary shall arrange for publication of the notification in the **Federal Register**.

3. Interested persons may submit adverse comments no later than 30 days from the date of the publication of this notification in the **Federal Register**.

4. If adverse comments are received, the Secretary will publish a timely withdrawal of the notification in the **Federal Register**.

By the Commission.

Erica A. Barker,

Secretary.

List of Subjects in 39 CFR Part 3040

Administrative practice and procedure, Postal Service.

For the reasons discussed in the preamble, the Postal Regulatory Commission amends chapter III of title 39 of the Code of Federal Regulations as follows:

PART 3040—PRODUCT LISTS

■ 1. The authority citation for part 3040 continues to read as follows:

Authority: 39 U.S.C. 503; 3622; 3631; 3642; 3682.

■ 2. Revise appendix A to subpart A of part 3040 to read as follows:

Appendix A to Subpart A of Part 3040—Market Dominant Product List

(An asterisk (*) indicates an organizational class or group, not a Postal Service product.)

FIRST–CLASS MAIL*
- Single-Piece Letters/Postcards
- Presorted Letters/Postcards
- Flats
- Outbound Single-Piece First-Class Mail International
- Inbound Letter Post

USPS MARKETING MAIL (COMMERCIAL AND NONPROFIT)*
- High Density and Saturation Letters
- High Density and Saturation Flats/Parcels
- Carrier Route
- Letters
- Flats
- Parcels
- Every Door Direct Mail—Retail

PERIODICALS*
- In-County Periodicals
- Outside County Periodicals

PACKAGE SERVICES*
- Alaska Bypass Service
- Bound Printed Matter Flats
- Bound Printed Matter Parcels
- Media Mail/Library Mail

SPECIAL SERVICES*
- Ancillary Services
- International Ancillary Services
- Address Management Services
- Caller Service
- Credit Card Authentication
- International Reply Coupon Service
- International Business Reply Mail Service
- Money Orders
- Post Office Box Service
- Stamp Fulfillment Services

NEGOTIATED SERVICE AGREEMENTS*
- Domestic*
- International*
- Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators

NONPOSTAL SERVICES*
- Alliances with the Private Sector to Defray Cost of Key Postal Functions
- Philatelic Sales

MARKET TESTS*
- Commercial PO Box Redirect Service
- Extended Mail Forwarding
- USPS Connect Local Mail

■ 3. Revise appendix B to subpart A of part 3040 to read as follows:

Appendix B to Subpart A of Part 3040—Competitive Product List

(An asterisk (*) indicates an organizational class or group, not a Postal Service product.)

DOMESTIC PRODUCTS*
- Priority Mail Express
- Priority Mail
- Parcel Select
- Parcel Return Service
- First-Class Package Service
- USPS Retail Ground

INTERNATIONAL PRODUCTS*
- Outbound International Expedited Services
- Inbound Parcel Post (at UPU rates)
- Outbound Priority Mail International
- International Priority Airmail (IPA)
- International Surface Air Lift (ISAL)
- International Direct Sacks—M-Bags
- Outbound Single-Piece First-Class Package International Service
- Inbound Letter Post Small Packets and Bulky Letters

NEGOTIATED SERVICE AGREEMENTS*
- Domestic*
- Priority Mail Express Contract 74
- Priority Mail Express Contract 77
- Priority Mail Express Contract 81
- Priority Mail Express Contract 83
- Priority Mail Express Contract 87
- Priority Mail Express Contract 88
- Priority Mail Express Contract 91
- Priority Mail Express Contract 92
- Priority Mail Express Contract 93
- Parcel Return Service Contract 14
- Parcel Return Service Contract 17
- Parcel Return Service Contract 18
- Priority Mail Contract 80
- Priority Mail Contract 153
- Priority Mail Contract 292
- Priority Mail Contract 360
- Priority Mail Contract 479
- Priority Mail Contract 504
- Priority Mail Contract 505
- Priority Mail Contract 507
- Priority Mail Contract 509
- Priority Mail Contract 511
- Priority Mail Contract 523
- Priority Mail Contract 529
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- Priority Mail Contract 573
- Priority Mail Contract 577
- Priority Mail Contract 585
- Priority Mail Contract 589
- Priority Mail Contract 590
- Priority Mail Contract 591
- Priority Mail Contract 595
- Priority Mail Contract 596
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- Priority Mail Contract 618
- Priority Mail Contract 628
- Priority Mail Contract 631
- Priority Mail Contract 640
- Priority Mail Contract 641
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Priority Mail Contract 730
Priority Mail Contract 731
Priority Mail Contract 732
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Priority Mail Contract 734
Priority Mail Contract 735
Priority Mail Contract 736
Priority Mail Contract 737
Priority Mail Express & Priority Mail Contract 48
Priority Mail Express & Priority Mail Contract 84
Priority Mail Express & Priority Mail Contract 90
Priority Mail Express & Priority Mail Contract 92
Priority Mail Express & Priority Mail Contract 95
Priority Mail Express & Priority Mail Contract 96
Priority Mail Express & Priority Mail Contract 99
Priority Mail Express & Priority Mail Contract 102
Priority Mail Express & Priority Mail Contract 103
Priority Mail Express & Priority Mail Contract 114
Priority Mail Express & Priority Mail Contract 116
Priority Mail Express & Priority Mail Contract 118
Priority Mail Express & Priority Mail Contract 120
Priority Mail Express & Priority Mail Contract 121
Priority Mail Express & Priority Mail Contract 122
Priority Mail Express & Priority Mail Contract 123
Priority Mail Express & Priority Mail Contract 126
Priority Mail Express & Priority Mail Contract 127
Priority Mail Express & Priority Mail Contract 128
Priority Mail Express & Priority Mail Contract 129
Priority Mail Express & Priority Mail Contract 130
Parcel Select & Parcel Return Service Contract 7
Parcel Select & Parcel Return Service Contract 9
Parcel Select & Parcel Return Service Contract 10
Parcel Select & Parcel Return Service Contract 11
Parcel Select & Parcel Return Service Contract 13
Parcel Select & Parcel Return Service Contract 14
Parcel Select Contract 34
Parcel Select Contract 35
Parcel Select Contract 37
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Parcel Select Contract 40
Parcel Select Contract 41
Parcel Select Contract 42
Parcel Select Contract 43
Parcel Select Contract 44
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Parcel Select Contract 46
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Parcel Select Contract 48
Priority Mail—Non-Published Rates 1
Priority Mail—Non-Published Rates 2
First-Class Package Service Contract 87
First-Class Package Service Contract 99
First-Class Package Service Contract 100
First-Class Package Service Contract 103
First-Class Package Service Contract 104
First-Class Package Service Contract 106
First-Class Package Service Contract 107
First-Class Package Service Contract 108
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First-Class Package Service Contract 112
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First-Class Package Service Contract 119
Priority Mail Express, Priority Mail & First-Class Package Service Contract 51
Priority Mail Express, Priority Mail & First-Class Package Service Contract 53
Priority Mail Express, Priority Mail & First-Class Package Service Contract 55
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Priority Mail Express, Priority Mail & First-Class Package Service Contract 58
Priority Mail Express, Priority Mail & First-Class Package Service Contract 62
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Priority Mail & First-Class Package Service Contract 214
Priority Mail & First-Class Package Service Contract 215
Priority Mail & Parcel Select Contract 4
Priority Mail & Parcel Select Contract 5
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 1
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 2
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 3
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 5
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 6
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 7
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 8
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 9
Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 10
Priority Mail, First-Class Package Service & Parcel Select Contract 1
Priority Mail, First-Class Package Service & Parcel Select Contract 2
Priority Mail, First-Class Package Service & Parcel Select Contract 3
Outbound International*
Global Expedited Package Services (GEPS) Contracts
GEPS 3
GEPS 5
GEPS 6
GEPS 7
GEPS 8
GEPS 9
GEPS 10
Global Bulk Economy (GBE) Contracts
Global Plus Contracts
Global Plus 1C
Global Plus 1D
Global Plus 1E
Global Plus 2C
Global Plus 3
Global Plus 4
Global Plus 5
Global Plus 6
Global Reseller Expedited Package Contracts
Global Reseller Expedited Package Services 1
Global Reseller Expedited Package Services 2
Global Reseller Expedited Package Services 3
Global Reseller Expedited Package Services 4
Global Expedited Package Services (GEPS)—Non-Published Rates
Global Expedited Package Services (GEPS)—Non-Published Rates 2
Global Expedited Package Services (GEPS)—Non-Published Rates 3
Global Expedited Package Services (GEPS)—Non-Published Rates 4
Global Expedited Package Services (GEPS)—Non-Published Rates 5
Global Expedited Package Services (GEPS)—Non-Published Rates 6
Global Expedited Package Services (GEPS)—Non-Published Rates 7
Global Expedited Package Services (GEPS)—Non-Published Rates 8
Global Expedited Package Services (GEPS)—Non-Published Rates 9
Global Expedited Package Services (GEPS)—Non-Published Rates 10
Global Expedited Package Services (GEPS)—Non-Published Rates 11
Global Expedited Package Services (GEPS)—Non-Published Rates 12
Global Expedited Package Services (GEPS)—Non-Published Rates 13
Global Expedited Package Services (GEPS)—Non-Published Rates 14
Global Expedited Package Services (GEPS)—Non-Published Rates 15
Priority Mail International Regional Rate Boxes—Non-Published Rates
Outbound Competitive International Merchandise Return Service Agreement with Royal Mail Group, Ltd.
Priority Mail International Regional Rate Boxes Contracts
Priority Mail International Regional Rate Boxes Contracts 1
Competitive International Merchandise Return Service Agreements with Foreign Postal Operators
Competitive International Merchandise Return Service Agreements with Foreign Postal Operators 1
Competitive International Merchandise Return Service Agreements with Foreign Postal Operators 2
Alternative Delivery Provider (ADP) Contracts
ADP 1
Alternative Delivery Provider Reseller (ADPR) Contracts
ADPR 1
Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contracts
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 2
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 4
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 5
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 6
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 7
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 8
Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 10
Priority Mail Express International, Priority Mail International, First-Class Package

International Service & Commercial ePacket Contract 11
Priority Mail Express International, Priority Mail International & Commercial ePacket Contracts
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 4
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 5
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contracts
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 2
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 3
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 4
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 5
International Priority Airmail Contracts
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contracts
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1
International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 2
Inbound International*
International Business Reply Service (IBRS) Competitive Contracts
International Business Reply Service Competitive Contract 1
International Business Reply Service Competitive Contract 3
Inbound Direct Entry Contracts with Customers
Inbound Direct Entry Contracts with Foreign Postal Administrations
Inbound Direct Entry Contracts with Foreign Postal Administrations
Inbound Direct Entry Contracts with Foreign Postal Administrations 1
Inbound EMS
Inbound EMS 2
Inbound Air Parcel Post (at non-UPU rates)
Inbound Competitive Multi-Service Agreements with Foreign Postal Operators
Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1
SPECIAL SERVICES*
Address Enhancement Services
Greeting Cards, Gift Cards, and Stationery
International Ancillary Services
International Money Transfer Service—Outbound
International Money Transfer Service—Inbound
Premium Forwarding Service
Shipping and Mailing Supplies
Post Office Box Service
Competitive Ancillary Services
NONPOSTAL SERVICES*
Advertising
Licensing of Intellectual Property other than Officially Licensed Retail Products (OLRP)
Mail Service Promotion
Officially Licensed Retail Products (OLRP)
Passport Photo Service
Photocopying Service
Rental, Leasing, Licensing or other Non-Sale Disposition of Tangible Property
Training Facilities and Related Services
USPS Electronic Postmark (EPM) Program
MARKET TESTS*

[FR Doc. 2022–14465 Filed 7–6–22; 8:45 am]
BILLING CODE 7710–FW–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 120404257–3325–02; RTID 0648–XC154]

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; 2022 Commercial Hook-and-Line Closure for South Atlantic Golden Tilefish

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; closure.

SUMMARY: NMFS implements an accountability measure for the commercial hook-and-line component of golden tilefish in the South Atlantic exclusive economic zone (EEZ). NMFS projects that commercial hook-and-line landings for golden tilefish will reach the commercial quota for the hook-and-line component by July 6, 2022. Therefore, NMFS closes the commercial hook-and-line component for golden tilefish in the South Atlantic EEZ on July 6, 2022. This closure is necessary to protect the golden tilefish resource.

DATES: This temporary rule is effective at 12:01 a.m., eastern time, on July 6, 2022, until 12:01 a.m., eastern time, on January 1, 2023.

FOR FURTHER INFORMATION CONTACT: Frank Helies, NMFS Southeast Regional Office, telephone: 727–824–5305, email: *frank.helies@noaa.gov.*

SUPPLEMENTARY INFORMATION: The snapper-grouper fishery of the South Atlantic includes golden tilefish and is managed under the Fishery Management Plan for the Snapper-Grouper Fishery of the South Atlantic Region (FMP). The FMP was prepared by the South Atlantic Fishery Management Council and NMFS, and is implemented by NMFS under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) by regulations at 50 CFR part 622. All weights in this temporary rule are given in gutted weight.

The commercial sector for golden tilefish has two components, each with its own quota: The hook-and-line and longline components (50 CFR 622.190(a)(2)). The golden tilefish commercial annual catch limit (ACL) is allocated 25 percent to the hook-and-line component and 75 percent to the longline component. The total commercial ACL (equivalent to the commercial quota) for golden tilefish is 331,740 lb (150,475 kg), and the hook-and-line component ACL is 82,935 lb (37,619 kg).

Under 50 CFR 622.193(a)(1)(i), NMFS is required to close the commercial hook-and-line component for golden tilefish when its commercial ACL has been reached, or is projected to be reached, by filing such a notification with the Office of the Federal Register. NMFS has determined that the commercial ACL for the golden tilefish hook-and-line component in the South Atlantic will be reached by July 6, 2022. Accordingly, the commercial hook-and-line component of South Atlantic golden tilefish is closed effective at 12:01 a.m., eastern time, on July 6, 2022.

The commercial longline component for South Atlantic golden tilefish also closed on March 16, 2022, and will remain closed for the remainder of the current fishing year, through December 31, 2022 (87 FR 14419; March 15, 2022). Therefore, because the commercial longline component is already closed, and NMFS is closing the commercial hook-and-line component through this temporary rule, all harvest of South Atlantic golden tilefish in the EEZ is limited to the recreational bag and possession limits specified in 50 CFR 622.187(b)(2)(iii) and (c)(1) as long as the recreational sector is open.

The operator of a vessel with a valid Federal commercial vessel permit for South Atlantic snapper-grouper having golden tilefish on board harvested by hook-and-line must have landed and bartered, traded, or sold such golden tilefish prior to 12:01 a.m., eastern time, on July 6, 2022. During the closure, the sale or purchase of golden tilefish taken from the EEZ is prohibited. The prohibition on sale or purchase does not apply to the sale or purchase of golden tilefish that were harvested by hook-and-line, landed ashore, and sold prior to 12:01 a.m., eastern time, on July 6, 2022, and were held in cold storage by a dealer or processor. For a person on board a vessel for which a Federal commercial or charter vessel/headboat permit for the South Atlantic snapper-grouper fishery has been issued, the sale and purchase provisions of the commercial closure for golden tilefish apply regardless of whether the fish are harvested in state or Federal waters, as specified in 50 CFR 622.190(c)(1)(ii).

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR 622.193(a)(1), 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 is unnecessary and contrary to the public interest. Such procedures are unnecessary because the regulations associated with the commercial closure of the golden tilefish hook-and-line component have already been subject to notice and public comment, and all that remains is to notify the public of the closure. Such procedures are contrary to the public interest because of the need to implement the closure and protect the golden tilefish resource and minimize the risk of exceeding the sector's ACL.

For the aforementioned reasons, the Acting Assistant Administrator also finds good cause to waive the 30-day delay in the effectiveness of this action under 5 U.S.C. 553(d)(3).

Authority: 16 U.S.C. 1801 *et seq.*

Dated: July 1, 2022.

Jennifer M. Wallace,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2022–14499 Filed 7–1–22; 4:15 pm]

BILLING CODE 3510–22–P

Proposed Rules

Federal Register
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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–2022–0588; Project Identifier AD–2022–00114–T]

RIN 2120–AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2021–14–20, which applies to all The Boeing Company Model 737 airplanes. AD 2021–14–20 requires repetitive functional tests of the cabin altitude pressure switches, and on-condition actions, including replacement, if necessary. AD 2021–14–20 also requires reporting test results. Since the FAA issued AD 2021–14–20, data collected from the reports required by AD 2021–14–20 revealed that the switches were subject to false test failures due to lack of clear instructions for setup of the test adapters during the functional tests. This proposed AD would retain the repetitive functional tests and on-condition actions, and specify certain adapter requirements for the functional tests. 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 August 22, 2022.

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 *https://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Examining the AD Docket

You may examine the AD docket at *https://www.regulations.gov* by searching for and locating Docket No. FAA–2022–0588; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, any comments received, and other information. The street address for Docket Operations is listed above.

FOR FURTHER INFORMATION CONTACT: Nicole Tsang, Aerospace Engineer, Cabin Safety and Environmental Systems Section, FAA, Seattle ACO Branch, 2200 South 216th St., Des Moines, WA 98198; phone and fax: 206–231–3959; email: *Nicole.S.Tsang@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 to an address listed under **ADDRESSES**. Include ''Docket No. FAA–2022–0588; Project Identifier AD–2022–00114–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 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 *https://www.regulations.gov,* including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this proposed AD.

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 Nicole Tsang, Aerospace Engineer, Cabin Safety and Environmental Systems Section, FAA, Seattle ACO Branch, 2200 South 216th St., Des Moines, WA 98198; phone and fax: 206–231–3959; email: *Nicole.S.Tsang@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 2021–14–20, Amendment 39–21647 (86 FR 38214, July 20, 2021) (AD 2021–14–20), for all The Boeing Company Model 737 airplanes. AD 2021–14–20 was prompted by reports of latent failures of the cabin altitude pressure switches. AD 2021–14–20 requires repetitive functional tests of the pressure switches, and on-condition actions, including replacement, if necessary. The agency issued AD 2021–14–20 to address the unexpectedly high rate of latent failure of both pressure switches on the same airplane, which could result in the cabin altitude warning system not activating if the cabin altitude exceeds 10,000 feet, resulting in hypoxia of the flightcrew and loss of control of the airplane.

Actions Since AD 2021–14–20 Was Issued

Since the FAA issued AD 2021–14–20, Boeing, Eaton Aerospace (the cabin altitude warning switch supplier) and the FAA analyzed data collected from the reports required by AD 2021–14–20. That data revealed that the switches were subject to false test failures due to lack of clear instructions for setup of the test adapters during the functional tests.

For most of the switches that were tested by the supplier after failing a functional test, no fault was found in the switches. Instead, it was determined that if a test adapter not meeting certain criteria (threads having a full thread depth of no greater than 0.438 inches (1.113 cm) and an overall length less than 0.500 inches (1.270 cm)) is connected to the cabin altitude warning switch, false failures may occur during the functional test. Based on this analysis, Boeing revised its airplane maintenance manual (AMM) procedures, which provide guidance for performing the functional test, to specify criteria for the adapters and matching hoses (those that are 25 feet to 40 feet (7.62 to 12.19 meters) long, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set). The matching hose criteria ensures there is a connection between the pressure switch and the air data test set. The FAA determined that AD 2021–14–20 should be superseded to ensure the functional tests are performed using the correct adapters to avoid false failure results. In addition, the FAA determined that sufficient data has been received regarding the cause of the failures of the cabin altitude pressure switches. Therefore, the reporting required by AD 2021–14–20 is no longer needed. This proposed AD would therefore retain the repetitive functional tests and on-condition actions, and specify certain adapter requirements for the functional tests.

FAA's Determination

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

Proposed AD Requirements in This NPRM

This proposed AD would retain certain requirements of AD 2021–14–20. This proposed AD would continue to require repetitive functional tests of the pressure switches having part number 214C50–2, and on-condition actions, including replacement, if necessary. This proposed AD would require using adapters and matching hoses meeting certain criteria when performing the functional tests, as specified in figure 1 to paragraph (g) of this AD. This proposed AD would also eliminate the reporting required by AD 2021–14–20.

Effect of Certain Installation Procedures on Accomplishment of AD Requirements

The FAA issued AD 2015–21–11, Amendment 39–18304 (80 FR 65927, October 28, 2015) (AD 2015–21–11) applicable to certain Model 737–100, –200, –200C, –300, –400, –500, –600, –700, –700C, –800, –900, and –900ER series airplanes. AD 2015–21–11 requires, among other actions, the installation of a redundant cabin altitude pressure switch in accordance with specified Boeing service information. The FAA has since approved numerous supplemental type certificates (STCs) and other means for installing the redundant pressure switch. As a result of its oversight of these newly-installed switches, the FAA has determined that use of approved maintenance procedures for the cabin altitude pressure switch functional test other than the task cards specified in Note 1 to paragraph (g) of this AD, is acceptable for the functional test, provided the adapter meets the criteria specified in paragraph (g) of this AD. Therefore, those other procedures do not require approval of an alternative method of compliance (AMOC).

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 2,693 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
Functional test	1 work-hour × $85 per hour = $85 per test	* $	$85 per test	$228,905 per test.

* If the operator needs to buy an adapter, the FAA estimates the adapter could cost up to $3,644. The FAA has no way of determining the number of operators that might need to purchase an adapter.

The FAA estimates the following costs to do any necessary on-condition actions that would be required based on the results of the functional test. The FAA has no way of determining the number of aircraft that might need these actions:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Switch replacement	1 work-hour × $85 per hour = $85	$1,278	$1,363

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 has 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 (AD) AD 2021–14–20, Amendment 39–21647 (86 FR 38214, July 20, 2021), and

■ b. Adding the following new AD:

The Boeing Company: Docket No. FAA–2022–0588; Project Identifier AD–2022–00114–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) action by August 22, 2022.

(b) Affected ADs

This AD replaces AD 2021–14–20, Amendment 39–21647 (86 FR 38214, July 20, 2021) (AD 2021–14–20).

(c) Applicability

This AD applies to all The Boeing Company Model 737–100, –200, –200C, –300, –400, –500, –600, –700, –700C, –800, –900, and –900ER series airplanes and Model 737–8, 737–9, and 737–8200 airplanes, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 21, Air conditioning.

(e) Unsafe Condition

This AD was prompted by reports of latent failures of the cabin altitude pressure switches, and the determination that using certain adapters while performing a functional test may lead to false failures of the cabin altitude pressure switches. The FAA is issuing this AD to address the unexpectedly high rate of latent failure of both pressure switches on the same airplane which could result in the cabin altitude warning system not activating if the cabin altitude exceeds 10,000 feet, resulting in hypoxia of the flightcrew, and loss of control of the airplane.

(f) Compliance

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

(g) Repetitive Functional Tests

(1) At the latest of the times specified in paragraphs (g)(1)(i) through (iii) of this AD, perform a functional test of the cabin altitude pressure switches having part number 214C50–2, using an adapter as specified in figure 1 to paragraph (g) of this AD, or an equivalent adapter, and matching hose to connect to the cabin altitude warning switch. Repeat the functional test thereafter at intervals not to exceed 2,000 flight hours. If, during any functional test, any cabin altitude pressure switch fails to activate at an altitude of between 9,000 and 11,000 feet, replace the switch before further flight.

(i) Within 2,000 flight hours since the last functional test of the cabin altitude pressure switches.

(ii) Prior to the accumulation of 2,000 total flight hours on the airplane.

(iii) Within 90 days after the effective date of this AD.

(2) Adapters are considered to be equivalent as long as the mating side with the switch meets the specifications in either paragraph (g)(2)(i) or (ii) of this AD:

(i) Greater than or equal to 0.265 inches (0.673 cm) X 7/16–20–UNJF–3A and less than or equal to 0.438 inches (1.113 cm) X 7/16–20–UNJF–3A for the flareless end; or

(ii) Less than or equal to 0.5 inches (1.27 cm) total with greater than or equal to 0.265 inches (0.673 cm) X 7/16–20–UNJF–3A thread for AN4 flared end.

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Figure 1 to paragraph (g) of this AD –*Functional Test Adapters*

Use one of the following adapters, or an equivalent adapter, and matching hose to connect to the cabin altitude warning switch:

(1) SAE J514 part number (P/N) 070220 90 Degree Straight Thread Elbow and appropriate sized O-ring (Preferred).

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set.
- Make sure that the flat side of the adapter is connected with the cabin altitude warning switch.

NOTE: Do not connect the flared side of the adapter with the cabin altitude warning switch. Connecting the flared side of the adapter with the cabin altitude warning switch may bottom out the cabin altitude warning switch, resulting in false test results.

(2) SAE J514 P/N 070320 45 Degree Straight Thread Elbow and appropriate sized O-ring (Preferred).

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set.
- Make sure that the flat side of the adapter is connected with the cabin altitude warning switch.

NOTE: Do not connect the flared side of the adapter with the cabin altitude warning switch. Connecting the flared side of the adapter with the cabin altitude warning switch may bottom out the cabin altitude warning switch, resulting in false test results.

(3) SAE J514 P/N 070120 Straight Thread Connector Short and appropriate sized O-ring (Preferred).

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set.
- Make sure that the flat side of the adapter is connected with the cabin altitude warning switch.

NOTE: Do not connect the flared side of the adapter with the cabin altitude warning switch. Connecting the flared side of the adapter with the cabin altitude warning switch may bottom out the cabin altitude warning switch, resulting in false test results.

(4) AS21900-4 (or MS21900-4) Flareless Tube to Flared Tube Adapter and appropriate sized O-ring (Preferred).

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set.

- Make sure that the flat side of the adapter is connected with the cabin altitude warning switch.

NOTE: Do not connect the flared side of the adapter with the cabin altitude warning switch. Connecting the flared side of the adapter with the cabin altitude warning switch may bottom out the cabin altitude warning switch, resulting in false test results.

(5) P/N JUD321 Hose Fitting with MS28778-4 O-ring (Eaton Aerospace LLC, Bethel, CT 02750) (Preferred).

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with #4 AN fitting to the adapter and quick disconnect (if applicable) to the air data test set.

(6) AN807-4D (or AS5180D04 or AS5180W04) Tube to Hose Adapter, AN924-4 nut and appropriate sized O-ring (on the mating side with the switch) and spacer or washers (Alternate).

NOTE: This adapter can be used if the steps below are carefully followed. This adapter is not preferred because if the AN924-4 nut is not connected carefully as recommended below, this may bottom out the cabin altitude warning switch, resulting in false test results.

- Use a Barfield Pitot Hose, or equivalent 25 feet (7.62 m) to 40 feet (12.19 m) long hose, with quick disconnect (if applicable) to the air data test set.
- Make sure that the thread length, including fitting end after the installation of AN924-4 nut and appropriate sized 7/16 spacer or washers, is less than 0.5 inch (1.270 cm) to avoid false test results.

Note 1 to paragraph (g): Additional guidance for performing the functional test required by paragraph (g) of this AD can be found in 737–200 Airplane Maintenance Manual (AMM) 21–33–11/501, 737CL AMM TASK CARD 31–026–01–01, 737CL AMM TASK CARD 31–010–01–01, 737NG AMM TASK CARD 31–020–00–01, and 737MAX AMM TASK CARD 31–020–00–01, and other approved maintenance procedures.

(h) Minimum Equipment List Provisions

If any cabin altitude warning switch fails any functional test as required by this AD, the airplane may be operated as specified in the operator's existing FAA-approved MEL, provided provisions that specify operating the airplane at a flight altitude at or below 10,000 feet mean sea level (MSL) with the cabin altitude warning system inoperative are included in the operator's existing FAA-approved MEL.

(i) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Seattle ACO 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 certification office, send it to the attention of the person identified in paragraph (j)(1) of this AD. Information may be emailed to *9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

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

(j) Related Information

(1) For more information about this AD, contact Nicole Tsang, Aerospace Engineer, Cabin Safety and Environmental Systems Section, FAA, Seattle ACO Branch, 2200 South 216th St., Des Moines, WA 98198; phone and fax: 206–231–3959; email: *Nicole.S.Tsang@faa.gov.*

(2) For service information identified in this AD that is not incorporated by reference, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminster Blvd., MC 110–SK57, Seal Beach, CA 90740–5600; telephone 562–797–1717; internet *https://www.myboeingfleet.com.*

Issued on May 16, 2022.

Gaetano A. Sciortino,

Deputy Director for Strategic Initiatives, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2022–13980 Filed 7–6–22; 8:45 am]

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 73 and 74

[GN Docket No. 16–142; FCC 22–47; FR ID 93764]

Authorizing Permissive Use of the "Next Generation" Broadcast Television Standard

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Commission seeks comment on the state

of the Next Generation Television (''Next Gen TV'' or ''ATSC 3.0'') transition and on the scheduled sunsets of two rules adopted in the *First Next Gen TV Report and Order.* First, the Commission reviews and seeks comment on the progress of Next Gen TV broadcasters' voluntary, market-driven deployment of ATSC 3.0 service and the current state of the ATSC 3.0 marketplace, including whether holders of essential patents for the ATSC 3.0 standards are licensing such patents on reasonable and non-discriminatory (RAND) terms. Second, the Commission seeks comment on the scheduled 2023 sunset of the rule requiring that a Next Gen TV station's ATSC 1.0 simulcast primary video programming stream be ''substantially similar'' to its 3.0 primary programming stream. Third, the Commission seeks comment on the scheduled 2023 sunset of the requirement that a Next Gen TV station comply with the ATSC A/322 standard.

DATES: Comments are due on or before August 8, 2022; reply comments are due on or before September 6, 2022.

ADDRESSES: You may submit comments, identified by GN Docket No. 16–142, by any of the following methods:

- *Electronic Filers:* Comments may be filed electronically using the internet by accessing the ECFS: *http://apps.fcc.gov/ecfs/.*
- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.

Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554.
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID–19.[1]
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

People with Disabilities. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to *fcc504@fcc.gov* or call the Consumer & Governmental Affairs Bureau at 202–418–0530 (voice), 202–418–0432 (TTY).

FOR FURTHER INFORMATION CONTACT: For additional information on this proceeding, contact Evan Baranoff, *Evan.Baranoff@fcc.gov,* of the Media Bureau, Policy Division, (202) 418–2120. Direct press inquiries to Janice Wise at (202) 418–8165.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Third Further Notice of Proposed Rulemaking (FNPRM), FCC 22–47, adopted on June 21, 2022 and released on June 22, 2022. The full text of this document is available electronically via the FCC's Electronic Document Management System (EDOCS) website at *https://www.fcc.gov/edocs* or via the FCC's Electronic Comment Filing System (ECFS) website at *https://www.fcc.gov/ecfs.* (Documents will be available electronically in ASCII, Microsoft Word, and/or Adobe Acrobat.) Alternative formats are available for people with disabilities (Braille, large print, electronic files, audio format), by sending an email to *fcc504@fcc.gov* or calling the Commission's Consumer and Governmental Affairs Bureau at (202) 418–0530 (voice), (202) 418–0432 (TTY).

Synopsis

I. Introduction

1. In this Third Further Notice of Proposed Rulemaking (FNPRM), we seek comment on the state of the Next Generation Television (''Next Gen TV'' or ''ATSC 3.0'') transition and on the scheduled sunsets of two rules adopted in the *First Next Gen TV Report and Order,* 83 FR 4998. As part of our assessment, we review and seek comment on the progress of Next Gen TV broadcasters' voluntary, market-driven deployment of ATSC 3.0 service and the current state of the ATSC 3.0 marketplace, including whether holders of essential patents for the ATSC 3.0 standards are licensing such patents on reasonable and non-discriminatory (RAND) terms. Next, we seek comment on the scheduled 2023 sunset of the rule requiring that a Next Gen TV station's ATSC 1.0 simulcast primary video programming stream be ''substantially similar'' to its 3.0 primary programming stream. Finally, we seek comment on the scheduled 2023 sunset of the requirement that a Next Gen TV station comply with the ATSC A/322 standard.

II. Background

2. Next Gen TV is the newest broadcast TV transmission standard, developed by the Advanced Television Systems Committee (ATSC), which promises to enable broadcasters to deliver an array of new video and non-video services and enhanced content features to consumers. Also called ''ATSC 3.0'' or ''3.0'', this new standard merges the capabilities of over-the-air (OTA) broadcasting with the broadband viewing and information delivery methods of the internet, using the same 6 MHz channels presently allocated for DTV service. As 3.0 proponents have previously explained to the Commission, the greater spectral capacity of the new standard and its internet-Protocol (IP) delivery component will allow broadcasters to provide consumers with a higher quality television viewing experience, such as ultra-high-definition (UHD) picture resolutions and immersive audio. It also has the potential to enable broadcasters to reach viewers on both home and mobile screens. In addition, ATSC 3.0 will allow broadcasters to offer enhanced public safety capabilities, such as geo-targeting of emergency alerts to tailor information to particular communities and emergency alerting capable of waking up sleeping devices to warn consumers of imminent emergencies, as well as greater accessibility options, localized content, and interactive educational children's content. And as an IP-based standard, ATSC 3.0 could enable advanced one-way datacasting services to help support the proliferation of new, IP-based consumer applications.

3. In November 2017, the Commission authorized television broadcasters to use the Next Gen TV transmission standard on a voluntary, market-driven basis.[2] The Commission required that broadcasters voluntarily deploying ATSC 3.0 service must, with very limited exceptions, continue to air at least their primary stream using the current-generation digital television

[1] FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, 35 FCC Rcd 2788 (OMD 2020). *See https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy.*

[2] In June 2020, the Commission adopted a Second Report and Order and Order on Reconsideration, resolving the remaining issues raised in the *Next Gen TV Further Notice,* as well as dismissing (or alternatively denying) the two petitions for reconsideration filed in response to the *First Next Gen TV Report and Order.*

(DTV) transmission standard,[3] also called ''ATSC 1.0'' or ''1.0,'' to their viewers through ''local simulcasting'' arrangements with other stations in their local market.[4]

4. The Commission found that a local simulcasting requirement is crucial to deploying Next Gen TV service in order to minimize viewer disruption. The Next Gen TV standard is not backward-compatible with pre-existing TV sets or receivers, which have only ATSC 1.0 and, in many cases, now-obsolete analog tuners.[5] Accordingly, viewers will be unable to watch ATSC 3.0 transmissions on such televisions without additional equipment. Thus, it is critical that Next Gen TV broadcasters continue to provide service using the current ATSC 1.0 standard while the marketplace creates and disseminates devices compatible with the new 3.0 transmission standard, in order to avoid forcing viewers to acquire expensive new equipment immediately or depriving them of their local television service during the transition. Because a TV station cannot, as a technical matter, simultaneously broadcast in both 1.0 and 3.0 format from the same facility on the same physical channel, local simulcasting must be effectuated through voluntary partnerships between local market broadcasters that seek to provide Next Gen TV service.[6] The Commission established certain requirements in the *First Next Gen TV Report and Order* for the provision of simulcast signals to ensure that local simulcasting is effective in protecting viewers. (By the time the transition is complete, any temporary authority granted for local simulcasting will expire, and a station will once again be required to air all of its licensed programming on its own single channel.)

5. The Commission also required that Next Gen TV broadcasters comply with all of its broadcast rules, including, but not limited to, our rules regarding foreign ownership, political broadcasting, children's programming, equal employment opportunities, public inspection file, indecency, sponsorship identification, contests, the CALM Act, the Emergency Alert System (EAS), and accessibility for people with disabilities. The Commission emphasized that broadcasters, equipment manufacturers, and MVPDs must comply with the Commission's Part 79 captioning rules including closed captioning decoder requirements, video description and emergency information accessibility requirements, and requirements for user interfaces, programming guides, and menus.

6. ''*Substantially Similar*'' *Rule.* In the 2017 *First Next Gen TV Report and Order,* the Commission adopted a requirement that the programming aired on a Next Gen TV station's ATSC 1.0 simulcast channel be ''substantially similar'' to that of the primary video programming stream on the ATSC 3.0 channel.[7] This means that the programming must be the same, except for programming features that are based on the enhanced capabilities of ATSC 3.0 and promotions for upcoming programs.[8] In adopting this approach, the Commission found it ''will help ensure that viewers do not lose access to the broadcast programming they receive today, while still providing flexibility for broadcasters to innovate and experiment with new, innovative programming features using Next Gen TV technology.'' The Commission decided, however, that the substantially similar requirement would expire on July 17, 2023, unless the Commission takes action to extend it.[9] In this regard, the Commission concluded that, while ''this [substantially similar] requirement is necessary in the early stages of ATSC 3.0 deployment, it could unnecessarily impede Next Gen TV programming innovations as the deployment of ATSC 3.0 progresses.'' The Commission further stated that it ''intend[ed] to monitor the ATSC 3.0 marketplace,'' and would ''extend the substantially similar requirement if necessary.'' The substantially similar rule took effect on July 17, 2018, and is set to expire on July 17, 2023, unless extended by the Commission.[10] The Commission affirmed this decision in 2020, but stated that, approximately one year before the requirement is set to expire, it would seek comment on whether the rule should be extended based on marketplace conditions at that time.

7. *Requirement to comply with the ATSC A/322 standard.* In authorizing use of the Next Gen TV broadcast transmission standard, the Commission in the *First Next Gen TV Report and Order* required compliance with only two parts of the ATSC 3.0 suite of standards: (1) ATSC A/321:2016 ''System Discovery & Signaling'' (A/321), which is the standard used to communicate the RF signal type that the ATSC 3.0 signal will use; and (2) A/322:2016 ''Physical Layer Protocol'' (A/322), which is the standard that defines the waveforms that ATSC 3.0 signals may take.[11] In requiring compliance with A/322, the Commission observed that ''device manufacturers and MVPDs may not be able to reliably predict what signal modulation a broadcaster is using unless broadcasters are required to follow A/322,'' at least with respect to their required primary programming stream. The Commission explained that ''[t]his uncertainty could cause manufacturers to inadvertently build equipment that cannot receive Next Gen TV broadcasts or could render MVPDs unable to receive and retransmit the signals of Next Gen TV stations. These outcomes would harm consumers.'' The Commission, however, decided that it was not appropriate at the time ''to require broadcasters to adhere to A/322

[3] LPTV and TV translator stations may deploy ATSC 3.0 service without providing an ATSC 1.0 simulcast signal. In addition, full power and Class A stations may request a waiver of the simulcast requirements.

[4] Under the Commission's rules, a Next Gen TV station is encouraged, but not required, to simulcast its existing non-primary video programming streams (multicast streams) in a 1.0 format. In November 2021, the Commission initiated a proceeding to allow Next Gen TV stations to include within their license certain of their multicast streams that are aired in a different service on ''host'' stations during a transitional period, using the same licensing framework, and to a large extent the same regulatory regime, established for the simulcast of primary video programming streams on ''host'' station facilities.

[5] As of August 31, 2017, new television receivers may, but are no longer required to, contain analog tuners.

[6] A Next Gen TV station must partner with another television station (''host'') in its local market to either: (1) air an ATSC 3.0 channel at the host's facility, while using its original facility to continue to provide an ATSC 1.0 simulcast channel, or (2) air an ATSC 1.0 simulcast channel at the host's facility, while converting its original facility to the ATSC 3.0 standard in order to provide a 3.0 channel. In either case, a Next Gen TV broadcaster must simulcast the primary video programming stream of its ATSC 3.0 channel in an ATSC 1.0 format, so that viewers will continue to receive ATSC 1.0 service.

[7] We refer to this as the substantially similar rule. The substantially similar rule is independent of the requirement for Next Gen TV broadcasters to simulcast in 1.0 format.

[8] Such enhanced content or features that cannot reasonably be provided in ATSC 1.0 format include: targeted advertisements, ''hyper-localized'' content (*e.g.,* geo-targeted weather, targeted emergency alerts, and hyper-local news), programming features or improvements created for the 3.0 service (*e.g.,* emergency alert ''wake up'' ability and interactive programming features), enhanced formats made possible by 3.0 technology (*e.g.,* 4K or HDR), and any personalization of programming performed by the viewer and at the viewer's discretion.

[9] We emphasize that the underlying requirement that a Next Gen TV station must simulcast in 1.0 format does not have a sunset date. In addition, none of the other aspects of the local simulcasting rules are set to expire, including those governing: simulcast arrangements and agreements; designated market area (DMA), and community of license coverage; and multichannel video programming distributor (MVPD) notices and consumer education.

[10] The local simulcasting rules took effect on July 17, 2018.

[11] These two standards were incorporated by reference into the Commission's rules. The Commission applied the A/322 standard only to a Next Gen TV station's primary, free, OTA video programming stream.

indefinitely,'' explaining that ''the ATSC 3.0 standard could evolve, and stagnant Commission rules could prevent broadcasters from taking advantage of that evolution.'' The Commission thus determined that the requirement to comply with the A/322 standard would expire on March 6, 2023, absent Commission action to extend it. In establishing a sunset for A/322 compliance, the Commission sought to ''balance [its] goals of protecting consumers while promoting innovation.'' The Commission affirmed this decision in 2020, but stated that, approximately one year before the requirement is set to expire, it would seek comment on whether the rule should be extended based on marketplace conditions at that time.

8. *Patent Licensing.* In the *First Next Gen TV Report and Order,* the Commission observed that the ATSC, which developed the ATSC 3.0 standard, requires patent owners to disclose that they hold relevant patents and to commit to licensing them on reasonable and non-discriminatory (RAND) terms. Courts have found that a patentee's agreement with a standard-setting organization to provide RAND licensing created a contract enforceable by a third-party beneficiary. The Commission decided in 2017 that ''[w]ith no evidence of patent licensing issues, . . . it [was] premature to impose regulations on the private licensing marketplace.'' We note that in the context of the original DTV transition, the Commission similarly stated its expectation that the licensing of patents in DTV technology would be on RAND terms. The Commission also emphasized that if a problem with patent licensing arose and was brought to the Commission's attention, it would ''consider it and take appropriate action.'' Ultimately, however, the Commission never adopted any specific licensing terms or otherwise took action on these issues in the context of the DTV transition. In the case of ATSC 3.0 the Commission stated that it would ''monitor how the marketplace handles patent royalties for essential patents.'' [12]

III. Discussion

9. As an initial matter, we seek comment on the state of the ATSC 3.0 marketplace, including specifically information and data on broadcasters' present deployment of ATSC 3.0 service; current availability and pricing of ATSC 3.0 consumer television equipment; the number of over-the-air (OTA) television viewers currently watching ATSC 3.0 broadcasts; whether any MVPDs are currently carrying or have plans to carry 3.0 signals; and how the 3.0 marketplace is handling patent royalties for essential patents in ATSC 3.0 technology. Next, we seek comment on whether we should retain the substantially similar requirement, which is set to expire in July 2023. Finally, we seek comment on whether we should retain the requirement that Next Gen TV broadcasters' primary video programming stream must comply with the ATSC A/322 standard, which is set to expire in March 2023, and, if so, for how long.

A. Review of ATSC 3.0 Marketplace

10. First, we seek comment regarding the ATSC 3.0 marketplace. It has been more than four years since the Commission authorized Next Gen TV broadcasters to provide OTA broadcast ATSC 3.0 service on a voluntary, market-driven basis.[13] During this time, dozens of broadcasters have voluntarily deployed ATSC 3.0 service to test its technical and economic viability as a DTV broadcast service. In the *First Next Gen TV Report and Order,* the Commission stated that it would ''monitor the pace of the voluntary deployment of ATSC 3.0 both nationally and market-by-market, including the rollout of 3.0 service by television broadcasters, the penetration of ATSC 3.0-ready TV sets and other converter equipment, and the extent to which MVPDs have deployed 3.0 equipment.'' The Commission also stated that it would ''monitor how the marketplace handles patent royalties for essential patents.'' Accordingly, we seek specific comment on five aspects of the deployment: (1) voluntary deployment of ATSC 3.0 service by broadcasters and the continued availability of ATSC 1.0 programming; (2) availability of ATSC 3.0 consumer TV sets and equipment; (3) consumer viewership of ATSC 3.0 signals; (4) MVPD carriage of ATSC 3.0 signals; and (5) status of ATSC 3.0 patent licensing.

11. As part of this review, we seek comment on whether broadcasters still consider ATSC 3.0 to be a trial technology and the extent to which broadcasters intend to fully transition to 3.0 at some point. Is the expectation still a uniform transition by all broadcasters at some future point? The Commission intended for broadcasters to operate in both 1.0 and 3.0 only for a ''temporary'' period of time. We seek comment on the appropriate length of time broadcasters should be required or allowed to operate in both 1.0 and 3.0. What is the impact on OTA viewers and MVPDs of not having a date certain 3.0 transition deadline? For example, without a certain transition date, are viewers and MVPDs able to prepare for their own transitions? We also seek comment on the ways in which broadcasters are educating consumers about the continued progress of the transition.

1. Broadcaster Deployment of ATSC 3.0 Service

12. We seek comment and data on broadcasters' current and future deployment of ATSC 3.0 service. According to our licensing records, as of June 21, 2022, the Commission has licensed 306 broadcast television stations to provide ATSC 3.0 service. Based on our records, ATSC 3.0 stations have been licensed to operate in 68 markets, though in some cases it may be a single low power television station. Furthermore, most markets with 3.0 deployments have a single 3.0 ''lighthouse'' facility licensed to provide ATSC 3.0 service. According to S&P Global, Next Gen TV now reaches nearly 66.3 million unique households, or about 51.1% of total U.S. households. Given current deployments, is this an accurate estimate of the percentage of the U.S. population that could have access to at least one ATSC 3.0 broadcast signal if they had 3.0 TV equipment? We seek comment on these data points, as well as additional data. In how many DMAs has ATSC 3.0 service actually been launched, and what percentage of viewers could receive ATSC 3.0 programming if they had 3.0 equipment? In how many markets are broadcasters providing access to all of the ''Big-4'' networks (NBC, CBS, ABC, FOX) and what percentage of 3.0 viewers have access to such programming? In how many markets are broadcasters providing access to all of the ''Big-4'' networks and PBS programming and what percentage of 3.0 viewers can receive such programming? What other programming networks are available in 3.0 and in which markets? What other data should the Commission be tracking in order to monitor the state of the ATSC 3.0 transition, and how should it collect such information? Are existing Commission databases sufficient to track such information?

13. We seek further information on the ATSC 3.0 broadcast rollout. Just

[12] The Commission affirmed this decision in the *Second Next Gen TV Report and Order,* 85 FR 43478.

[13] The Media Bureau completed revisions to the FCC Form 2100 and began accepting ATSC 3.0 license applications through the Commission's Licensing and Management System (LMS) on May 28, 2019. Prior to this date, the Bureau continued to process requests to commence ATSC 3.0 market trials and product development under the experimental licensing rules.

prior to the pandemic, the broadcast industry expected that ATSC 3.0 service would be available in 61 markets by the end of 2020. To date, however, full-power broadcasters are licensed to provide ATSC 3.0 service in only 54 markets. How, and to what extent, has the pandemic impacted overall ATSC 3.0 deployment? Early in the pandemic, some expected that the delays would not be significant. Given the length of the pandemic and its impact on supply chains, have those early estimates held? Have the related supply-chain disruptions had an impact on broadcasters' ability to secure necessary equipment? What other challenges have Next Gen TV broadcasters faced?[14] What future challenges do they anticipate, if any? Has ATSC 3.0 met broadcasters', and the Commission's original expectations from a technical perspective? (For example, has ATSC 3.0 service met the Commission's original expectations of technical performance outlined in the First Next Gen TV Report and Order?) What have broadcasters learned so far in terms of the economic viability of ATSC 3.0 service, and how are they evaluating viability? What else have broadcasters learned from over four years of real-world experience with ATSC 3.0?

14. What are broadcasters' plans for future voluntary ATSC 3.0 deployment? For example, by what date do broadcasters expect that there will be some ATSC 3.0 service in all 210 markets, and when do they expect to be ready to transition entire markets to ATSC 3.0? To what extent are enhanced datacasting capabilities expected to help promote the transition to ATSC 3.0 and what, if any, services are already being offered? We also specifically seek comment from any broadcasters that do not currently have plans to voluntarily deploy ATSC 3.0 service. Do they have plans to transition at a later date? Why have they decided not to undertake ATSC 3.0 service, and what factors are most important to these stations as they plan for future services (be it in 1.0 or 3.0)?

15. *Continuing Availability of Programming to Existing Viewers.* We seek comment on the effectiveness of local simulcasting in ensuring continuity of OTA television service. Has local simulcasting worked as expected? To what extent, if any, have consumers experienced disruption or confusion as a result of the transition and simulcasting arrangements? Have any OTA viewers complained about problems related to 1.0 simulcast service such as loss of access to service or quality of a station's signal? Have any viewers purchased 3.0 TV equipment because they stopped receiving a 1.0 simulcast signal? Are Next Gen TV stations' 1.0 simulcasts aired in HD format? Have any Next Gen TV stations that were previously broadcasting 1.0 service in HD changed to an SD format for their 1.0 simulcast service upon or after the deployment of 3.0 service? If so, why? To what extent and in what ways has the programming on Next Gen TV stations' 3.0 primary stream differed from that on their 1.0 primary stream?

16. *3.0 Enhanced Content and Features.* We seek comment on what types of enhanced content and features are currently being broadcast to 3.0 viewers (both with and without internet service). The record established in the 2017 *First Next Gen TV Report and Order* reflected ATSC 3.0's potential to allow for ''a wide range of potential services now and in the future.'' ATSC 3.0 proponents said that ATSC 3.0 will enable delivery of Ultra High Definition (UHD) television, including images with high spatial resolution, wide color gamut, high dynamic range and high frame rate as well as advanced audio systems to provide consumers with more vivid pictures and sound. In addition, ATSC 3.0 proponents said the new standard would '''allow broadcasters to offer exciting and innovative services,' including superior reception, mobile viewing capabilities, enhanced public safety capabilities, such as advanced emergency alerting capable of waking up sleeping devices to warn consumers of imminent emergencies, enhanced accessibility features, localized and/or personalized content, interactive educational children's content, and other enhanced features.'' To what extent are any of these enhanced content or features, such as enhanced accessibility features, currently being offered to viewers? If they are not currently available, when can viewers expect them to become available? What types of specific enhanced content and features are currently being provided? What types of enhanced content and features are expected to be launched in the near future, and what is the timing for such offerings? What offerings can be accessed by viewers who do not have wired or wireless broadband internet access?

17. We seek comment in particular on the types of viewer data that broadcasters deploying ATSC 3.0 may collect and on the expected uses of such data. Will all 3.0 viewers be potentially subject to ATSC 3.0-enabled viewer data collection, or does that capability apply only to those 3.0 viewers whose television receivers have an internet connection? What efforts are broadcasters taking to inform 3.0 viewers about the data that is being collected? Will 3.0 viewers have the ability to opt out of undesired 3.0 features, such as data collection and targeted advertising? Would limitations or regulations on the collection of user data by ATSC 3.0 broadcasters be in the public interest? Commenters should identify the authority on which the Commission might rely to impose such limitations or regulations.

2. Availability of ATSC 3.0 Consumer TV Equipment

18. We seek comment on the current availability and pricing of TV sets with ATSC 3.0 tuners and other ATSC 3.0 consumer TV equipment (*e.g.,* gateway devices, set-top boxes, and 3.0 to 1.0 converter devices such as dongles). According to recent press reports, the industry believes there is still ''a lot of work to be done'' to get 3.0 equipment on the shelves and into the hands of consumers. This is unsurprising, since no television purchased before 2020 is capable of tuning ATSC 3.0 programming, and the first mass produced consumer converter device was not available until 2021. Even in 2022, analyst forecasts of TV sales suggest that only 11% of new televisions sold will have ATSC 3.0 tuners. We understand that about 70 models of TV sets with ATSC 3.0 tuners are now available from three manufacturers—LG Electronics, Samsung, and Sony. Press reports suggest that the least expensive 3.0-compatible set is a mid-size TV that is consistently listed for more than $400. A fourth manufacturer, Hisense, recently announced that it will be releasing three 3.0-compatible sets this year, with the least expensive retailing for approximately $800. How many 3.0 TV sets have been sold in the U.S. to date? How does the pricing of currently available 3.0 TV sets compare to the overall market? To what extent are 3.0 tuners available, or expected to be available, in the lowest-cost models of TV sets? What other companies are manufacturing or are planning to manufacture 3.0 TV sets and other 3.0 TV equipment? What challenges or impediments exist, if any, for manufacturers seeking to develop and manufacture 3.0 TV sets and other 3.0 TV equipment? To what extent, if any, is patent licensing inhibiting the development of 3.0 TV sets or other 3.0 equipment by non-patent holders?

[14] We note that the Commission recently issued an FNPRM in response to broadcasters' concerns about airing multicast streams on host stations.

19. We seek specific comment on the availability of low-cost consumer 3.0 to 1.0 set-top boxes or other converter devices, such as external tuners or dongles, that can make a legacy 1.0 TV set capable of receiving 3.0 signals. How many 3.0 converter devices have been sold in the U.S. to date? Where are such devices available for sale? Do all currently available converter devices require an internet connection, and if so are there plans to create devices that do not require internet access? What manufacturers are developing or have plans to develop ATSC 3.0 converter devices, particularly low-cost devices, and where will such devices be sold? When might such devices become available and at what prices? We believe the availability of low-cost 3.0 converter devices will be critical for consumers who are not ready to replace their 1.0 TV sets. What is the price range that should be considered ''low-cost,'' and what is that range based on? The cheapest 3.0 gateway device currently available for purchase, of which we are aware, is the ''HDHomeRun 4K'' device that can be purchased over the internet and retails for $199. We are not aware of any low-cost set-top boxes or converters (*e.g.,* external tuners or dongles), or any converter devices that can be purchased offline in a ''brick and mortar'' location. What (if anything) can the Commission do to foster the development of such low-cost 3.0 converter devices? Do broadcasters have any plans to distribute or subsidize such devices as a means of facilitating the deployment of ATSC 3.0?

3. OTA TV Viewers Watching 3.0 Broadcasts

20. We seek comment and data on how many OTA TV viewers are currently watching 3.0 broadcasts. Are there any current sources for this information? Are any companies able or planning to track this data as the transition progresses? If so, how? How many OTA TV households have a TV set with (or attached to) a 3.0 tuner? Is the number of 3.0 TV sets or other 3.0 TV equipment sold with ATSC 3.0 tuners a good indicator of consumer viewing trends for ATSC 3.0 service? Is there evidence that consumers are currently using the ATSC 3.0 tuner featured in these sets? Are OTA TV viewers and other consumers aware of the broadcasters' voluntary transition to 3.0 and how it may affect them now and in the future?

21. We seek comment on how broadcasters are educating OTA TV viewers and other consumers about the broadcasters' voluntary transition to 3.0 and how it may affect them now and in the future. How effective have the required on-air notices been in informing OTA viewers about the 3.0 transition? Following the transitions of individual stations, have broadcasters received any complaints or questions? What (if any) additional, voluntary education efforts are currently being employed by broadcasters, manufacturers and/or retailers? Other than the ''NEXTGEN TV'' branding noted above, are manufacturers and retailers providing information about the 3.0 transition to consumers before they buy new TV equipment?

4. MVPD Carriage of 3.0 Signals

22. We seek comment and data on whether any MVPDs are currently carrying or have plans to carry 3.0 signals. We note that MVPDs are not required to carry 3.0 signals but may do so voluntarily if they obtain retransmission consent from the Next Gen TV broadcast station. We seek comment about the technical challenges, if any, that MVPDs face in carrying 3.0 signals. Is there equipment available that will allow MVPDs to receive 3.0 signals and redistribute them to their subscribers? We seek comment on the coordination efforts between Next Gen TV broadcasters and MVPDs to resolve any existing technical issues, including the status of any relevant ATSC 3.0 working groups.[15] We observe that ATSC has issued a recommended practice, ATSC A/370: ''Conversion of ATSC 3.0 Services for Redistribution.'' Does this document resolve the question of how MVPDs can receive 3.0 broadcast signals and convert them to 1.0 or some other format for redistribution to their subscribers? Is ATSC still working on the issue of how broadcasters can deliver 3.0 services to MVPDs for direct redistribution? Which enhanced features available to OTA 3.0 viewers do MVPDs expect to be able to pass through to their subscribers now or in the future? We also seek comment on any other issues related to MVPDs' ability to carry and transmit ATSC 3.0 signals.

5. RAND Licensing of 3.0 Patents

23. We seek comment on how the 3.0 marketplace is handling patent royalties for essential patents in ATSC 3.0 technology. As noted above, ATSC requires patentees to make essential patents available on RAND terms. Are holders of essential patents in ATSC 3.0 technologies licensing such patents on RAND terms? How have the available licensing terms impacted current and potential participants in the 3.0 marketplace, the deployment of 3.0 services, and the availability of consumer devices? The Commission previously found that it would be premature to impose regulations on 3.0 patent licensing in the absence of any issues. Have there been any developments that would warrant such Commission action at this time and how should the Commission continue to monitor this issue in the future? If so, what precisely should such a rule require and upon what authority would the rule be based? What are the advantages, disadvantages, and legal limitations of such a requirement? Finally, we observe that a ''ATSC 3.0 Patent Portfolio License'' is being offered by MPEG LA, LLC. We seek more information and comment about this portfolio license. Is this portfolio license being made available on RAND terms? What essential patents, if any, are not included in this portfolio license?

B. Substantially Similar Rule

24. We seek comment on whether we should retain the substantially similar rule or permit it to sunset in 2023.[16] As the Commission stated when adopting the requirement, the purpose of the rule, in conjunction with the underlying requirement to simulcast in 1.0, is to protect 1.0 viewers from losing access to a Next Gen TV station's programming when that station transitions its facility to 3.0. While the underlying requirement that a Next Gen TV broadcaster must air a 1.0 signal (when deploying 3.0) ensures 1.0 viewers continue to receive some free OTA TV service during the transition, the substantially similar rule ensures that 1.0 viewers actually receive the same primary video programming as that aired on the 3.0 channel. As the Commission explained in the 2017 *First Next Gen TV Report and Order,* ''[t]o ensure that viewers are protected, it is important not only to require that television broadcasters continue to broadcast in the current ATSC 1.0 standard while ATSC 3.0 is being deployed, but also that they continue to air in ATSC 1.0 format the programming that viewers most want and expect to receive. We seek to ensure that

[15] In the 2017 *First Next Gen TV Report and Order,* the Commission observed that an ATSC working group called TG3/S37, the ''Specialist Group on Conversion and Redistribution of ATSC 3.0 Service,'' was still working to resolve technical issues in this regard. What is the status of this working group and the resolution of these issues?

[16] We note that, even without an expiration date, the substantially similar rule, which is tied to the underlying requirement to simulcast in 1.0, is intended to be temporary and would in any event be eliminated when the transition to 3.0 is complete.

broadcasters air their most popular, widely-viewed programming on their 1.0 simulcast channels so that viewers are not forced to purchase 3.0 capable equipment simply to continue to receive this programming rather than because they find the ATSC 3.0 technology particularly attractive.''

25. To what extent would allowing the sunset of the substantially similar rule undermine the 1.0 simulcast rule? For example, without the substantially similar rule, how can the Commission ensure that 1.0 viewers are able to keep watching the same programming they watch today, as well as any new programming offerings on a broadcaster's primary channel that can be offered in 1.0 format? The voluntary transition to 3.0 is intended to ''minimize[e] the impact on, and costs to, consumers and other industry stakeholders.'' Yet many consumers may not want or be financially able to purchase new TV equipment with 3.0 tuners in the current market. Would eliminating the rule make the underlying requirement to simulcast in 1.0 less effective or ineffective? In the absence of the substantially similar rule, how would the Commission determine whether a 1.0 stream was a ''simulcast'' of a specific 3.0 stream when enforcing the underlying requirement to simulcast in 1.0?

26. While broadcasters have incentives to provide the programming their viewers want, after making significant investments in ATSC 3.0 technology they may also have incentives to favor their ATSC 3.0 offerings. For example, without a requirement to make programming substantially similar, Next Gen TV broadcasters would be free to provide the most desirable programming only to those viewers with 3.0 TV equipment. This could create two different tiers of free, OTA television service.[17] Advertising dollars, and thus spending on programming, could flow primarily to the 3.0 ''tier'' in such a scenario, potentially widening the quality gap between the two tiers. Given these concerns, are Next Gen TV broadcasters' financial incentives sufficient to ensure that all 1.0 viewers retain access to all primary video programming that can be offered in 1.0 format? How might broadcasters' financial incentives change as the 3.0 transition progresses? How could the development of ''tiered'' programming disproportionately impact consumers with limited means and other vulnerable consumers (such as seniors)? In a voluntary, market-based transition, what are Next Gen TV broadcasters' obligations to 1.0 viewers that choose not to transition to 3.0? We seek comment on these questions and issues.

27. Have marketplace developments to date in any way reduced or eliminated the need for the substantially similar rule? What marketplace conditions are relevant to this question, independent of the underlying requirement to simulcast in 1.0?[18] While we are seeking detailed information about the state of the ATSC 3.0 marketplace in this proceeding, the information we have already shows that ATSC 3.0 deployment and consumer adoption remain in the early stages. When 3.0 viewership increases (reducing reliance on 1.0 service) and more affordable 3.0 TV equipment become available in the marketplace, will the need for the substantially similar rule remain? How, if at all, will any such need be affected by the potential for shifting financial incentives as the transition progresses? We seek comment on these questions and issues.

28. We also seek comment on whether the substantially similar rule is currently impeding innovations in broadcast programming and, if so, how? Is it likely that the rule will hinder 3.0 programming innovations in the near future? If so, how? Should any such innovations outweigh the protections afforded to 1.0 viewers by the rule? We observe that the substantially similar rule already affords significant flexibility for broadcasters to innovate and experiment with new, innovative programming features using Next Gen TV technology in that it does not require Next Gen TV broadcasters to duplicate enhanced content or features that cannot reasonably be provided in the 1.0 format, and does not require any degree of simulcasting on any stream other than the primary stream.[19] Does the requirement nonetheless pose any impediment to innovation in broadcast programming and, if so, how? Are such impediments imminent or currently theoretical? What innovations that are currently being aired or are in development would be hindered by the rule, if any? We seek specific comment on what types of programming Next Gen TV broadcasters would like to provide only in 3.0 and, to the extent such programming can (as a technical matter) be provided in 1.0 format, why such programming should not have to be provided in 1.0 format? To the extent an individual Next Gen TV broadcaster may need more flexibility than the rule allows, would targeted waivers be more appropriate than sunsetting the substantially similar requirement?[20] We seek comment on these questions and issues.

29. Finally, we seek comment about any other advantages or disadvantages associated with the sunset of the substantially similar rule, and if we do decide to retain it, for how long? How would the sunset of the rule impact MVPDs, including small MVPDs, particularly given that the 1.0 simulcast signal remains the relevant signal for carriage purposes?[21] What is the impact on small broadcasters of requiring continued compliance with the substantially similar rule? Finally, we note that because the substantially similar rule, like the underlying requirement to simulcast in 1.0, will be eliminated when the transition to 3.0 is complete, the timing of the ultimate ''sunset'' of this requirement is very much in the hands of the broadcast industry. If the rule is retained, should we consider extending the substantially similar requirement for a particular term, or retain it for as long as the underlying requirement to simulcast in

[17] We recognize that two tiers of OTA TV service may already occur to a lesser extent. Due to inevitable 1.0 capacity constraints as the transition progresses, the Commission has afforded Next Gen TV stations with the flexibility to air 1.0 primary programming in SD, even if the station was previously broadcasting it in HD. Similarly, the Commission did not require that Next Gen TV stations air multicast streams in 1.0 format. In contrast to these situations, 1.0 capacity constraints would not seem to be hindering the provision of substantially similar programming. Next Gen TV broadcasters are not required to simulcast programming that cannot be aired in 1.0 format.

[18] We observe that certain marketplace conditions will factor into our analysis about how long the underlying requirement to simulcast in 1.0 is needed.

[19] Next Gen TV broadcasters do not have to duplicate enhanced content or features that cannot reasonably be provided in the 1.0 format. This includes: ''hyper-localized'' content (*e.g.,* geo-targeted weather, targeted emergency alerts, and hyper-local news), programming features or improvements created for the 3.0 service (*e.g.,* emergency alert ''wake up'' ability and interactive programming features), enhanced formats made possible by 3.0 technology (*e.g.,* 4K or HDR), and any personalization of programming performed by the viewer and at the viewer's discretion.

[20] Notably, the Commission has stated with respect to requests for waiver of the requirement to simulcast that ''[it would] look favorably on a waiver applicant choosing to provide ATSC 3.0 converter devices at no cost or low cost to over-the-air households located within its community of license which will no longer receive the station's ATSC 1.0 signal as a means to minimize the impact of not simulcasting on viewers.''

[21] We note that small or rural MVPDs are more likely to rely exclusively on OTA delivery of TV signals. While MVPDs that rely on OTA delivery could mitigate signal quality issues by obtaining delivery through alternate means, such as fiber, DBS transport, or reception and transcoding/down conversion of the ATSC 3.0 signal, such methods may require significant expenditures that small MVPDs in particular are less able to afford.

1.0 remains? If for a term, what would be an appropriate benchmark? We seek comment on these questions and issues.

C. Requirement To Comply With the ATSC A/322 Standard

30. We seek comment on whether we should retain the requirement that Next Gen TV broadcasters' primary video programming stream must comply with the ATSC A/322 standard and, if so, for how long. If we retain the requirement, should we apply a different sunset date or is it needed on an ongoing basis? The purpose of this requirement is to provide certainty to consumers, television receiver manufacturers, and MVPDs that 3.0 TV sets or other 3.0 TV equipment will be able to receive all 3.0 primary broadcast signals. What would be the impact on consumers, television receiver manufacturers, and MVPDs if this requirement were to sunset? If we do not require compliance with the ATSC A/322 standard, how can we ensure that 3.0 TV sets and other 3.0 TV equipment will be able to receive all 3.0 primary broadcast signals? What would be the potential impact, if any, of eliminating the requirement on consumers, television manufacturers, and MVPDs? Would the sunset of this requirement jeopardize the provision of ATSC 3.0 service as a free and universally available digital broadcast television service? Have marketplace developments since 2017 reduced or eliminated the need for mandatory compliance with the ATSC A/322 standard? What marketplace conditions are relevant to this question?

31. In 2017, broadcasters acknowledged that ''adopting the full physical layer of the Next Gen standard, including A/322'' may ''ensure that consumer electronics manufacturers can build television receivers with confidence.'' Is this no longer the case? Is A/322 no longer necessary to provide such certainty? Is the A/322 standard currently impeding broadcast innovations? If so, how? Does the need to facilitate any such innovations outweigh the protections the rule affords to consumers, television receiver manufacturers and MVPDs? Might retention of the A/322 standard—which applies only to the primary broadcast stream—hinder broadcast innovation in the future? If so, how? Do broadcasters merely hope to use methods that are likely to be adopted in future versions of A/322, or do they contemplate the use of a physical layer standard that ATSC would never incorporate into A/322? What is the impact on small broadcasters of requiring continued compliance with the A/322 standard? What could be the impact on small television receiver manufacturers and small MVPDs if the requirement is allowed to sunset? We seek comment on these questions.

32. Finally, we observe that ATSC has updated the A/322 standard since we mandated its use in 2017. It appears, however, that the most recent 2021 version of the A/322 standard makes only ministerial changes to the standard and contains no substantive changes. We seek comment on this observation as well as whether it is necessary or advisable to incorporate into our rules the 2021 version of the A/322 standard to the extent that the requirement is retained.

33. *Digital Equity and Inclusion.* The Commission, as part of its continuing effort to advance digital equity for all,[22] including people of color, persons with disabilities, persons who live in rural or Tribal areas, and others who are or have been historically underserved, marginalized, or adversely affected by persistent poverty or inequality, invites comment on any equity-related considerations [23] and benefits (if any) that may be associated with the proposals and issues discussed herein. Specifically, we seek comment on how our proposals may promote or inhibit advances in diversity, equity, inclusion, and accessibility, as well the scope of the Commission's relevant legal authority.

IV. Procedural Matters

A. Initial RFA Analysis

34. As required by the Regulatory Flexibility Act of 1980, as amended (RFA),[24] the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on a substantial number of small entities by the policies proposed in this *Third Further Notice of Proposed Rulemaking* (*NPRM*). Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on the *FNPRM* provided on the first page of the *FNPRM.* The Commission will send a copy of this entire *FNPRM,* including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA).[25]

1. Need for, and Objectives of, the Proposed Rule Changes

35. In this *Third Further Notice of Proposed Rulemaking* (*FNPRM*), the Commission considers and seeks comment on the state of the Next Gen TV transition and on the scheduled sunsets of two rules adopted in the *First Next Gen TV Report and Order.* In that decision, the Commission authorized broadcasters to use the ATSC 3.0 standard and adopted rules governing the deployment of 3.0 service, including two which are scheduled to sunset absent further action. The Commission noted that it would monitor the 3.0 transition and approximately one year before the scheduled sunsets, it would seek comment on whether marketplace conditions warranted extending these requirements. As part of our assessment, we review and seek comment on the progress of Next Gen TV broadcasters' voluntary, market-driven deployment of ATSC 3.0 service and the current state of the ATSC 3.0 marketplace, including whether holders of essential patents for the ATSC 3.0 standards are licensing such patents on reasonable and non-discriminatory (RAND) terms and if a Commission rule requiring 3.0 patent licensing on RAND terms would provide benefits to consumers and potential participants in the 3.0 marketplace. Next, the Commission considers whether to retain the rule requiring that a Next Gen TV station's ATSC 1.0 simulcast primary video programming stream be substantially similar to its 3.0 primary programming stream. This rule is scheduled to sunset in July 2023. Finally, the Commission considers whether to retain the requirement that a Next Gen TV station comply with the ATSC A/322. This rule is also scheduled to sunset in March 2023.

2. Legal Basis

36. The proposed action is authorized pursuant to sections 1, 4, 7, 301, 303, 307, 308, 309, 316, 319, 325(b), 336,

[22] Section 1 of the Communications Act of 1934 as amended provides that the FCC ''regulat[es] interstate and foreign commerce in communication by wire and radio so as to make [such service] available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex.'' 47 U.S.C. 151.

[23] The term ''equity'' is used here consistent with Executive Order 13985 as the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. *See* Exec. Order No. 13985, 86 FR 7009, Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (January 20, 2021).

[24] 5 U.S.C. 603. The RFA, *see* 5 U.S.C. 601–612, was amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Public Law 104–121, Title II, 110 Stat. 857 (1996).

[25] 5 U.S.C. 603(a).

338, 399b, 403, 534, and 535 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154, 157, 301, 303, 307, 308, 309, 316, 325(b), 336, 338, 399b, 403, 534, and 535.

3. Description and Estimate of the Number of Small Entities To Which the Proposed Rules Will Apply

37. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term ''small entity'' as having the same meaning as the terms ''small business,'' ''small organization,'' and ''small governmental jurisdiction.'' In addition, the term ''small business'' has the same meaning as the term ''small business concern'' under the Small Business Act. A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. The rules proposed herein will directly affect small television and radio broadcast stations. Below, we provide a description of these small entities, as well as an estimate of the number of such small entities, where feasible.

38. *Wired Telecommunications Carriers.* The U.S. Census Bureau defines this industry as establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry. Wired Telecommunications Carriers are also referred to as wireline carriers or fixed local service providers.

39. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2021 Universal Service Monitoring Report, as of December 31, 2020, there were 5,183 providers that reported they were engaged in the provision of fixed local services. Of these providers, the Commission estimates that 4,737 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

40. *Cable Companies and Systems (Rate Regulation).* The Commission has developed its own small business size standard for the purpose of cable rate regulation. Under the Commission's rules, a ''small cable company'' is one serving 400,000 or fewer subscribers nationwide. Based on industry data, there are about 420 cable companies in the U.S. Of these, only seven have more than 400,000 subscribers. In addition, under the Commission's rules, a ''small system'' is a cable system serving 15,000 or fewer subscribers. Based on industry data, there are about 4,139 cable systems (headends) in the U.S. Of these, about 639 have more than 15,000 subscribers. Accordingly, the Commission estimates that the majority of cable companies and cable systems are small.

41. *Cable System Operators (Telecom Act Standard).* The Communications Act of 1934, as amended, contains a size standard for a ''small cable operator,'' which is ''a cable operator that, directly or through an affiliate, serves in the aggregate fewer than one percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000.'' For purposes of the Telecom Act Standard, the Commission determined that a cable system operator that serves fewer than 677,000 subscribers, either directly or through affiliates, will meet the definition of a small cable operator based on the cable subscriber count established in a 2001 Public Notice. Based on industry data, only six cable system operators have more than 677,000 subscribers. Accordingly, the Commission estimates that the majority of cable system operators are small under this size standard. We note however, that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed $250 million. Therefore, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

42. *Direct Broadcast Satellite (''DBS'') Service.* DBS service is a nationally distributed subscription service that delivers video and audio programming via satellite to a small parabolic ''dish'' antenna at the subscriber's location. DBS is included in the Wired Telecommunications Carriers industry which comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution; and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.

43. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that 3,054 firms operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Based on this data, the majority of firms in this industry can be considered small under the SBA small business size standard. According to Commission data however, only two entities provide DBS service—DIRECTV (owned by AT&T) and DISH Network, which require a great deal of capital for operation. DIRECTV and DISH Network both exceed the SBA size standard for classification as a small business. Therefore, we must conclude based on internally developed Commission data, in general DBS service is provided only by large firms.

44. *Satellite Master Antenna Television (SMATV) Systems, also known as Private Cable Operators (PCOs).* SMATV systems or PCOs are video distribution facilities that use closed transmission paths without using any public right-of-way. They acquire video programming and distribute it via terrestrial wiring in urban and suburban multiple dwelling units such as apartments and condominiums, and commercial multiple tenant units such as hotels and office buildings. SMATV systems or PCOs are included in the Wired Telecommunications Carriers' industry which includes wireline

telecommunications businesses. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus under the SBA size standard, the majority of firms in this industry can be considered small.

45. *Home Satellite Dish (HSD) Service.* HSD or the large dish segment of the satellite industry is the original satellite-to-home service offered to consumers and involves the home reception of signals transmitted by satellites operating generally in the C-band frequency. Unlike DBS, which uses small dishes, HSD antennas are between four and eight feet in diameter and can receive a wide range of unscrambled (free) programming and scrambled programming purchased from program packagers that are licensed to facilitate subscribers' receipt of video programming. Because HSD provides subscription services, HSD falls within the industry category of Wired Telecommunications Carriers. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.

46. *Open Video Services (OVS).* The open video system (OVS) framework was established in 1996 and is one of four statutorily recognized options for the provision of video programming services by local exchange carriers. The OVS framework provides opportunities for the distribution of video programming other than through cable systems. OVS operators provide subscription services and therefore fall within the SBA small business size standard for the cable services industry, which is ''Wired Telecommunications Carriers.'' The SBA small business size standard for this industry classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus, under the SBA size standard the majority of firms in this industry can be considered small. Additionally, we note that the Commission has certified some OVS operators who are now providing service and broadband service providers (BSPs) are currently the only significant holders of OVS certifications or local OVS franchises. The Commission does not have financial or employment information for the entities authorized to provide OVS however, the Commission believes some of the OVS operators may qualify as small entities.

47. *Wireless Cable Systems—Broadband Radio Service and Educational Broadband Service.* Broadband Radio Service systems, previously referred to as Multipoint Distribution Service (MDS) and Multichannel Multipoint Distribution Service (MMDS) systems, and ''wireless cable,'' transmit video programming to subscribers and provide two-way high speed data operations using the microwave frequencies of the Broadband Radio Service (BRS) and Educational Broadband Service (EBS) (previously referred to as the Instructional Television Fixed Service (ITFS)). Wireless cable operators that use spectrum in the BRS often supplemented with leased channels from the EBS, provide a competitive alternative to wired cable and other multichannel video programming distributors. Wireless cable programming to subscribers resembles cable television, but instead of coaxial cable, wireless cable uses microwave channels.

48. In light of the use of wireless frequencies by BRS and EBS services, the closest industry with a SBA small business size standard applicable to these services is Wireless Telecommunications Carriers (*except* Satellite). The SBA small business size standard for this industry classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that there were 2,893 firms that operated in this industry for the entire year. Of this number, 2,837 firms employed fewer than 250 employees. Thus under the SBA size standard, the Commission estimates that a majority of licensees in this industry can be considered small.

49. According to Commission data as December 2021, there were approximately 5,869 active BRS and EBS licenses. The Commission's small business size standards with respect to BRS involves eligibility for bidding credits and installment payments in the auction of licenses for these services. For the auction of BRS licenses, the Commission adopted criteria for three groups of small businesses. A very small business is an entity that, together with its affiliates and controlling interests, has average annual gross revenues exceed $3 million and did not exceed $15 million for the preceding three years, a small business is an entity that, together with its affiliates and controlling interests, has average gross revenues exceed $15 million and did not exceed $40 million for the preceding three years, and an entrepreneur is an entity that, together with its affiliates and controlling interests, has average gross revenues not exceeding $3 million for the preceding three years. Of the ten winning bidders for BRS licenses, two bidders claiming the small business status won 4 licenses, one bidder claiming the very small business status won three licenses and two bidders claiming entrepreneur status won six licenses. One of the winning bidders claiming a small business status classification in the BRS license auction has an active licenses as of December 2021.

50. The Commission's small business size standards for EBS define a small business as an entity that, together with its affiliates, its controlling interests and the affiliates of its controlling interests, has average gross revenues that are not more than $55 million for the preceding five (5) years, and a very small business is an entity that, together with its affiliates, its controlling interests and the affiliates of its controlling interests, has average gross revenues that are not more than $20 million for the preceding five (5) years. In frequency bands where licenses were subject to auction, the Commission notes that as a general matter, the number of winning bidders that qualify as small businesses at the close of an auction does not necessarily represent the number of small businesses currently in service. Further, the Commission does not generally track subsequent business size unless, in the context of assignments or transfers, unjust enrichment issues are implicated. Additionally, since the Commission does not collect data on the number of employees for licensees providing these services, at this time we are not able to estimate the number of licensees with active licenses that would qualify as small under the SBA's small business size standard.

51. *Incumbent Local Exchange Carriers (ILECs).* Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange carriers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for

2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2021 Universal Service Monitoring Report, as of December 31, 2020, there were 1,227 providers that reported they were incumbent local exchange service providers. Of these providers, the Commission estimates that 929 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, the Commission estimates that the majority of incumbent local exchange carriers can be considered small entities.

52. *Competitive Local Exchange Carriers (CLECs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. Providers of these services include several types of competitive local exchange service providers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2021 Universal Service Monitoring Report, as of December 31, 2020, there were 3,956 providers that reported they were competitive local exchange service providers. Of these providers, the Commission estimates that 3,808 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

53. *Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing.* This industry comprises establishments primarily engaged in manufacturing radio and television broadcast and wireless communications equipment. Examples of products made by these establishments are: transmitting and receiving antennas, cable television equipment, GPS equipment, pagers, cellular phones, mobile communications equipment, and radio and television studio and broadcasting equipment. The SBA small business size standard for this industry classifies businesses having 1,250 employees or less as small. U.S. Census Bureau data for 2017 show that there were 656 firms in this industry that operated for the entire year. Of this number, 624 firms had fewer than 250 employees. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.

54. *Audio and Video Equipment Manufacturing.* This industry comprises establishments primarily engaged in manufacturing electronic audio and video equipment for home entertainment, motor vehicles, and public address and musical instrument amplification. Examples of products made by these establishments are video cassette recorders, televisions, stereo equipment, speaker systems, household-type video cameras, jukeboxes, and amplifiers for musical instruments and public address systems. The SBA small business size standard for this industry classifies firms with 750 employees or less as small. According to 2017 U.S. Census Bureau data, 464 firms in this industry operated that year. Of this number, 399 firms operated with less than 250 employees. Based on this data and the associated SBA size standard, we conclude that the majority of firms in this industry are small.

55. *Television Broadcasting.* This industry is comprised of ''establishments primarily engaged in broadcasting images together with sound.'' These establishments operate television broadcast studios and facilities for the programming and transmission of programs to the public. These establishments also produce or transmit visual programming to affiliated broadcast television stations, which in turn broadcast the programs to the public on a predetermined schedule. Programming may originate in their own studio, from an affiliated network, or from external sources. The SBA small business size standard for this industry classifies businesses having $41.5 million or less in annual receipts as small. 2017 U.S. Census Bureau data indicate that 744 firms in this industry operated for the entire year. Of that number, 657 firms had revenue of less than $25,000,000. Based on this data we estimate that the majority of television broadcasters are small entities under the SBA small business size standard.

56. The Commission estimates that as of March 2022, there were 1,373 licensed commercial television stations. Of this total, 1,280 stations (or 93.2 percent) had revenues of $41.5 million or less in 2021, according to Commission staff review of the BIA Kelsey Inc. Media Access Pro Television Database (BIA) on June 1, 2022, and therefore these licensees qualify as small entities under the SBA definition. In addition, the Commission estimates as of March 2022, there were 384 licensed noncommercial educational (NCE) television stations, 383 Class A TV stations, 1,840 LPTV stations and 3,231 TV translator stations. The Commission however does not compile, and otherwise does not have access to financial information for these television broadcast stations that would permit it to determine how many of these stations qualify as small entities under the SBA small business size standard. Nevertheless, given the SBA's large annual receipts threshold for this industry and the nature of these television station licensees, we presume that all of these entities qualify as small entities under the above SBA small business size standard.

4. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

57. The *FNPRM* considers whether to retain two existing compliance requirements, both of which are scheduled to expire in 2023. The *FNPRM* does not propose any new reporting or recordkeeping requirements.

58. *Substantially Similar Rule.* The FNPRM considers whether to retain the ''substantially similar'' rule. This rule requires that the programming aired on a Next Gen TV station's ATSC 1.0 simulcast channel be ''substantially similar'' to that of the primary video programming stream on the ATSC 3.0 channel. This means that the programming must be the same, except for programming features that are based on the enhanced capabilities of ATSC 3.0, including targeted advertisements, and promotions for upcoming programs.

59. *Requirement to comply with the ATSC A/322 standard.* The FNPRM considers whether to retain the requirement to comply with the ATSC A/322 standard. In authorizing use of the Next Gen TV broadcast transmission standard, the Commission in the *First Next Gen TV Report and Order* required compliance with only two parts of the ATSC 3.0 suite of standards: (1) ATSC A/321:2016 ''System Discovery & Signaling'' (A/321), which is the standard used to communicate the RF signal type that the ATSC 3.0 signal will use; and (2) A/322:2016 ''Physical Layer Protocol'' (A/322), which is the standard that defines the waveforms that ATSC 3.0 signals may take. The requirement to comply with A/321 does not have a sunset date but the requirement to comply with A/322 will expire in 2023 unless the Commission takes action to extend it.

5. Steps Taken To Minimize Significant Impact on Small Entities and Significant Alternatives Considered

60. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (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 or reporting requirements under the rule for 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 small entities.

61. The Commission has authorized television broadcasters to use the Next Gen TV (ATSC 3.0) standard on a voluntary, market-driven basis. As observed in the Final Regulatory Flexibility Analysis of the 2017 *First Next Gen TV Report and Order,* this means that broadcasters decide whether (and if so when) to deploy ATSC 3.0 service and bear the costs associated with such deployment. The substantially similar requirement and the requirement to comply with A/322 only apply to TV broadcast stations that voluntarily choose to implement the Next Gen TV (ATSC 3.0) standard. Because the decision to deploy ATSC 3.0 service is voluntary, broadcasters, including small entities, do not need to undertake any costs or burdens associated with ATSC 3.0 service unless they choose to do so. Accordingly, we believe that should the Commission decide to retain either or both of these requirements (*i.e.,* the substantially similar rule and the A/322 standard) that they would not impose a significant economic impact on small entities. We seek comment on this tentative conclusion. We also seek comment on the impact of these rules on small entities.

6. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rule

62. None.

B. Initial Paperwork Reduction Act Analysis

63. This document does not contain proposed information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA).[26] In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002.[27]

C. Ex Parte Rules—Permit-But-Disclose

64. This proceeding shall be treated as a ''permit-but-disclose'' proceeding in accordance with the Commission's *ex parte* rules.[28] Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.,* .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

D. Filing Requirements—Comments and Replies

65. Pursuant to sections 1.415 and 1.419 of the Commission's rules,[29] interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).[30]

- *Electronic Filers:* Comments may be filed electronically using the internet by accessing the ECFS: *http://apps.fcc.gov/ecfs/.*
- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.
- Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
  - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
  - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554.
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID–19.[31]
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

66. *People With Disabilities.* To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to *fcc504@fcc.gov* or call the Consumer & Governmental Affairs Bureau at 202–418–0530 (voice), 202–418–0432 (TTY).

V. Ordering Clauses

67. *It is ordered,* pursuant to the authority found in sections 1, 4, 7, 301, 303, 307, 308, 309, 316, 319, 325(b), 336, 338, 399b, 403, 534, and 535 of the Communications Act of 1934, as

[26] The Paperwork Reduction Act of 1995 (PRA), Public Law 104–13, 109 Stat 163 (1995) (codified in chapter 35 of title 44 U.S.C.).

[27] The Small Business Paperwork Relief Act of 2002 (SBPRA), Public Law 107–198, 116 Stat. 729 (2002) (codified in chapter 35 of title 44 U.S.C.). *See* 44 U.S.C. 3506(c)(4).

[28] 47 CFR 1.1200 *et seq.*

[29] 47 CFR 1.415, 1419.

[30] *Electronic Filing of Documents in Rulemaking Proceedings,* 63 FR 24121 (1998).

[31] FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, 35 FCC Rcd 2788 (OMD 2020). *See https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy.*

amended, 47 U.S.C. 151, 154, 157, 301, 303, 307, 308, 309, 316, 319, 325(b), 336, 338, 399b, 403, 534, and 535, this Third Further Notice of Proposed Rulemaking *is hereby adopted* and *notice is hereby given* of the proposals and tentative conclusions described in this Third Further Notice of Proposed Rulemaking.

68. *It is further ordered* that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, *shall send* a copy of this Third Further Notice of Proposed Rulemaking, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

Federal Communications Commission.

Marlene Dortch,

Secretary.

[FR Doc. 2022–14470 Filed 7–6–22; 8:45 am]

BILLING CODE 6712–01–P

GENERAL SERVICES ADMINISTRATION

48 CFR Parts 523 and 552

[GSAR Case 2022–G517; Docket No. GSA–GSAR–2022–0014; Sequence No. 1]

RIN 3090–AK60

General Services Administration Acquisition Regulation (GSAR); Single-Use Plastics and Packaging

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The General Services Administration (GSA) is publishing this advance notice of proposed rulemaking (ANPR) to seek public feedback pertaining to the use of plastic consumed in both packaging and shipping, as well as other single-use plastics for which the agency contracts. The issues raised in the comments submitted in response to this ANPR will inform future rulemaking to establish requirements and reporting mechanisms for reducing unnecessary single-use plastic, to include plastic packaging and shipping materials.

DATES: Interested parties should submit written comments at the address shown below on or before September 6, 2022 to be considered in the formulation of a proposed rule.

ADDRESSES: Submit comments in response to GSAR Case 2022–G517 to the Federal eRulemaking portal at *https://www.regulations.gov* by searching for ''GSAR Case 2022–G517''. Select the link ''Comment Now'' that corresponds with GSAR Case 2022–G517. Follow the instructions provided at the ''Comment Now'' screen. Please include your name, company name (if any), and ''GSAR Case 2022–G517'' on your attached document. If your comment cannot be submitted using *https://www.regulations.gov,* call or email the points of contact in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions.

Instructions: Please submit comments only and cite GSAR Case 2022–G517 in all correspondence related to this case. Comments received generally will be posted without change to *https://www.regulations.gov,* including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check *https://www.regulations.gov* approximately two to three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: Ms. Adina Torberntsson, Procurement Analyst, at 303–236–2677 or *gsarpolicy@gsa.gov,* for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755 or *GSARegSec@gsa.gov.* Please cite GSAR Case 2022–G517 in your email subject line.

SUPPLEMENTARY INFORMATION:

I. Background

This ANPR concerns reducing single-use plastics, to include those used in packaging and shipping required for the delivery of products under General Services Administration (GSA) contracts as well as items included on the contracts. For this ANPR, plastic materials that are used and then immediately disposed of once the item is delivered are considered single-use plastics.

Executive Order 14008 states ''it is the policy of my Administration to lead the Nation's effort to combat the climate crisis by example-specifically, by aligning the management of Federal procurement and real property, public lands and waters, and financial programs to support robust climate action.'' As America's Buyer, GSA is interested in its potential to play a supporting role including by reducing single use plastics. GSA has taken some initial internal policy steps towards a leadership role in using the Federal Government's buying power towards this goal. The GSA Acquisition Manual (GSAM) was amended in October 2021 through Change 138 [1] to require consideration to reduce content waste as part of requirements planning for GSA acquisitions. One of the contents highlighted in this GSAM amendment is packaging.

Since the last sustainability GSAM change, E.O. 14057 Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability [2] was issued. Section 207 of the E.O. instructs each agency to reduce waste to include supporting a recycled content market and circular economy approaches.

GSA will consider comments received in response to this ANPR in future rulemaking to amend the GSAR through a proposed rule, and to revise other GSA policies, procedures, and guidance that further support GSAM Change 138 and address E.O. 14057 regarding single-use plastics.

II. Discussion and Analysis

A. Evaluating the Need for Regulatory Change

GSA is a leader in acquisition and provides supplies and services across the Federal government through the agency's acquisition vehicles to include the Federal Supply Schedule program. Also known as the Government's landlord, GSA has the ability to make a difference by addressing single-use plastics in our construction, concession, and facility maintenance contracts as well.

GSA continues to provide the best customer service experience by providing access to thousands of products and services. Our agency also looks for the most advantageous solutions, remaining ahead of problems before they culminate, and making the best decisions on behalf of the American taxpayer. To do this, GSA has adopted internal policy changes to address sustainability in our acquisitions. With single-use plastics being a significant contributor to the global plastic pollution concern, it is a logical step for the agency to examine this.

B. The Petition for Rulemaking

The Center for Biological Diversity, along with 180 signatories, submitted a petition to GSA on February 3, 2022, requesting that the agency address single-use plastics through rulemaking. This ANPR, among other things, seeks to better understand the implications of any such rulemaking.

[1] *https://acquisition-staging.gsa.gov/sites/default/files/archives/loose_leaf/GSAM_Latest_Change_Order_1382021528_0.pdf.*

[2] E.O. 14057 of December 8, 2021, 86 FR 70935.

III. Request for Public Feedback

GSA invites comment on the issues discussed in this ANPR to help inform future rulemaking on how to best reduce single-use plastics from packaging, while limiting burden and liability on our industry and logistics partners. Specifically, GSA seeks responses to the questions listed below. Please explain the reasoning behind your responses in detail. Also, provide any data, studies, or other evidence that supports your response. You do not have to answer all the questions in your response.

To help GSA review comments efficiently, identify the question to which you are responding by its associated number and letter (*e.g.,* ''III. a'') or whether you are commenting on a topic not listed below.

1. What is your role in your product's supply chain?

Are you a manufacturer, distributor, reseller, or other (comments are encouraged from any impacted parties including local municipalities and economically and/or disadvantaged communities)?

2. Does your company have control over the methodology in which your product is packaged for shipment?

3. What are the differences between a paper based, aluminum based, or compostable packaging and a single-use plastic based packaging?

a. What are the performance differences?

b. What are the cost differences?

4. Does your company have experience using environmentally preferable packaging?

a. If an environmentally preferable option was utilized, what benefits did your company experience from such a change?

b. What is the relationship between your packaging and your product branding?

c. Will packaging be considered as part of your company's climate financial disclosure, if applicable?

5. What is the best way for GSA to aid its contractors in moving to environmentally preferable packing and packaging? How quickly should it move?

6. Are there any market, regulatory, statutory or cost barriers to selecting environmentally preferable packaging such as paper based or biodegradable packaging?

If yes, please specify what the barrier is and what is creating the barrier (*i.e.,* the product's casing or the shipment packaging).

7. What should be considered when developing a timeline to implement regulatory changes in reducing single use plastic as either the primary product, or as the packaging material?

8. Which, if any, single use plastic items GSA should choose not to contract for through its federal supply schedules? Are there exceptions GSA should make to ensure no harm to customer agency missions?

9. How could compliance with reduced or eliminated plastic content be verified?

a. How can GSA and industry take advantage of innovative technologies or business practices to improve accuracy of verification while minimizing the administrative burden on companies?

b. Are there private sector standards, ecolabels, and/or certifications your company is using to meet environmentally preferred packaging goals?

IV. Request for Economic Data and Consumer Research

Aside from the feedback questions listed above, GSA also seeks to better understand the economic impact regarding single-use plastic products, and single-use plastics in packaging and shipping, and what industry changes are feasible. GSA seeks economic data and consumer research to help increase its understanding of the market. In your response please consider the intent and details of the questions below. You do not have to answer all the questions in your response.

To help GSA review comments efficiently, identify the question to which you are responding by its associated number and letter (*e.g.,* ''IV.1'') or whether you are commenting on a topic not listed below.

1. What will the estimated cost be to change, reduce, or eliminate single-use plastic from your product lines?

2. What will the estimated costs be to change, reduce, or eliminate single-use plastic packaging?

3. Will a change from single-use plastic packaging result in a reduced cost in freight?

4. What reporting or monitoring standards, if any, exist to track the use of more environmentally preferable packaging material?

5. What is the liability risk of any of the purchased goods being damaged if packaging is reduced or changed?

6. What other identifiable risks are posed to industry, the government, and overall economy if packaging is reduced or changed?

Jeffrey A. Koses,

Senior Procurement Executive, Office of Acquisition Policy, Office of Governmentwide Policy, General Services Administration.

[FR Doc. 2022–14403 Filed 7–6–22; 8:45 am]

BILLING CODE 6820–61–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

[Docket No. FWS–R4–ES–2020–0109; FF09E22000 FXES11130900000 201]

RIN 1018–BC98

Endangered and Threatened Wildlife and Plants; 6-Month Extension of Final Determination on the Proposed Removal of the Ivory-Billed Woodpecker From the List of Endangered and Threatened Wildlife

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule; reopening of the comment period.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), announce a 6-month extension of the final determination on whether to remove the ivory-billed woodpecker (*Campephilus principalis*), a bird species historically found in the American southeast, from the List of Endangered and Threatened Wildlife (List). We are also reopening the comment period on the proposed rule to remove this species from the List for an additional 30 days. Comments previously submitted need not be resubmitted and will be fully considered in preparation of the final determination. We are taking this action to extend the final determination based on substantial disagreement regarding the status of the ivory-billed woodpecker.

DATES: The comment period on the proposed rule that published September 30, 2021 (86 FR 54298), is reopened. We will accept comments received or postmarked on or before August 8, 2022. If you comment using the Federal eRulemaking Portal (see **ADDRESSES**, below), you must submit your comments by 11:59 p.m. Eastern Time on the closing date.

ADDRESSES: You may submit comments on the proposed rule by one of the following methods:

(1) *Electronically:* Go to the Federal eRulemaking Portal: *https://www.regulations.gov.* In the Search box, enter FWS–R4–ES–2020–0109, which is the docket number for the rulemaking. Then, click on the Search button. On the resulting page, in the panel on the left side of the screen, under the Document Type heading, check the Proposed Rule box to locate this document. You may submit a comment by clicking on ''Comment.''

(2) *By hard copy:* Submit by U.S. mail to: Public Comments Processing, Attn:

FWS–R4–ES–2020–0109; U.S. Fish and Wildlife Service, MS: PRB/3W, 5275 Leesburg Pike, Falls Church, VA 22041–3803.

We request that you send comments only by the methods described above. We will post all comments on *https://www.regulations.gov.* This generally means that we will post any personal information you provide us (see Information Requested, below, for more information).

FOR FURTHER INFORMATION CONTACT: Brigette Firmin, Acting Field Supervisor, Louisiana Field Office, 200 Dulles Dr., Lafayette, LA 70506; on the internet at *https://www.fws.gov/office/louisiana-ecological-services;* by telephone at 337–291–3108. 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:

Previous Federal Actions

On September 30, 2021, we published a proposed rule (86 FR 54298) to remove 23 species, including the ivory-billed woodpecker, from the List of Endangered and Threatened Wildlife (List) due to extinction. The proposed rule had a 60-day comment period, ending November 29, 2021. On January 11, 2022, we reopened the comment period for 30 days (87 FR 1390) in order to hold a public hearing on the proposed rule to remove the ivory-billed woodpecker from the List (*i.e.,* to ''delist'' the species) and to allow all interested parties additional time to comment on the proposed rule to delist the ivory-billed woodpecker. We held the public hearing on January 26, 2022. For a description of other previous Federal actions concerning the ivory-billed woodpecker, please refer to the September 30, 2021, proposed rule (86 FR 54298).

This Action

Section 4(b)(6) of the Endangered Species Act of 1973, as amended (Act; 16 U.S.C. 1531 *et seq.*), and its implementing regulations at 50 CFR 424.17(a) require that we take one of three actions within 1 year of publication of a proposed rule to determine whether a species is an endangered or threatened species: (1) Finalize the proposed rule; (2) make a finding that such revision should not be made and withdraw the proposed rule; or (3) extend the final determination by not more than 6 months, if there is substantial disagreement among scientists knowledgeable about the species regarding the sufficiency or accuracy of the available data relevant to the determination.

Since the publication of the proposed rule to delist the ivory-billed woodpecker, there has been substantial disagreement regarding the interpretation of the evidence that exists for the ivory-billed woodpecker. This situation has led to a significant disagreement regarding whether the species is extinct. Therefore, in consideration of the disagreements among experts surrounding the ivory-billed woodpecker's status, we are extending the final determination on the proposal to delist the species for 6 months in order to solicit additional information that will help to clarify these issues.

Information Requested

We will accept written comments and information during this reopened comment period on our proposed delisting rule for ivory-billed woodpecker (86 FR 54298; September 30, 2021). We will consider information and recommendations from all interested parties. We intend that any final action resulting from the proposal be as accurate as possible and based on the best available scientific and commercial data.

Due to the scientific disagreements described above, we are particularly interested in new information and evidence regarding the status of the ivory-billed woodpecker that has not previously been provided. We particularly seek clear video or photographic evidence of the presence of the ivory-billed woodpecker that can be repeatedly interpreted the same way by independent observers, such as definitive photographic evidence collected by a field observer (Ivory-billed Woodpecker Final Recovery Plan, Service 2010, pp. 99–110).

If you previously submitted comments or information on the September 30, 2021, proposed rule (86 FR 54298), please do not resubmit them. We have incorporated previously submitted comments into the public record, and we will fully consider them in the preparation of our final determination. Our final determination concerning the proposed delisting of the ivory-billed woodpecker will take into consideration all written comments and any additional information we receive.

You may submit your comments and materials concerning the proposed rule by one of the methods listed in **ADDRESSES**. We request that you send comments only by the methods described in **ADDRESSES**.

If you submit information via *https://www.regulations.gov,* your entire submission—including any personal identifying information—will be posted on the website. If your submission is made via a hardcopy that includes personal identifying information, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so. We will post all hardcopy submissions on *https://www.regulations.gov.*

Comments and materials we receive, as well as supporting documentation we used in preparing the proposed rule, will be available for public inspection on *https://www.regulations.gov,* or by appointment, during normal business hours, at the U.S. Fish and Wildlife Service, Louisiana Ecological Services Field Office (see **FOR FURTHER INFORMATION CONTACT**). You may obtain copies of the proposed rule on the internet at *https://www.regulations.gov* at Docket No. FWS–R4–ES–2020–0109, or by mail from the U.S. Fish and Wildlife Service, Louisiana Ecological Services Field Office (see **FOR FURTHER INFORMATION CONTACT**).

Authority

The authority for this action is the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Martha Williams,

Director, U.S. Fish and Wildlife Service.

[FR Doc. 2022–14336 Filed 7–6–22; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

RIN 0648–BL19

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagics Resources in the Gulf of Mexico and Atlantic Region; Amendment 32

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of availability (NOA); request for comments.

SUMMARY: The Gulf of Mexico Fishery Management Council (Gulf Council) and

the South Atlantic Fishery Management Council (South Atlantic Council) have jointly submitted Amendment 32 to the Fishery Management Plan (FMP) for the Coastal Migratory Pelagic (CMP) Resources of the Gulf of Mexico and Atlantic Region (CMP FMP) for review, approval, and implementation by NMFS. If approved by the Secretary of Commerce, Amendment 32 would revise the Gulf of Mexico (Gulf) migratory group of cobia (Gulf group cobia) zone apportionment, catch limits, possession limit and minimum size limit, establish a Gulf group cobia commercial trip limit and recreational vessel limit, and revise the CMP FMP framework procedures. The purpose of Amendment 32 is to end overfishing of Gulf group cobia and to update catch limits to be consistent with the best scientific information available, and revise management measures to help constrain landings to the catch limits.

DATES: Written comments on Amendment 32 must be received on or before September 6, 2022.

ADDRESSES: You may submit comments on Amendment 32 identified by ''NOAA–NMFS–2022–0030'' by either of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to *https://www.regulations.gov* and enter ''NOAA–NMFS–2022–0030'', in the Search box. Click the ''Comment'' icon, complete the required fields, and enter or attach your comments.
- *Mail:* Submit all written comments to Kelli O'Donnell, NMFS Southeast Regional Office, 263 13th Avenue South, St. Petersburg, FL 33701.

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 *www.regulations.gov* without change. All personal identifying information (*e.g.,* name, address), 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).

Electronic copies of Amendment 32, which includes a fishery impact statement and a regulatory impact review, may be obtained from the Southeast Regional Office website at *https://www.fisheries.noaa.gov/action/amendment-32-management-gulf-migratory-group-cobia.*

FOR FURTHER INFORMATION CONTACT: Kelli O'Donnell, telephone: 727–824–5305, or email: *Kelli.ODonnell@noaa.gov.*

SUPPLEMENTARY INFORMATION: The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires each regional fishery management council to submit any FMP or FMP amendment to NMFS for review and approval, partial approval, or disapproval. The Magnuson-Stevens Act also requires that NMFS, upon receiving an FMP or amendment, publish an announcement in the **Federal Register** notifying the public that the FMP or amendment is available for review and comment.

The FMP being revised by Amendment 32 was prepared by the Gulf Council and the South Atlantic Council (Councils), and Amendment 32, if approved, would be implemented by NMFS through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Act.

Background

Under the CMP FMP, the Councils jointly manage fishing for Gulf group cobia in Federal waters from Texas to the Florida/Georgia boundary. The Gulf group cobia acceptable biological catch (ABC) is apportioned between the Gulf zone, which spans from the Councils' jurisdictional boundary west of the Dry Tortugas, Florida, to the Texas/Mexico border, and the Florida east coast (FLEC) zone, which spans from the Florida/Georgia border to the Councils' jurisdictional boundary west of the Dry Tortugas, Florida. Under the current framework procedures in the CMP FMP, the Gulf Council is responsible for specifying management measures for Gulf group cobia, except that the South Atlantic Council is responsible for specifying trip limits, closed seasons or areas, and gear restrictions in the FLEC zone.

The current overfishing limit (OFL) and ABC are 2,660,000 lb (1,206,556 kg) and 2,600,000 lb (1,179,340 kg), respectively. The current stock annual catch limit (ACL) is equal to the ABC. These catch limits were established in 2015 in Amendment 20B to the CMP FMP (80 FR 4216; January 27, 2015), and are based on the recommendations of the Councils' Scientific and Statistical Committees (SSCs) from the Southeast Data Assessment and Review (SEDAR) 28 stock assessment. The recreational landings estimates used in SEDAR 28 were generated using the Marine Recreational Information Program's (MRIP) Coastal Household Telephone Survey (CHTS).

In Amendment 20B, the Councils apportioned the Gulf group cobia stock ABC between the Gulf zone (64 percent) and FLEC zone (36 percent), based on average landings from 1998–2012 across both zones, with the ACL for each zone being set equal to the apportioned ABC. Recreational landings estimates during 1998–2012 were generated using MRIP–CHTS. In 2018, MRIP replaced the fishing effort estimates from the CHTS with those from the Fishing Effort Survey (FES). Total recreational fishing effort estimates generated from MRIP–FES are generally higher than MRIP–CHTS estimates, and those higher effort estimates necessarily increase the recreational landings estimates. This difference in the estimates is because MRIP–FES is designed to more accurately measure fishing activity. Had MRIP–FES data been available when the current Gulf grouper cobia OFL and ABC were established, the OFL would have been 4,870,000 lb (2,208,995 kg) and the ABC would have been 4,500,000 (2,041,166 kg).

In 2020, the SEDAR 28 Update indicated that Gulf group cobia was undergoing overfishing with the biomass at reduced levels, which puts the stock at risk of becoming overfished. The SEDAR 28 Update included updated recreational landings estimates based on MRIP FES. In July 2020, the Councils' SSCs reviewed the SEDAR 28 Update and recommended new OFLs and ABCs that would end overfishing of Gulf group cobia and allow harvest to increase over time. The SSCs' recommendation for OFL is 3,210,000 lb (1,456,032 kg) for 2022, and 3,310,000 lb (1,501,391 kg) for 2023 and subsequent years. The SSCs' recommendation for ABC is 2,600,000 lb (1,179,340 kg) for 2022, and 2,760,000 lb (1,251,915 kg) for 2023 and subsequent years. These recommendations represent a reduction in the allowable harvest when compared to the current OFL and ABC, as noted above.

The Gulf Council manages Gulf group cobia in the Gulf zone without sector allocations. The South Atlantic Council manages Gulf group cobia in the FLEC zone with sector allocations, allocating 8 percent of the ACL to the commercial sector and 92 percent of the ACL to the recreational sector. This allocation was originally established in 2012 in Amendment 18 to the CMP FMP, when two migratory groups of cobia were managed under the CMP FMP: Gulf group cobia and Atlantic migratory group cobia (Atlantic group cobia) (76 FR 82058; December 29, 2011). The boundary between these two migratory groups was set at the Councils' jurisdictional boundary west of the Dry

Tortugas. However, the SEDAR 28 (2013) assessment determined that the biological boundary between the Gulf and Atlantic migratory groups of cobia was the Florida/Georgia border. To account for this change, in Amendment 20B, the Councils created the Gulf zone and the FLEC zone, allocating a portion of the Gulf group cobia ABC to each zone. In Amendment 20B, the Councils chose to keep the same sector allocations for the FLEC zone that were established for Atlantic group cobia in Amendment 18 to the CMP FMP. This allocation for the FLEC zone, established in Amendment 18 in 2011, was based on a formula that balanced historical catches (2000–2008) with more recent landings (2006–2008). Subsequently, the Councils removed Atlantic group cobia from the CMP FMP in 2018 through Amendment 31, and it is now managed by the Atlantic States Marine Fisheries Commission (84 FR 4733; February 19, 2019).

In Amendment 18, the Councils established annual catch targets (ACTs) for both Gulf group cobia and the recreational harvest of Atlantic group cobia. The Councils kept the same formulas for establishing these ACTs in Amendment 20B when the Gulf group cobia ABC was split between the Gulf zone and the FLEC zone. The current stock ACT in the Gulf zone is 10 percent below the Gulf zone ACL. The ACT was selected to provide a buffer to the ACL, but result in a catch level that was no less than historic total catch from 2000–2009. The current recreational ACT in the FLEC zone is 17 percent below the FLEC zone ACL and was calculated using the following formula: the ACL multiplied by 1 minus the proportional standard error (PSE) of the recreational landings estimates, or 0.5, whichever was greater.

The Councils established the current commercial and recreational possession limit for Gulf group cobia of two fish per person per day through Amendment 5 to the CMP FMP (55 FR 29370; July 19, 1990). This possession limit was extended to the FLEC zone when the Gulf group cobia boundary was changed. There currently is no commercial or recreational trip limit for Gulf group cobia in either zone.

The Councils first established a minimum size limit for cobia in the original CMP FMP (48 FR 5270; February 4, 1983) and that minimum size limit applied to both the Gulf zone and the FLEC zone when they were created in Amendment 20B. In 2020, the Gulf Council revised the Gulf group cobia minimum size limit in the Gulf zone to 36 inches (91.4 cm) fork length, through Framework Amendment 7 to the CMP FMP (85 FR 10328; February 24, 2020). The Gulf Council took this action based on concerns from constituents that an observed decrease in cobia landings may indicate an unknown issue with the stock. The Gulf Council decided to take a precautionary approach by increasing the commercial and recreational minimum size limits while the SEDAR 28 Update assessment (2020) was completed. The South Atlantic Council did not change the minimum size limit in the FLEC zone, deciding to review the SEDAR 28 Update assessment before making any further management changes.

Actions Contained in Amendment 32

For Gulf group cobia, Amendment 32 would revise the OFL, ABC, ABC apportionment, stock and sector ACLs, the Gulf zone stock ACT (quota), and the commercial possession limits; establish a commercial trip limit; recreational bag and vessel limits; and revise commercial and recreational size limits. Amendment 32 would also clarify the CMP sale and purchase provisions for federally permitted dealers.

OFL and ABC

As previously explained, the current OFL and ABC for Gulf group cobia of 2,660,000 lb (1,206,556 kg) and 2,600,000 lb (1,179,340 kg), are based on the Councils' SSCs' recommendations from SEDAR 28, which used recreational landings estimates from MRIP–CHTS. Amendment 32 would adopt the new increasing OFLs and ABCs based on the SSCs' recommendations from the results of the SEDAR 28 Update, which used MRIP–FES recreational landings estimates. The new OFLs would be 3,210,000 lb (1,456,032 kg) for 2022, and 3,310,000 lb (1,501,391 kg) for 2023 and subsequent years. The new ABCs would be 2,600,000 lb (1,179,340 kg) for 2022, and 2,760,000 lb (1,251,915 kg) for 2023 and subsequent years.

ABC Apportionment

The current ABC apportionment for Gulf group cobia is 64 percent for the Gulf zone and 36 percent for the FLEC zone, respectively. Amendment 32 would revise the Gulf group cobia ABC apportionment between the Gulf and FLEC zones by using the average landings from 1998–2012 across both zones using MRIP–FES landings for this time series. This results in a new apportionment of the Gulf group cobia stock ABC of 63 percent for the Gulf zone and 37 percent for the FLEC zone. Using the same time series to calculate the apportionment, but updating it by using MRIP–FES, addresses the higher recreational landings that have occurred in the FLEC zone compared to the Gulf zone.

ACLs

Amendment 32 would revise the Gulf zone apportioned ACL to 1,638,000 lb (742,984 kg) for 2022, and 1,738,000 lb (788,343 kg) for 2023 and subsequent years. The proposed revised FLEC zone apportioned ACL would be 962,000 lb (436,356 kg) for 2022, and 1,021,200 lb (463,209 kg) for 2023 and subsequent years.

ACLs and Sector Allocations

The current stock ACL for Gulf group cobia is equal to the ABC of 2,600,000 lb (1,179,340 kg) and is based on the results of SEDAR 28, which used data from MRIP–CHTS. Amendment 32 would retain the stock ACL for Gulf group cobia of 2,600,000 lb (1,179,340 kg) for 2022, and increase the stock ACL to 2,760,000 lb (1,251,915 kg) for 2023 and subsequent years, which is also equal to the ABCs recommended by the Councils' SSCs. The SSCs' recommendations and the Councils' determinations are based on the results of the SEDAR 28 Update, which used data from MRIP–FES. Thus, the proposed ACLs using MRIP–FES data actually represent a decrease in the allowable harvest of Gulf group cobia, as discussed above. For example, had the current stock ACL been derived using MRIP–FES data, the current stock ACL would have been 4,500,000 lb (2,041,166 kg).

The current zone apportionment of the ABC (equal to the stock ACL) is 64 percent to the Gulf zone and 36 percent to the FLEC zone, which results in a Gulf zone ACL of 1,660,000 lb (752,963 kg) and a FLEC zone ACL of 930,000 lb (421,841 kg). Amendment 32 would revise the zone apportionment to 63 percent to the Gulf zone and 37 percent to the FLEC zone. This would result in a Gulf zone ACL of 1,638,000 lb (742,984 kg) for 2022, and 1,738,000 lb (788,343 kg) for 2023 and subsequent years. The proposed FLEC zone ACL would be 962,000 lb (436,356 kg) for 2022, and 1,021,200 lb (463,209 kg) for 2023 and subsequent years.

Amendment 32 would maintain the current commercial and recreational allocation in the FLEC zone as 8 percent and 92 percent, respectively. The current ACLs for Gulf group cobia in the FLEC zone are 70,000 lb (31,751 kg) for the commercial sector (expressed as a commercial quota), and 860,000 lb (390,089 kg) for the recreational sector. The proposed commercial ACLs (quotas) are 76,960 lb (34,908 kg) for

2022, and 81,696 lb (37,057 kg) for 2023 and subsequent years. The proposed recreational ACLs are 885,040 lb (401,447 kg) for 2022, and 939,504 lb (426,152 kg) for 2023 and subsequent years.

ACTs

Amendment 32 would update the calculation for determining the ACTs using the Gulf Council's ACL/ACT Control Rule. Under this control rule, the calculated ACTs for the Gulf zone and for the recreational sector in the FLEC zone would be 10 percent less than the respective zone ACLs. To calculate the ACT, the control rule uses the PSEs for 4 years of landings data (2016–2019), the number of times the catch limit has been exceeded, the precision of recreational landings based on the PSE, the precision of commercial landings, inseason accountability measures in place, and the stock status.

The current stock ACT (quota) for Gulf group cobia in the Gulf zone is 1,500,000 lb (680,389 kg). Consistent with the Gulf Council's ACL/ACT Control Rule, Amendment 32 would revise the stock ACT in the Gulf zone to be 1,474,200 lb (668,686 kg) for 2022, and 1,564,920 lb (709,836 kg) for 2023 and subsequent years.

The current recreational ACT for Gulf group cobia in the FLEC zone is 710,000 lb (322,051 kg). Consistent with Gulf Council's ACL/ACT Control Rule, Amendment 32 would revise the recreational ACT in the FLEC zone to be 796,536 lb (361,303 kg) for 2022, and 845,554 lb (383,537 kg) for 2023 and subsequent years.

There is no commercial ACT for Gulf group cobia in the FLEC zone and the Councils did not establish a commercial ACT in Amendment 32. The Councils determined that a commercial ACT was not necessary because the commercial sector had not exceeded its ACL in the past and the projections in Amendment 32 indicated that commercial harvest would not exceed the proposed ACLs.

Possession Limit, Commercial Trip Limit, and Recreational Vessel Limit

The current possession limit for Gulf group cobia of two fish per person per day applies to commercial and recreational harvest in both zones. In Amendment 32, the Councils decided to reduce the Gulf group cobia possession limit to one fish per person. The Councils also decided to establish a commercial trip limit of two fish and a recreational vessel limit of two fish per trip. These changes would apply to harvest from both the Gulf zone and FLEC zone.

Analysis in Amendment 32 indicates that the majority of the commercial and recreational trips already harvest one or less cobia per person and per trip. Therefore, reducing the possession limit from 2 fish to 1 fish per person and creating a commercial trip limit and recreational vessel limit would only reduce harvest in the Gulf zone by about 1.0 percent for the commercial sector and 10 percent for the recreational sector. The harvest reduction in the FLEC zone would be greater, with an approximate 23 percent for the commercial sector and 29 percent for the recreational sector. However, the Councils decided that these changes were appropriate because they would result in some reduction in fishing mortality and would also aid with compliance and enforcement because the harvest limits in Federal waters would be consistent with those established by the state of Florida for harvest of cobia in Gulf state waters, which is one fish per person or two per vessel, whichever is less. The possession and trip limits in Florida state waters adjacent to the FLEC zone are currently one per person or six fish per vessel, whichever is less, but effective July, 1, 2022, these state regulations change and will be consistent with the changes proposed in this rule. See *https://content.gov.delivery.com/accounts/FLFFWCC/bulletins/316530e.*

The analysis in Amendment 32 indicates that commercial landings will not exceed the proposed commercial harvest limits in the FLEC zone, and that the combined commercial and recreational harvest would not exceed the proposed 2022 and 2023 total ACLs in the Gulf zone, regardless of the proposed commercial trip limits. This analysis also indicates that even with the proposed changes to the possession limit, recreational harvest in the FLEC zone is projected to exceed the proposed FLEC zone 2022 and 2023 recreational ACLs, and when combined with expected commercial harvest, the total harvest in the FLEC zone is projected to exceed the total 2022 and 2023 FLEC zone ACLs. However, as discussed below, these proposed changes in combination with the proposed change to the minimum size limit is projected to reduce recreational landings enough to constrain harvest to the recreational ACL. As previously noted, NMFS expects the changes to the possession limit to reduce recreational harvest in the FLEC zone by approximately 29 percent.

Minimum Size Limits

Amendment 32 would increase the commercial and recreational minimum size limits for Gulf group cobia in the FLEC zone from 33 inches (83.8 cm) to 36 inches (91.4 cm), fork length. The current Gulf zone commercial and recreational minimum size limit is 36 inches (91.4 cm), fork length, and the Councils determined that having a consistent minimum size limit in both the FLEC and Gulf zones would reduce confusion about the regulations in Federal waters and decrease the burden on law enforcement, while also providing benefits to the stock.

Increasing the minimum size limit to 36 inches (91.4 cm), fork length, in the FLEC zone would reduce the harvest rate across both sectors and reduce the total harvest. The increase in the minimum size limit would also increase the likelihood that sexually mature cobia are able to spawn more than once before being harvested, resulting in additional recruitment to the spawning stock over time. As a result of this change to the minimum size limit, NMFS projects that harvest in the FLEC zone would be reduced by approximately 27 percent for the commercial sector, 23 percent for the recreational charter vessel/headboat component, and 34 percent for the recreational private angling component. An increase in the minimum size limit may increase regulatory discards in the FLEC zone in the near-term but the discard mortality rates were estimated in SEDAR 28 to be relatively low (5 percent) when using hook-and-line gear in the commercial sector and all gear types in the recreational sector. The analysis in Amendment 32 indicates that implementing both this increase in the minimum size limit and the changes to the possession limit would reduce landings in the FLEC zone enough to constrain landings to the recreational ACL.

FMP Framework Procedure

Currently, the framework procedure limits the management measures that the South Atlantic Council may independently propose for Gulf group cobia in the FLEC zone to vessel trip limits, closed seasons or areas, or fishing gear restrictions.

Amendment 32 would revise the framework procedures to allow the South Atlantic Council to independently change vessel trip limits, closed seasons or areas, fishing gear restrictions, per person bag and possession limits, size limits, in-season and post-season accountability measures, and specification of ACTs or

sector ACTs for Gulf group cobia in the FLEC zone. The Councils decided that providing the South Atlantic Council the authority to make any of these changes through a framework process will allow the South Atlantic Council to respond quickly to new information. The Councils determined this change would result in beneficial biological, socio-economic, and administrative impacts.

Amendment 32 would also clarify language in the CMP FMP framework procedure by removing reference to Atlantic group cobia, which was removed from management by the Councils through Amendment 31 to the CMP FMP (84 FR 4733; February 19, 2019), and change the language referring to the ABC/ACL Control Rule because there is no ABC/ACL Control Rule. Instead, this language should refer to the ABC and ACL/ACT Control Rules.

Proposed Rule for Amendment 32

A proposed rule to implement Amendment 32 has been drafted. In accordance with the Magnuson-Stevens Act, NMFS is evaluating the proposed rule to determine whether it is consistent with the CMP FMP, the Magnuson-Stevens Act, and other applicable laws. If that determination is affirmative, NMFS will publish the proposed rule in the **Federal Register** for public review and comment.

Consideration of Public Comments

The Gulf Council has submitted Amendment 32 for Secretarial review, approval, and implementation. Comments on Amendment 32 must be received by September 6, 2022. Comments received during the respective comment periods, whether specifically directed to Amendment 32 or the proposed rule will be considered by NMFS in the decision to approve, disapprove, or partially approve Amendment 32. Comments received after the comment periods will not be considered by NMFS in this decision. All comments received by NMFS on the amendment or the proposed rule during their respective comment periods will be addressed in the final rule.

(Authority: 16 U.S.C. 1801 *et seq.*)

Dated: June 30, 2022.

Jennifer M. Wallace,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2022–14380 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–22–P

Notices

Federal Register

Vol. 87, No. 129

Thursday, July 7, 2022

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

Animal and Plant Health Inspection Service

[Docket No. APHIS–2022–0041]

Notice of Request for an Extension of Approval of an Information Collection; Interstate Movement of Certain Land Tortoises

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Extension of approval of an information collection; comment request.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Animal and Plant Health Inspection Service's intention to request an extension of approval of an information collection associated with the regulations for the interstate movement of certain land tortoises.

DATES: We will consider all comments that we receive on or before September 6, 2022.

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

- *Federal eRulemaking Portal:* Go to *www.regulations.gov.* Enter APHIS–2022–0041 in the Search field. Select the Documents tab, then select the Comment button in the list of documents.
- *Postal Mail/Commercial Delivery:* Send your comment to Docket No. APHIS–2022–0041, Regulatory Analysis and Development, PPD, APHIS, Station 3A–03.8, 4700 River Road Unit 118, Riverdale, MD 20737–1238.

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

FOR FURTHER INFORMATION CONTACT: For information on the land tortoises program, contact Dr. Alexandra MacKenzie, Senior Veterinary Medical Officer, Live Animal Imports, Strategy & Policy, Veterinary Services, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737; (301) 851–3411. For information on the information collection process, contact Mr. Joseph Moxey, APHIS' Paperwork Reduction Act Coordinator, at (301) 851–2483; *joseph.moxey@usda.gov.*

SUPPLEMENTARY INFORMATION:

Title: Interstate Movement of Certain Land Tortoises.

OMB Control Number: 0579–0156.

Type of Request: Extension of approval of an information collection.

Abstract: Under the Animal Health Protection Act (7 U.S.C. 8301 *et seq.*), the Animal and Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture is authorized, among other things, to prohibit or restrict the interstate movement of animals and animal products to prevent the dissemination of animal diseases and pests within the United States.

Currently, 9 CFR part 74 restricts the interstate movement of three tortoises: The leopard tortoise (*Geochelone pardalis*), African spurred tortoise (*Geochelone sulcata*), and Bell's hingeback tortoise (*Kinixys belliana*). APHIS implemented these restrictions in 2001 to prevent the introduction and spread of exotic ticks known to be vectors of heartwater disease, an acute, infectious disease of cattle and other ruminants.

Leopard, African spurred, and Bell's hingeback tortoises can be moved interstate for sale, health care, adoption, or export to another country only if they are accompanied by a health certificate or a certificate of veterinary inspection. The health certificate or certificate of veterinary inspection must be signed by a Federal or accredited veterinarian and must state that the tortoises have been examined by that veterinarian and found free of ticks within 30 days prior to movement. Animal owners may use one of several different types of health certificates that are issued at the State level. These documents request the same information, and any may be used and submitted to APHIS.

We are asking the Office of Management and Budget (OMB) to approve our use of these information collection activities for an additional 3 years.

The purpose of this notice is to solicit comments from the public (as well as affected agencies) concerning our information collection. These comments will help us:

(1) Evaluate 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) Evaluate the accuracy of our estimate of the burden of the collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, through use, as appropriate, of automated, electronic, mechanical, and other collection technologies; *e.g.,* permitting electronic submission of responses.

Estimate of burden: The public reporting burden for this collection of information is estimated to average 1.5 hours per response.

Respondents: Accredited veterinarians, business owners, and individuals.

Estimated annual number of respondents: 50.

Estimated annual number of responses per respondent: 5.

Estimated annual number of responses: 250.

Estimated total annual burden on respondents: 375 hours. (Due to averaging, the total annual burden hours may not equal the product of the annual number of responses multiplied by the reporting burden per response.)

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Done in Washington, DC, this 1st day of July 2022.

Anthony Shea,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 2022–14467 Filed 7–6–22; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–27–2022]

Foreign-Trade Zone (FTZ) 149—Freeport, Texas; Notification of Proposed Production Activity; Maxter Healthcare Inc. (Medical Examination Disposable Gloves); Brazoria County, Texas

Port Freeport, grantee of FTZ 149, submitted a notification of proposed production activity to the FTZ Board (the Board) on behalf of Maxter Healthcare Inc., located in Brazoria County, Texas under FTZ 149. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on June 24, 2022.

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

The proposed finished products include seamless gloves, surgical gloves and, examination gloves (duty-free).

The proposed foreign-status materials and components include: aqueous carbon black dispersion; blue and violet color pigment dispersion; blue and violet color pigment dispersion containing carbazole violet 23; red color pigment dispersion; aqueous sulphur; aqueous zinc oxide; aqueous zinc di-n-butyldithiocarbamate; sodium dodecylbenzene sulphonate; aqueous titanium dioxide dispersion (60% titanium dioxide); petroleum wax; zinc dietyldithiocarbamate; potassium hydroxide; aqueous acrylic polymer; calcium stearate-based release agent; alkaline cleaner; calcium carbonate; alkoxylated wetting agent; white mineral oil based defoamer; calcium nitrate; nitric acid; sodium hydroxide; aqueous sodium hypochlorite; aqueous ammonia; carboxylated butadiene-acrylonitrile copolymer; aluminum sulphate; acrylamide and sodium acrylate coploymer; activated carbon; carbamide; and, sulphuric acid (duty rate ranges from duty-free to 6.5%). The request indicates that blue and violet color pigment dispersion containing carbazole violet 23 and activated carbon are subject to antidumping/countervailing duty (AD/CVD) orders if imported from certain countries. The Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign (PF) status (19 CFR 146.41). The request also indicates that certain materials/components are subject to duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: *ftz@trade.gov.* The closing period for their receipt is August 16, 2022.

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

For further information, contact Christopher Wedderburn at *Chris.Wedderburn@trade.gov.*

Dated: June 30, 2022.

Andrew McGilvray,

Executive Secretary.

[FR Doc. 2022–14416 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–28–2022]

Foreign-Trade Zone (FTZ) 241—Fort Lauderdale, Florida; Notification of Proposed Production Activity; Almod Diamonds Ltd., Inc. (Jewelry, Precious and Semi-Precious Stones, and Pearls), Miramar, Florida

Almod Diamonds Ltd., Inc., submitted a notification of proposed production activity to the FTZ Board (the Board) for its facility in Miramar, Florida, within FTZ 241. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on June 28, 2022.

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

The proposed finished products include: jewelry (rings, earrings, bracelets, necklaces, pendants, broaches) of silver or precious metal other than silver (such as gold, platinum, or palladium), base metal clad with precious metal, or imitation; jewelry of precious or semi-precious stones (such as cubic zirconium); imitation jewelry (cuff links and studs); pearls (natural, cultured); non-industrial diamonds; rubies; sapphires; emeralds; precious stones or semi-precious stones (other than diamonds, rubies, sapphires, and emeralds), cut but not set and suitable for use in the manufacture of jewelry; and, scrap (gold, platinum, silver) (duty rate ranges from duty-free to 13.5%).

The proposed foreign-status materials and components include: jewelry (rings, earrings, bracelets, necklaces, pendants, broaches) of silver or precious metal other than silver (such as gold, platinum, or palladium), base metal clad with precious metal, or imitation; jewelry of precious or semi-precious stones (such as cubic zirconium); imitation jewelry (cuff links and studs); pearls (natural, cultured); non-industrial diamonds; rubies; sapphires; emeralds; and, precious stones or semi-precious stones (other than diamonds, rubies, sapphires, and emeralds), cut but not set and suitable for use in the manufacture of jewelry (duty rate ranges from duty-free to 13.5%). The request indicates that certain materials/components are subject to duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: *ftz@trade.gov.* The closing period for their receipt is August 16, 2022.

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

For further information, contact Juanita Chen at *juanita.chen@trade.gov.*

Dated: June 30, 2022.

Andrew McGilvray,

Executive Secretary.

[FR Doc. 2022–14414 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–7–2022]

Foreign-Trade Zone (FTZ) 75—Phoenix, Arizona; Authorization of Production Activity; Sunlit Arizona LLC (Specialty Chemicals for Microchip Production); Phoenix, Arizona

On March 3, 2022, Sunlit Arizona LLC submitted a notification of proposed production activity to the FTZ Board for its facility within FTZ 75, in Phoenix, Arizona.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (87 FR 13963, March 11, 2022). On July 1, 2022, the applicant was notified of the FTZ Board's decision that no further review of the activity is warranted at this time. The production activity described in the notification was authorized, subject to the FTZ Act and the FTZ Board's regulations, including Section 400.14.

Dated: July 1, 2022.

Elizabeth Whiteman,

Acting Executive Secretary.

[FR Doc. 2022–14479 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Sensors and Instrumentation Technical Advisory Committee; Notice of Partially Closed Meeting

The Sensors and Instrumentation Technical Advisory Committee (SITAC) will meet on July 26, 2022, at 1:00 p.m., Eastern Daylight Time, via teleconference. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to sensors and instrumentation equipment and technology.

Agenda

Public Session

1. Welcome and Introductions.
2. Remarks from the Bureau of Industry and Security Management.
3. Industry Presentations.
4. New Business.

Closed Session

5. Discussion of matters determined to be exempt from the provisions relating to public meetings found in 5 U.S.C. App. 2 §§ 10(a)(1) and 10(a)(3).

The open session will be accessible via teleconference on a first come, first serve basis. To join the conference, submit inquiries to Ms. Yvette Springer at *Yvette.Springer@bis.doc.gov* no later than July 19, 2022.

To the extent that time permits, members of the public may present oral statements to the Committee. The public may submit written statements at any time before or after the meeting. However, to facilitate distribution of public presentation materials to the Committee members, the Committee suggests that the materials be forwarded before the meeting to Ms. Springer.

The Assistant Secretary for Administration, with the concurrence of the delegate of the General Counsel, formally determined on January 25, 2022, pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2 § 10(d)), that the portion of the meeting dealing with pre-decisional changes to the Commerce Control List and the U.S. export control policies shall be exempt from the provisions relating to public meetings found in 5 U.S.C. App. 2 §§ 10(a)(1) and 10(a)(3). The remaining portions of the meeting will be open to the public.

For more information contact Yvette Springer via email.

Yvette Springer,

Committee Liaison Officer.

[FR Doc. 2022–14402 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–JT–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–826]

Monosodium Glutamate From the Republic of Indonesia: Notice of Initiation and Preliminary Results of Changed Circumstances Review

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

SUMMARY: In response to a request for a changed circumstances review (CCR), the U.S. Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) order on monosodium glutamate (MSG) from the Republic of Indonesia (Indonesia). We preliminarily determine that PT. Daesang Ingredients Indonesia (PT. Daesang) is the successor-in-interest to PT. Miwon Indonesia (PT. Miwon). Interested parties are invited to comment on these preliminary results.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Gene H. Calvert, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3586.

SUPPLEMENTARY INFORMATION:

Background

On November 26, 2014, Commerce published the AD order on MSG from Indonesia in the **Federal Register**.[1] In the most recent administrative review of the *Order* covering the period November 1, 2019, through October 31, 2020, PT. Miwon was assigned the cash deposit rate of 1.60 percent as a mandatory company respondent.[2]

On March 10, 2022, PT. Daesang requested that Commerce conduct an expedited CCR to find that PT. Daesang is the successor-in-interest to PT. Miwon due to a change in the company's name (*i.e.,* PT. Miwon to PT. Daesang).[3] In its submission, PT. Daesang addressed the factors Commerce analyzes with respect to successor-in-interest determinations in the AD context and provided supporting documentation.[4] Commerce received no comments from interested parties on PT. Daesang's CCR Request.

Scope of the Order

The merchandise covered by the *Order* is MSG from Indonesia. For a full description of the merchandise covered by the scope of the *Order, see* the Preliminary Decision Memorandum.[5]

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce will

[1] *See Monosodium Glutamate from the People's Republic of China, and the Republic of Indonesia: Antidumping Duty Orders; and Monosodium Glutamate from the Republic of China: Amended Final Determination of Sales at Less Than Fair Value,* 79 FR 70505 (November 26, 2014) (*Order*).

[2] *See Monosodium Glutamate from the Republic of Indonesia: Final Results of Antidumping Duty Administrative Review; 2019–2020,* 87 FR 18767 (March 31, 2022).

[3] *See* PT. Daesang's Letter, ''Monosodium Glutamate (MSG) from Indonesia: Request to Initiate a Successor-in-Interest Changed Circumstances Review for PT. Daesang Ingredients Indonesia,'' dated March 10, 2022 (PT. Daesang's CCR Request).

[4] *Id.*

[5] *See* Memorandum, ''Decision Memorandum for the Initiation and Preliminary Results of the Changed Circumstances Review of the Antidumping Duty Order on Monosodium Glutamate from the Republic of Indonesia: PT. Daesang Ingredients Indonesia,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

conduct a CCR upon receipt of a request from an interested party for a review of an AD order that shows changed circumstances sufficient to warrant a review of the order.[6] The information submitted by PT. Daesang supporting its claim that PT. Daesang is the successor-in-interest to PT. Miwon demonstrates changed circumstances sufficient to initiate a review.[7]

The information submitted by PT. Daesang demonstrates that its request is based solely on a change in the name of the company from ''PT. Miwon Indonesia'' to ''PT. Daesang Ingredients Indonesia,'' effective November 2021.[8] Moreover, the evidence submitted in support of PT. Daesang's request demonstrates that PT. Daesang is otherwise the same business entity as PT. Miwon. Therefore, in accordance with the regulation referenced above, Commerce is initiating a CCR to determine whether PT. Daesang is the successor-in-interest to PT. Miwon.

Preliminary Results of the Changed Circumstances Review

When Commerce concludes that expedited action is warranted, it may publish the notice of initiation and preliminary results of a CCR concurrently.[9] Commerce has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.[10] In this instance, because we have information on the record to support the request for a preliminary determination and no other interested party submitted comments, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results of review, in accordance with 19 CFR 351.221(c)(3)(ii).

In a CCR, Commerce generally consider a company to be the successor to another company for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.[11] In making this determination, Commerce examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.[12] While no single factor or combination of factors is dispositive, Commerce will generally consider one company to be the successor to another if its resulting operations are essentially the same as that of its predecessor.[13] Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign the new company the cash deposit rate of its predecessor.[14]

In its CCR request, PT. Daesang provided evidence demonstrating that its operations are not materially dissimilar from those of PT. Miwon. Based on the record, we preliminarily determine that PT. Daesang is the successor-in-interest to PT. Miwon. For a complete discussion of the information that PT. Daesang provided, including business proprietary information and the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Determination Memorandum is included as the appendix to this notice. The Preliminary Determination 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/public/FRNoticesListLayout.aspx.*

Public Comment

Any interested party may request a hearing within 14 days of publication of this notice, in accordance with 19 CFR 351.310(c).[15] Interested parties may submit case briefs no later than 14 days after the date of publication of this notice.[16] Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the deadline for case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in this CCR are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[17] All comments are to be filed electronically using ACCESS, and must be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.[18] Please note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.[19]

Consistent with 19 CFR 351.216(e), we will issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results in the **Federal Register** if all parties agree to this preliminary finding.

Notification to Interested Parties

We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i) of the Act, 19 CFR 351.216, and 19 CFR 351.221(c)(3).

Dated: June 28, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Initiation and Preliminary Results of the Changed Circumstances Review
V. Success-in-Interest Determination
VI. Conclusion
VII. Recommendation

[FR Doc. 2022–14422 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

[6] *See* 19 CFR 351.216(c).

[7] *See* 19 CFR.351.216(d).

[8] *See* PT. Daesang's CCR Request at Exhibit 2. The specific effective date of the name change is business proprietary information and is not available for public summary.

[9] *See* 19 CFR 351.221(c)(3)(ii).

[10] *See, e.g., Certain Frozen Freshwater Shrimp from India: Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review,* 85 FR 57192 (September 15, 2020) (*Hyson CCR Initiation and Preliminary Results*), unchanged in *Certain Frozen Freshwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review,* 85 FR 70584 (November 5, 2020) (*Hyson CCR Final Results*).

[11] *Id.*

[12] *See, e.g., Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey: Notice of Initiation and Preliminary Results of Changed Circumstances Review,* 86 FR 70443 (December 10, 2021) at 86 70444, unchanged in *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Changed Circumstances Review,* 87 FR 3763 (January 25, 2022).

[13] *Id.*

[14] *See, e.g., Hyson CCR Initiation and Preliminary Results,* unchanged in *Hyson CCR Final Results.*

[15] Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

[16] Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

[17] *See* 19 CFR 351.309(c)(2) and (d)(2).

[18] *See* 19 CFR 351.303(b).

[19] *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–898]

Chlorinated Isocyanurates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that chlorinated isocyanurates (chlorinated isos) from the People's Republic of China (China) were sold in the United States at less than normal value during the period of review (POR) June 1, 2020, through May 31, 2021. Interested parties are invited to comment on these preliminary results.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Sean Carey, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3964.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 2021, Commerce initiated the administrative review of the antidumping duty (AD) order on chlorinated isos from China covering the period June 1, 2020, through May 31, 2021.[1] This review covers two producers/exporters; Heze Huayi Chemical Co., Ltd. (Heze Huayi) and Juancheng Kangtai Chemical Co., Ltd. (Kangtai). On February 24, 2022, Commerce extended the deadline for the preliminary results of this administrative review by 120 days, until June 30, 2022.[2]

For details regarding the events that occurred subsequent to the initiation of this review, *see* the Preliminary Decision Memorandum.[3] The Preliminary Decision Memorandum is a public document and is made available to the public 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/public/FRNoticesListLayout.aspx.*

Scope of the Order

The products covered by the order are chlorinated isos, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones.[4] Chlorinated isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.40.50, 3808.50.40 and 3808.94.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). Export prices have been calculated in accordance with section 772 of the Act. Because China is a non-market economy within the meaning of section 771(18) of the Act, normal value has been calculated in accordance with section 773(c) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of the topics included in the Preliminary Decision Memorandum is included as an appendix to this notice.

Preliminary Results of Review

Commerce preliminarily determines that Heze Huayi and Kangtai have established their eligibility for a separate rate and that the following weighted-average dumping margins exist for the period June 1, 2020, through May 31, 2021:

Exporter	Weight-average dumping margin (percent)
Heze Huayi Chemical Co. Ltd	27.34
Juancheng Kangtai Chemical Co. Ltd	43.79

Assessment Rates

Upon issuance of the final results of the administrative review, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.[5] Commerce intends to issue assessment instructions to CBP no earlier than 35 days after date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (*i.e.,* less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates for antidumping duties, in accordance with 19 CFR 351.212(b)(1).[6] Where the respondent reported reliable entered values, Commerce intends to calculate importer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer and dividing this amount by the total entered value of the merchandise sold to the importer.[7] Where the respondent did not report entered values, Commerce will calculate importer-specific assessment rates by dividing the amount of dumping for reviewed sales to the importer by the total quantity of those sales. Commerce will calculate an estimated *ad valorem* importer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis;* however, Commerce will use the per-unit assessment rate where entered values were not reported.[8] Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis,* Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis,* or an importer-specific *ad valorem* assessment rate is zero or *de minimis,* Commerce will instruct CBP to liquidate appropriate entries without regard to

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 41821 (August 3, 2021).

[2] *See* Memorandum, ''Chlorinated Isocyanurates from the People's Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated February 24, 2022.

[3] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the 2020–2021 Antidumping Duty Administrative Review: Chlorinated Isocyanurates from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[4] For a complete description of the Scope of the Order, *see* Preliminary Decision Memorandum.

[5] *See* 19 CFR 351.212(b)(1).

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

[7] *See* 19 CFR 351.212(b)(1).

[8] *Id.*

antidumping duties.[9] For entries that were not reported in the U.S. sales database submitted by an exporter individually examined during this review, but that entered under the case number of that exporter (*i.e.,* at the individually-examined exporter's cash deposit rate), Commerce will instruct CBP to liquidate such entries at the China-wide rate.[10]

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above that have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except, if the rate is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), then a cash deposit rate of zero will be established for that company); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that are currently eligible for a separate rate, the cash deposit rate will continue to be equal to the exporter-specific weighted-average dumping margin published for the most recently completed segment of this proceeding; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the cash deposit rate established for the China-wide entity, 285.63 percent; and (4) for all exporters of subject merchandise that are not located in China and that are not eligible for a separate rate, the cash deposit rate will be the rate applicable to the Chinese exporter(s) that supplied that non-Chinese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Commerce intends to disclose the calculations for these preliminary results within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs within 30 days after the date of publication of these preliminary results of review.[11] Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.[12] Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[13] Case and rebuttal briefs should be filed using ACCESS[14] and must be served on interested parties.[15] Executive summaries should be limited to five pages total, including footnotes. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.[16]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically-filed document must be received successfully in its entirety by Commerce's electronic records system, 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 (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.

Final Results of the Review

Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1), unless otherwise extended.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: June 30, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiation.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Discussion of the Methodology
V. Adjustments under Section 777A(f) of the Act
VI. Currency Conversion
VII. Recommendation

[FR Doc. 2022–14481 Filed 7–6–22; 8:45 am]

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[9] *See Final Modification,* 77 FR at 8103.

[10] For a full discussion of this practice, *see Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties,* 76 FR 65694 (October 24, 2011).

[11] *See* 19 CFR 351.309(c)(1)(ii).

[12] *See* 19 CFR 351.309(d)(1) and (2); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

[13] *See* 19 CFR 351.309(c) and (d); *see also* 19 CFR 351.303 (for general filing requirements).

[14] *See* generally 19 CFR 351.303.

[15] *See* 19 CFR 351.303(f).

[16] *See Temporary Rule.*

DEPARTMENT OF COMMERCE

International Trade Administration

Civil Nuclear Trade Advisory Committee

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Notice of a partially closed federal advisory committee meeting.

SUMMARY: This notice sets forth the schedule and proposed agenda for a partially closed meeting of the Civil Nuclear Trade Advisory Committee (CINTAC).

DATES: The meeting is scheduled for Thursday, August 4, 2022, from 10:00 a.m. to 3:00 p.m. Eastern Daylight Time (EDT). The deadline for members of the public to register to participate, including requests to make comments during the meeting and for auxiliary aids, or to submit written comments for dissemination prior to the meeting, is 5:00 p.m. EDT on Friday, July 29, 2022.

ADDRESSES: The meeting will be held virtually via Microsoft Teams. Requests to register to participate (including to speak or for auxiliary aids) and any written comments should be submitted via email to Mr. Jonathan Chesebro, Office of Energy & Environmental Industries, International Trade Administration, at *jonathan.chesebro@trade.gov.*

FOR FURTHER INFORMATION CONTACT: Mr. Jonathan Chesebro, Office of Energy & Environmental Industries, International Trade Administration (Phone: 202–482–1297; email: *jonathan.chesebro@trade.gov*).

SUPPLEMENTARY INFORMATION:

Background: The CINTAC was established under the discretionary authority of the Secretary of Commerce and in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. app.), in response to an identified need for consensus advice from U.S. industry to the U.S. Government regarding the development and administration of programs to expand United States exports of civil nuclear goods and services in accordance with applicable U.S. laws and regulations, including advice on how U.S. civil nuclear goods and services export policies, programs, and activities will affect the U.S. civil nuclear industry's competitiveness and ability to participate in the international market.

The Department of Commerce renewed the CINTAC charter on August 5, 2020. This meeting is being convened under the seventh charter of the CINTAC.

Topics to be considered: The agenda for the CINTAC meeting on Thursday, August 4, 2022, is as follows:

Closed Session (10:00 a.m.–1:00 p.m.)—Discussion of matters determined to be exempt from the provisions of the Federal Advisory Committee Act relating to public meetings found in 5 U.S.C. app. (10)(a)(1) and 10(a)(3). The session will be closed to the public pursuant to Section 10(d) of FACA as amended by Section 5(c) of the Government in Sunshine Act, Public Law 94–409, and in accordance with Section 552b(c)(4) and Section 552b(c)(9)(B) of Title 5, United States Code, which authorize closure of meetings that are ''likely to disclose trade secrets and commercial or financial information obtained from a person and privileged or confidential'' and ''likely to significantly frustrate implementation of a proposed agency action,'' respectively. The part of the meeting that will be closed will address (1) nuclear cooperation agreements; (2) encouraging ratification of the Convention on Supplementary Compensation for Nuclear Damage; and (3) identification of specific trade barriers impacting the U.S. civil nuclear industry.

Public Session (1:00 p.m.–3:00 p.m.)—Discuss work of the subcommittees, review of deliberative recommendations, and opportunity to hear from members of the public. Members of the public wishing to attend the public session of the meeting must notify Mr. Chesebro at the contact information above by 5:00 p.m. EDT on Friday, July 29, 2022 in order to pre-register to participate. Please specify any requests for reasonable accommodation at least five business days in advance of the meeting. Last minute requests will be accepted but may not be possible to fill. A limited amount of time will be available for brief oral comments from members of the public attending the meeting. To accommodate as many speakers as possible, the time for public comments will be limited to two (2) minutes per person, with a total public comment period of 30 minutes. Individuals wishing to reserve speaking time during the meeting must contact Mr. Chesebro and submit a brief statement of the general nature of the comments and the name and address of the proposed participant by 5:00 p.m. EDT on Friday, July 29, 2022. If the number of registrants requesting to make statements is greater than can be reasonably accommodated during the meeting, the International Trade Administration may conduct a lottery to determine the speakers.

Any member of the public may submit written comments concerning the CINTAC's affairs at any time before or after the meeting. Comments may be submitted to Mr. Jonathan Chesebro at *Jonathan.chesebro@trade.gov.* For consideration during the meeting, and to ensure transmission to the Committee prior to the meeting, comments must be received no later than 5:00 p.m. EDT on Friday, July 29, 2022. Comments received after that date will be distributed to the members but may not be considered at the meeting.

Copies of CINTAC meeting minutes will be available within 90 days of the meeting.

Dated: July 1, 2022.

Man K. Cho,

Deputy Director, Office of Energy and Environmental Industries.

[FR Doc. 2022–14485 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–836]

Certain Cut-to-Length Carbon-Quality Steel Plate Products From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that the producers/exporters subject to this review made sales of subject merchandise at less than normal value during the period of review (POR) February 1, 2020, through January 31, 2021.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Andre Gziryan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–2201.

SUPPLEMENTARY INFORMATION:

Background

On March 1, 2022, Commerce published the *Preliminary Results* of the 2020–2021 administrative review of the antidumping duty order on certain cut-to-length carbon-quality steel plate products (CTL plate) from the Republic of Korea (Korea).[1] For a complete description of the events that occurred since the *Preliminary Results, see* the Issues and Decision Memorandum.[2]

Scope of the Order [3]

The products covered by the *Order* are certain CTL plate from Korea. For a full description of the scope of the *Order, see* the Issues and Decision Memorandum.

[1] *See Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,* 87 FR 11410 (March 1, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

[2] *See* Memorandum, ''Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Issues and Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review; 2020–2021,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[3] *See Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products from France, India, Indonesia, Italy, Japan and the Republic of Korea,* 65 FR 6585 (February 10, 2000) (*Order*).

Analysis of Comments Received

All issues raised in the parties' case and rebuttal briefs in this administrative review are addressed in the Issues and Decision Memorandum and are listed 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 accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Changes Since the Preliminary Results

Based on a review of the record and the comments received from interested parties regarding our *Preliminary Results,* and for the reasons explained in the Issues and Decision Memorandum, we did not make changes to the preliminary calculation of the weighted-average dumping margin for the sole mandatory respondent, Hyundai Steel Company (Hyundai Steel), and the margin assigned to the non-selected respondents.

Final Results of the Review

Commerce determines that the following weighted-average dumping margins exist for the period February 1, 2020, through January 31, 2021:

Producer/ exporter	Weighted-average dumping margin (percent)
Hyundai Steel Company	6.09
Rate Applicable to the Following Non-Selected Companies:	
Dongkuk Steel Mill Co., Ltd	6.09
BDP International	6.09
Sung Jin Steel Co., Ltd	6.09

Disclosure

Normally, Commerce discloses to the parties in a proceeding the calculations performed in connection with the final results of review within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final results in the **Federal Register**.[4] However, because Commerce made no adjustments to the margin calculation methodology used in the *Preliminary Results,* there are no revised calculations to disclose for the final results of review.

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act, and 19 CFR 351.212(b)(1), Commerce intends to determine, and U.S. Customs and Border Protections (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Pursuant to 19 CFR 351.212(b)(1), for Hyundai Steel, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of the sales in accordance with 19 CFR 351.212(b)(1). Where an importer-specific assessment rate is *de minimis* (*i.e.,* less than 0.5 percent), the entries by that importer will be liquidated without reference to antidumping duties.

For all non-selected respondents subject to this review, we will instruct CBP to liquidate all entries of subject merchandise that entered the United States during the POR at the rates calculated for Hyundai Steel listed above.

For entries of subject merchandise during the POR produced by Hyundai Steel for which it did not know its merchandise was destined for the United States, we intend to instruct CBP to liquidate such entries at the all-others rate if there is no rate for the intermediate company or companies involved in the transaction.

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

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of CTL plate from Korea entered, or withdrawn from warehouse, for consumption on or after the publication of the notice of final results of this administrative review in the **Federal Register**, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for companies subject to this review will be equal to the weighted-average dumping margins established in the final results of this administrative review; (2) for merchandise exported by companies not covered in this review but covered in the most recently completed segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation but the producer is, then the cash deposit rate will be the company-specific rate established for the most recently completed segment for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 0.98 percent,[5] the all-others rate established in the LTFV investigation, adjusted for the export subsidy rate in the companion countervailing duty investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Commerce's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

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

Notification to Interested Parties

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

[4] *See* 19 CFR 351.224(b).

[5] *See, e.g., Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2019–2020,* 86 FR 56889 (October 13, 2021).

Dated: June 29, 2022.

Ryan Majerus,

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 *Order*
IV. Discussion of the Issues
Comment 1: Whether Commerce Should Smooth Hyundai Steel's Costs
Comment 2: Whether Commerce Should Select Dongkuk Steel Mill Co., Ltd. (Dongkuk) as a Voluntary Respondent
V. Recommendation

[FR Doc. 2022–14423 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–980]

Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2019

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers/exporters of crystalline silicon photovoltaic cells, whether or not assembled into modules (solar cells), from the People's Republic of China (China) during the period of review (POR) January 1, 2019, through December 31, 2019. Commerce is also rescinding this review with respect to fifty-four companies that had no reviewable entries during the POR.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Robert Copyak, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3642.

SUPPLEMENTARY INFORMATION:

Background

On January 6, 2022, Commerce published the *Preliminary Results* of this administrative review.[1] On April 19, 2022, we extended the time limit for the final results.[2] On May 6, 2022, we issued a Post-Preliminary Results Analysis Memorandum, and we invited comments from interested parties on both the *Preliminary Results* and the Post-Preliminary Analysis Memorandum.[3] We received timely case briefs from the following interested parties: (1) mandatory respondent JA Solar Technology Yangzhou Co., Ltd. (JA Solar);[4] (2) the Government of China (GOC);[5] (3) domestic interested party the American Alliance for Solar Manufacturing (the Alliance);[6] and (4) mandatory respondent Risen Energy Co. Ltd. (Risen).[7] Trina Solar Co, Ltd. and seven of its cross-owned companies (collectively, Trina) filed a letter in lieu of case brief.[8] On May 25, 2022, we received timely rebuttal briefs from: (1) the Alliance,[9] (2) the GOC,[10] (3) Risen,[11] and (4) JA Solar.[12] On June 14, 2022, we conducted a public hearing.[13]

Scope of the Order

The products covered by the *Order* are solar cells from China.[14] For a full description of the scope of the *Order, see* the Issues and Decision Memorandum.[15]

Analysis of Comments Received

All issues raised in the interested parties' briefs are addressed in the Issues and Decision Memorandum. A list of topics discussed in the Issues and Decision Memorandum is provided in Appendix I 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 accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Changes Since the Preliminary Results

After evaluating the comments received from interested parties and record information, we made certain changes from the *Preliminary Results* regarding the calculations of Risen and JA Solar's program rates. These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each subsidy program found to be countervailable, Commerce finds that there is a subsidy, *i.e.,* a financial contribution from a government or public entity that gives rise to a benefit to the recipient, and that the subsidy is specific.[16] For a description of the methodology underlying all of Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to section 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

[1] *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2019,* 87 FR 748 (January 23, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

[2] *See* Memorandum, ''Extension of Time Limit for Final Results of Countervailing Duty Administrative Review,'' dated April 19, 2022.

[3] *See* Memorandum, ''Post-Preliminary Results Analysis Memorandum,'' dated May 6, 2022 (Post-Preliminary Results Analysis Memorandum), at 8.

[4] *See* JA Solar's Letter, ''Case Brief,'' dated May 16, 2022.

[5] *See* GOC's Letter, ''Case Brief,'' dated May 16, 2022.

[6] *See* The Alliance's Letter, ''Case Brief,'' dated May 16, 2022.

[7] *See* Risen's Letter, ''Case Brief-Resubmitted,'' dated June 2, 2022.

[8] *See* JA Trina's Letter, ''Letter in Lieu of Case Brief,'' dated May 16, 2022. These seven companies are: Trina Solar (Changzhou) Science and Technology Co., Ltd.; Yancheng Trina Guoneng Photovoltaic Technology Co., Ltd. (formerly Yancheng Trina Solar Energy Technology Co., Ltd.); Hubei Trina Solar Energy Co., Ltd., Turpin Trina Solar Energy Co., Ltd.; Trina Solar (Hefei) Science and Technology Co., Ltd.; Trina Solar Hezhong Photoelectric Co., Ltd.; and Changzhou Trina Solar Yabang Energy Co. Ltd.

[9] *See* The Alliance's Letter, ''Rebuttal Brief,'' dated May 25, 2022.

[10] *See* the GOC's Letter, ''Rebuttal Brief,'' dated May 25, 2022.

[11] *See* Risen's Letter, ''Rebuttal Brief,'' dated May 25, 2022.

[12] *See* JA Solar's Letter, ''Rebuttal Case Brief,'' dated May 25, 2022.

[13] *See* Commerce's Letter, ''Public Hearing Schedule,'' dated June 2, 2022; *see also* Transcript, ''Public Hearing,'' dated June 14, 2022.

[14] On December 7, 2012, the *Order* was published. *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Countervailing Duty Order,* 77 FR 73017 (December 7, 2012). On December 17, 2021, based on a changed circumstances review, the *Order* was amended. *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Final Results of Changed Circumstances Reviews, and Revocation of the Antidumping and Countervailing Duty Orders, in Part,* 86 FR 71615 (December 21, 2021) (*Order*).

[15] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results and Partial Recission of the Administrative Review of the Countervailing Duty Order on Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China; 2019,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

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

Partial Rescission of Administrative Review

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.[17] Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.[18] Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.[19]

We continue to find that fifty-four companies subject to this review did not have reviewable entries of subject merchandise for which liquidation is suspended. Because there is no evidence on the record to indicate that these companies had entries, exports, or sales of subject merchandise during the POR, we are rescinding this review with respect to these companies consistent with 19 CFR 351.213(d)(3). *See* Appendix III for a complete list of these companies.

Companies Not Selected for Individual Review

The Act and Commerce's regulations do not directly address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. Generally, Commerce looks to section 705(c)(5) of the Act, which provides instructions for determining the all-others rate in an investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Section 777A(e)(2) of the Act provides that ''the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.'' Under section 705(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely {on the basis of facts available}.''

For these final results, we calculated above *de minimis* rates for Risen and JA Solar. Therefore, for the remaining companies under review (*i.e.,* the companies for which we did not receive a timely request for withdrawal of review and which we are not finding to be cross-owned with the mandatory respondents), we calculated the all-others rate using a simple average of the individual subsidy rates calculated for the two mandatory respondents to be 15.75 percent *ad valorem. See* Appendix II for a complete list of these companies.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), Commerce calculated a countervailable subsidy rate for the two mandatory company respondents, Risen and JA Solar.

We determine that, for the period January 1, 2019, through December 31, 2019, the following net countervailable subsidy rates exist:

Producer/exporter	Subsidy rate (percent *ad valorem*)
JA Solar Technology Yangzhou Co., Ltd. (JA Solar)[20]	18.58
Risen Energy Co., Ltd.[21]	12.92
Non-Selected Companies[22]	15.75

Disclosure

Commerce will disclose to the parties in this proceeding the calculations performed for these final results within five days of the date of publication of this notice in the **Federal Register**.[23]

Assessment Rates

Pursuant to sections 751(a)(1) and (a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

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

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated

[17] *See, e.g., Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015,* 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2017,* 84 FR 14650 (April 11, 2019).

[18] *See* 19 CFR 351.212(b)(2).

[19] *See* 19 CFR 351.213(d)(3).

[20] JA Solar is cross-owned with the following 35 companies: (1) Shanghai JA Solar Technology Co., Ltd. (JA Shanghai); (2) JA (Hefei) Renewable Energy Co., Ltd. (Hefei Renewable); (3) Hefei JA Solar Technology Co., Ltd. (JA Hefei); (4) JA Solar Investment China Co., Ltd. (J A Investment); (5) JA Solar Technology Yangzhou Co., Ltd. (JA Solar); (6) Jing Hai Yang Semiconductor Material (Donghai) Co., Ltd. (Jing Hai Yang); (7) Donghai JingAo Solar Energy Science and Technology Co., Ltd. (JA Donghai); (8) Solar Silicon Valley Electronic Science and Technology Co., Ltd. (Solar Silicon Valley); (9) Beijing Jinfeng Investment Co., Ltd. (Beijing Jinfeng); (10) JingAo Solar Co., Ltd. (JingAo Solar); (11) Ningjin Songgong Electronic Materials Co., Ltd. (Songgong Electronic Materials); (12) Jinglong Industry and Commerce Group Co., Ltd. (Jinglong Group); (13) Ningjin County Jingyuan New Energy Investment Co., Ltd. (Ningjin Jingyuan); (14) Hebei Jinglong New Materials Technology Group Co., Ltd. (Jinglong New Materials); (15) Hebei Jinglong Sun Equipment Co. Ltd. (Hebei Jinglong); (16) Hebei Jingle Optoelectronic Technology Co., Ltd. (Hebei Jingle); (17) Ningjin Jingxing Electronic Material Co., Ltd. (Ningjin Jingxing); (18) Ningjin Saimei Ganglong Electronic Materials Co., Ltd. (Saimei Ganglong); (19) Hebei Ningtong Electronic Materials Co., Ltd. (Hebei Ningtong); (20) JA Solar (Xingtai) Co., Ltd. (JA Xingtai); (21) Xingtai Jinglong Electronic Material Co., Ltd. (Jinglong Electronic Materials); (22) Xingtai Jinglong PV Materials Co., Ltd. (Jinglong PV Materials); (23) JA PV Technology Co., Ltd. (PV Technology); (24) Ningjin Jinglong PV Industry Investment Co., Ltd. (Jinglong PV Investment); (25) Baotou JA Solar Technology Co., Ltd. (JA Baotou); (26) Xingtai Jinglong New Energy Co., Ltd. (Jinglong New Energy); (27) Ningjin County Jing Tai Fu Technology Co., Ltd. (Jing Tai Fu); (28) JA Solar Technology Co., Ltd. (JA Technology); (29) Jinglong Technology Holdings Co., Ltd. (Jinglong Technology); (30) Ningjin Guiguang Electronics Investment Co., Ltd. (Ningjin Guiguang); (31) Ningjin Longxin Investment Co., Ltd. (Longxin Investment); (32) Beijing JA Solar PV Technology Co., Ltd. (JA Beijing); (33) Solar Silicon Peak Electronic Science and Technology Co., Ltd. (Solar Silicon Peak); (34) Jingwei Electronic Materials Co., Ltd.; and (35) Taicang Juren PV Material Co., Ltd. *See* the *Preliminary Results* PDM.

[21] Risen is cross-owned with the following 13 companies: (1) Risen Energy Co., Ltd. (Risen); (2) Risen (Luoyang) New Energy Co., Ltd.; (3) Risen (Wuhai) New Energy Co., Ltd.; (4) Risen Energy (Changzhou) Co., Ltd.; (5) Risen Energy (Yiwu) Co., Ltd.; (6) Zhejiang Boxin Investment Co., Ltd.; (7) Zhejiang Twinsel Electronic Technology Co., Ltd. (8) JiuJiang Shengchao Xinye Technology Co., Ltd. (including JiuJang Shengshao Xinye Technology Co., Ltd. Ruichang Branch); (9) Jiangsu Sveck New Material Co., Ltd.; (10) Changzhou Sveck Photovoltaic New Material Co., Ltd.; (11) (including Changzhou Sveck Photovoltaic New Material Co., Ltd. Jintan Danfeng Road Branch); (12) Changzhou Sveck New Material Technology Co., Ltd.; Ninghai Risen Energy Power Development Co., Ltd., and (13) Risen (Ningbo) Electric Power Development Co., Ltd. *See* the *Preliminary Results* PDM.

[22] *See* Appendix II of this notice for a list of all companies that remain under review but were not selected for individual examination, and to which Commerce has assigned the non-selected companies' rate.

[23] *See* 19 CFR 351.224(b).

countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR in accordance with 19 CFR 351.212(c)(l)(i).

Cash Deposit Instructions

In accordance with section 751(a)(1) and (a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposits, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a 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(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

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

Dated: June 29, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Rescission of the Administrative Review, in Part
V. Rate for Non-Selected Companies Under Review
VI. Use of Facts Available and Application of Adverse Inferences
VII. Changes Since the *Preliminary Results*
VIII. Subsidies Valuation Information
IX. Analysis of Programs
X. Discussion of Comments
Comment 1: Whether Commerce Should Apply Adverse Facts Available (AFA) to the Export Buyer's Credit Program (EBCP)
Comment 2: Whether the EBCP Should be Treated as an Export Program
Comment 3: Whether Input Producers of Solar Grade Polysilicon, Aluminum Extrusions, and Solar Glass are Authorities
Comment 4: Whether the Provision of Electricity for Less than Adequate Remuneration (LTAR) Program is Countervailable
Comment 5: Whether ''Other Subsidies'' are Countervailable
Comment 6: Whether Commerce Should Find that the Renminbi (RMB) is Not Undervalued
Comment 7: Whether Commerce Should Alter the Ocean Freight Benchmark Calculations
Comment 8: Whether Commerce Should Alter the Benchmark Calculations for the Provision of Solar Glass for LTAR Program
Comment 9: Whether Commerce Should Alter the Benchmark Calculations for the Provision of Aluminum Extrusions for LTAR Program
Comment 10: Whether Commerce Should Change the Inland Freight Values Used for the Benefit Calculations of the Provision of Solar Glass, Aluminum Extrusions, and Solar Grade Polysilicon for LTAR Programs
Comment 11: Whether Commerce Should Adjust the Benefit Calculations for the Other Subsidy Programs
Comment 12: Whether Commerce Should Exclude Risen's Other Business Revenue from Risen's Sales Denominators
Comment 13: Whether Commerce Should Tie Benefits from the Provision of International Ocean Shipping Services for LTAR Program to Specific Markets or Products
Comment 14: Whether the Provision of International Ocean Shipping Services for LTAR Program is Specific
Comment 15: Whether Commerce Should Apply AFA to Determine that Government of China (GOC0 Authorities Provided a Financial Contribution for All of the Respondents' Purchases Under the of International Ocean Shipping Services for LTAR Program
Comment 16: Whether Commerce Should Make Changes to the Calculations of JA Solar and Risen's Sales Denominators
Comment 17: Whether Commerce Should Make Changes to Its Land Benchmark Calculations
Comment 18: Whether Commerce Should Treat Benefits from JA Solar's Leases as Recurring and Revise the Benchmark Used for the Provision of Land for LTAR Program Benefit Calculations for Leases
Comment 19: Whether Commerce Should Determine that JA Solar is Creditworthy
Comment 20: Whether Commerce Should Revise its Determination on the Tax Exemptions Under the Article 26(2) of the Enterprise Income Tax Law Program
Comment 21: Whether Commerce Should Remove VAT from the Solar Glass Benchmark Used to Calculate the Benefit from the Provision of Solar Glass for LTAR to JA Shanghai
Comment 22: Whether Commerce Should Correct Certain Errors in JA Solar's Calculations
Comment 23: Whether Commerce Should Correct Certain Errors in Risen's Calculations
XI. Recommendation

Appendix II

Non-Selected Companies Under Review

1. Canadian Solar International Limited
2. Canadian Solar Manufacturing (Changshu) Inc.
3. Canadian Solar Manufacturing (Luoyang) Inc.
4. Chint Solar (Zhejiang) Co., Ltd.
5. CSI Cells Co., Ltd.
6. CSI–GCL Solar Manufacturing (Yancheng) Co., Ltd.
7. Hengdian Group DMEGC Magnetics Co., Ltd.
8. Jinko Solar Co., Ltd.
9. Jinko Solar Import and Export Co., Ltd.
10. LONGi Solar Technology Co., Ltd.
11. Suntech Power Co., Ltd.
12. Yingli Energy (China) Co., Ltd.

Appendix III

Intent To Rescind Review, In Part

1. Astronergy Co., Ltd.
2. Astronergy Solar
3. Baoding Jiasheng Photovoltaic Technology Co., Ltd.
4. Baoding Tianwei Yingli New Energy Resources Co., Ltd.
5. Boviet Solar Technology Co., Ltd.
6. BYD (Shangluo) Industrial Co., Ltd.
7. Chint New Energy Technology (Haining) Co., Ltd.
8. Chint Solar (Hong Kong) Company Limited
9. Chint Solar (Jiuquan) Co., Ltd.
10. CSI Modules (Dafeng) Co., Ltd.
11. DelSolar (Wujiang) Ltd.
12. DelSolar Co., Ltd.
13. De-Tech Trading Limited HK
14. Dongguan Sunworth Solar Energy Co., Ltd.
15. Eoplly New Energy Technology Co., Ltd.
16. ERA Solar Co., Ltd.
17. ET Solar Energy Limited
18. Fuzhou Sunmodo New Energy Equipment Co., Ltd.
19. GCL System Integration Technology Co. Ltd
20. Hainan Yingli New Energy Resources Co., Ltd.
21. Hangzhou Sunny Energy Science and Technology Co., Ltd.
22. Hengshui Yingli New Energy Resources Co., Ltd.
23. Jiangsu High Hope Int'l Group
24. Jinko Solar International Limited
25. JinkoSolar Technology (Haining) Co., Ltd.
26. LERRI Solar Technology Co., Ltd.
27. LightWay Green New Energy Co., Ltd.
28. Lixian Yingli New Energy Resources Co., Ltd.
29. Longi (HK) Trading Ltd.
30. Ningbo ETDZ Holdings, Ltd.
31. ReneSola Jiangsu Ltd.
32. Renesola Zhejiang Ltd.
33. Shenzhen Yingli New Energy Resources Co., Ltd.
34. Sumec Hardware & Tools Co., Ltd.
35. Sunpreme Solar Technology (Jiaxing) Co.,

Ltd.
36. Suntimes Technology Co., Limited
37. Systemes Versilis, Inc.
38. Taimax Technologies Inc.
39. Talesun Energy
40. Talesun Solar
41. tenKsolar (Shanghai) Co., Ltd.
42. Tianjin Yingli New Energy Resources Co., Ltd.
43. Tianneng Yingli New Energy Resources Co., Ltd.
44. Toenergy Technology Hangzhou Co., Ltd.
45. Yingli Green Energy International Trading Company Limited
46. Zhejiang ERA Solar Technology Co., Ltd.
47. Zhejiang Jinko Solar Co., Ltd.
48. Zhejiang Sunflower Light Energy Science & Technology Limited Liability Company
49. Trina Solar Co., Ltd. (formerly Changzhou Trina Solar Energy Co., Ltd.) [24]
50. Changzhou Trina Solar Yabang Energy Co., Ltd.
51. Trina Solar (Changzhou) Science and Technology Co., Ltd.
52. Turpan Trina Solar Energy Co., Ltd.
53. Hubei Trina Solar Energy Co., Ltd.
54. Yancheng Trina Solar Energy Technology Co., Ltd.

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[24] During the administrative review, this company was imprecisely referred to as Trina Solar Energy Co. Ltd. *See* Trina Solar's Letter, ''Letter in Lieu of Case Brief,'' dated May 16, 2022.

DEPARTMENT OF COMMERCE

International Trade Administration

[C–533–884]

Glycine From India: Preliminary Results and Rescission, in Part, of Countervailing Duty Administrative Review; 2020

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

SUMMARY: The U.S. Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on glycine from India for the period of review (POR) January 1, 2020, through December 31, 2020. Commerce preliminarily determines that countervailable subsidies are being provided to producers and exporters of glycine from India. In addition, we are also rescinding this review with regard to seven companies for which the request for review was timely withdrawn by interested parties. The preliminary net subsidy rates are listed below in the section titled ''Preliminary Results of Administrative Review.'' Interested parties are invited to comment on these preliminary results.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: George McMahon or Scarlet Jaldin AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1167 or (202) 482–4275, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 21, 2019, Commerce published in the **Federal Register** the CVD order on glycine from India.[1] On August 3, 2021, Commerce published a notice of initiation of administrative review of the *Order.*[2] On November 1, 2021, GEO Specialty Chemicals, Inc. (the petitioner),[3] timely withdrew its request for an administrative review of eight companies.[4] On February 25, 2022, Commerce extended the deadline for issuing the preliminary results of this review until June 22, 2022.[5] On June 6, 2022, Commerce extended the deadline for issuing the preliminary results of review until June 30, 2022.[6]

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[7] A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I 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/public/FRNoticesListLayout.aspx.*

[1] *See Glycine from India and the People's Republic of China: Countervailing Duty Orders,* 84 FR 29173 (June 21, 2019) (*Order*).

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 41821 (August 3, 2021) (*Initiation Notice*).

[3] In the CVD investigation, the Petition was submitted on behalf of GEO Specialty Chemicals, Inc. and Chattem Chemicals, Inc. In this review, we reference GEO Specialty Chemicals, Inc., a domestic glycine producer, as the petitioner.

[4] *See* Petitioner's Letter, ''Glycine from India (C–533–884): Partial Withdrawal of Request for Administrative Review,'' dated November 1, 2021 (Petitioner's Partial Withdrawal of Review Requests).

[5] *See* Memorandum, ''Countervailing Duty Administrative Review of Glycine from India, 2020: Extension of Deadline for the Preliminary Results,'' dated February 25, 2022.

[6] *See* Memorandum, ''Countervailing Duty Administrative Review of Glycine from India, 2020: Second Extension of Deadline for the Preliminary Results,'' dated June 6, 2022.

[7] *See* Memorandum, ''Countervailing Duty Administrative Review of Glycine from India, 2020: Preliminary Decision Memorandum,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Rescission, in Part, of Countervailing Duty Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation of the requested review. The petitioner timely submitted a withdrawal of its request to review eight companies [8] and no other interested party requested an administrative review of the following seven of the eight companies listed in the Petitioner's Partial Withdrawal of Review Requests: Mulji Mehta Enterprises; Mulji Mehta Pharma; Studio Disrupt; J.R. Corporation; Rudraa International; Rexisize Rasayan Industries; and Indiana Chem-Port. Paras Intermediates Private Ltd. (Paras) requested a review of its own entries [9] and did not withdraw its request for a review. As a result, the review of Paras, for which the petitioner and Paras requested a review, will not be rescinded. In accordance with 19 CFR 351.213(d)(1), and consistent with our practice,[10] we are rescinding the administrative review of the *Order,* in part, with respect to these seven companies, and continuing the administrative review with respect to Avid Organics Private Limited (Avid), Kumar Industries (Kumar), and Paras.

Scope of the Order

The merchandise covered by the *Order* is glycine from India. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we

[8] The eight companies for which the petitioner withdrew its request for review are Paras; Mulji Mehta Enterprises; Mulji Mehta Pharma; Studio Disrupt; J.R. Corporation; Rudraa International; Rexisize Rasayan Industries; and Indiana Chem-Port.

[9] Paras submitted a request for review with respect to itself. *See* Paras's Letter, ''Request for Countervailing Duty Administrative Review,'' dated June 28, 2021. Paras did not withdraw its request for review.

[10] *See, e.g., Certain New Pneumatic Off-The-Road Tires from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2016,* 83 FR 32080 (July 11, 2018).

preliminarily determine that there is a subsidy, *i.e.,* a financial contribution that gives rise to a benefit to the recipient, and the subsidy is specific.[11] For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

In January 4, 2022, the petitioner timely submitted new subsidy allegations regarding eight additional programs.[12] On February 9, 2022, Commerce requested additional information [13] from the petitioner regarding certain of its allegations, to which the petitioner responded on February 16, 2022.[14] On March 11, 2022, we initiated an investigation of four of the eight new subsidy programs alleged by the petitioner.[15] On March 14, 2022, Commerce issued new subsidy allegation questionnaires to the Government of India, Avid, and Kumar related to each of the programs on which it initiated a review.[16]

Company Not Selected for Individual Review

For the company not selected for individual review (*i.e.,* Paras), because the subsidy rates calculated for Avid and Kumar for these preliminary results of review are above *de minimis* and not based on facts available, we have preliminarily calculated a subsidy rate based on a weighted-average of the subsidy rates calculated for Avid and Kumar using publicly ranged sales data submitted by respondents.[17] This methodology for establishing the subsidy rate for the non-selected companies is consistent with our practice and with section 705(c)(5)(A) of the Act. For additional information, *see* the Preliminary Decision Memorandum.

Preliminary Results of Administrative Review

In accordance with 19 CFR 351.221(b)(4), we determine the following preliminary net countervailable subsidy rates for the period January 1, 2020, through December 31, 2020:

Company	Subsidy rate (percent *ad valorem*)
Avid Organics Private Limited [18]	3.00
Kumar Industries, India [19]	3.11
Paras Intermediates Private Ltd. [20]	3.06

Assessment Rates

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

For the companies for which we have rescinded this administrative review, *i.e.,* Mulji Mehta Enterprises, Mulji Mehta Pharma, Studio Disrupt, J.R. Corporation, Rudraa International, Rexisize Rasayan Industries and Indiana Chem-Port, CVDs shall be assessed at rates equal to the cash deposit of estimated CVDs required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated CVDs at the rates shown above for each of the companies listed above with regard to the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, Commerce will instruct CBP to continue to collect cash deposits of estimated CVDs at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties of this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results in the **Federal Register**.[21]

Interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days after the date of publication of this **Federal Register** notice, and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs.[22] Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[23] Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.[24]

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

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

[12] *See* Petitioner's Letter, ''Glycine from India: New Subsidy Allegation,'' dated January 4, 2022.

[13] *See* Commerce's Letter, ''Countervailing Duty Administrative Review of Glycine from India: New Subsidy Allegations Questionnaire,'' dated February 9, 2022.

[14] *See* Petitioner's Letter, ''Glycine from India (C–533–884): GEO's New Subsidy Allegations Questionnaire Responses,'' dated February 16, 2022.

[15] *See* Memorandum, ''Administrative Review of Countervailing Duty Order on Glycine from India; 2020, New Subsidy Allegations,'' dated March 11, 2021.

[16] *See* Commerce's Letters, ''Countervailing Duty Administrative Review of Glycine from India; 2020: Kumar New Subsidy Allegation Questionnaire,'' dated March 14, 2021; ''Countervailing Duty Administrative Review of Glycine from India; 2020: The Government of India New Subsidy Allegation Questionnaire,'' dated March 14, 2021; ''Countervailing Duty Administrative Review of Glycine from India; 2020: Avid New Subsidy Allegation Questionnaire,'' dated March 14, 2021.

[17] *See* Memorandum, ''Preliminary Results Calculation of Subsidy Rate for a Non-Selected Company Under Review,'' dated concurrently with this notice.

[18] *See* Memorandum, ''Preliminary Results of Administrative Review of Glycine from India; 2020: Calculation Memorandum for Avid Organics Private Limited,'' dated concurrently with this notice (Avid Preliminary Calculation Memorandum).

[19] In this review, we preliminarily determine that Kumar is cross-owned with Advance Chemical Corporation. *See* Preliminary Decision Memorandum and Kumar Preliminary Calculation Memorandum for further discussion. We note that the *Initiation Notice* includes ''Kumar Industries'' which we have determined is the same company previously examined, ''Kumar Industries, India.'' *See* Memorandum, ''Preliminary Results of Administrative Review of Glycine from India; 2020: Preliminary Calculation Memorandum for Kumar Industries India,'' dated concurrently with this notice (Kumar Preliminary Calculation Memorandum).

[20] *See* section ''Rescission, in Part, of Countervailing Duty Administrative Review,'' *supra; see also* Memorandum, ''Preliminary Results Calculation of Subsidy Rate for a Non-Selected Company Under Review,'' dated concurrently with this notice.

[21] *See* 19 CFR 351.224(b).

[22] *See* 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); *see also* 19 CFR 351.303 (for general filing requirements)).

[23] *See* 19 CFR 351.309(c)(2) and 351.309(d)(2).

[24] *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020).

and Compliance, within 30 days after the date of publication of this notice.[25] Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, whether any participant is a foreign national; and (3) a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.[26] If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.[27] Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time on the due date.

Commerce intends to issue the final results of this administrative review, including the result of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h), unless this deadline is extended.

Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213.

Dated: June 30, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Memorandum

I. Summary
II. Background
III. Period of Review
IV. Scope of the *Order*
V. Partial Rescission of Review
VI. Rate for Non-Examined Company
VII. Subsidies Valuation
VIII. Interest Rates, Discount Rates, and Benchmarks
IX. Analysis of Programs
X. Recommendation

[FR Doc. 2022–14489 Filed 7–6–22; 8:45 am]

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[25] *See* 19 CFR 351.310(c).

[26] *See* 19 CFR 351.310.

[27] *See* 19 CFR 351.310 (c).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–469–815]

Finished Carbon Steel Flanges From Spain: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that producers or exporters of finished carbon steel flanges (flanges) from Spain subject to this review made sales of subject merchandise at less than normal value during the period of review (POR) June 1, 2020, through May 31, 2021. We invite interested parties to comment on these preliminary results.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Carolyn Adie or Mark Flessner, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6250 or (202) 482–6312, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 2021, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), Commerce initiated an administrative review of the antidumping duty order on flanges from Spain.[1] This review covers eight producers and/or exporters of the subject merchandise: (1) ULMA Forja, S.Coop (ULMA); (2) Grupo Cunado; (3) Tubacero, S.L.; (4) Aleaciones De Metales Sinterizados S.A.; (5) Transglory S.A.; (6) Central Y Almacenes; (7) Friedrich Geldbach Gmbh; and (8) Farina Group Spain.[2] On December 1, 2021, we identified ULMA as the sole mandatory respondent in this review.[3] On February 15, 2022, we extended the deadline for the preliminary results by 120 days.[4] The deadline for the preliminary results of this administrative review is now June 30, 2022.

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.[5] 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/public/FRNoticesListLayout.aspx/.*

Scope of the Order[6]

The scope of the *Order* covers finished carbon steel flanges. Finished carbon steel flanges are currently classified under subheadings 7307.91.5010 and 7307.91.5050 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also be entered under HTSUS subheadings 7307.91.5030 and 7307.91.5070. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope is dispositive. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is included as the appendix to this notice.

Non-Individually Examined Companies

For the rate for non-selected respondents in an administrative review, generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation. Under section 735(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the estimated

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 41821 (August 3, 2021).

[2] *Id.*

[3] *See* Memorandum, ''Identification of Mandatory Respondent,'' dated December 1, 2021.

[4] *See* Memorandum, ''Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review, 2020–2021,'' dated February 15, 2022.

[5] *See* Memorandum, ''Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[6] *See Finished Carbon Steel Flanges from Spain: Antidumping Duty Order,* 82 FR 27229 (June 14, 2017) (*Order*).

weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.'' We preliminarily calculated a margin for ULMA that was not zero, *de minimis,* or based on facts available. Accordingly, we have preliminarily applied the margin calculated for ULMA to the non-individually examined respondents.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margins exist for the period June 1, 2020, through May 31, 2021:

Exporter/producer	Weighted-average dumping margin (percent)
ULMA Forja, S.Coop	9.20
Aleaciones De Metales Sinterizados S.A	9.20
Central Y Almacenes	9.20
Farina Group Spain	9.20
Friedrich Geldbach Gmbh	9.20
Grupo Cunado	9.20
Transglory S.A	9.20
Tubacero, S.L	9.20

Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results to the parties within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.[7] Rebuttal briefs may be filed no later than seven days after case briefs are due and may respond only to arguments raised in the case briefs.[8] Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[9] Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.[10]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.[11] Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs.

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results of review, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rate

Upon issuance of the final results, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.[12] Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise under review and for future deposits of estimated duties, where applicable. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Pursuant to 19 CFR 351.212(b)(1), where an examined respondent's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent), we will calculate an importer-specific *ad valorem* duty assessment rate based on the ratio of the total amount of dumping calculated for the U.S. sales for a given importer to the total entered value of those sales. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific assessment rate is zero or de minimis, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For entries of subject merchandise during the POR produced by ULMA for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.[13]

Cash Deposit Requirements

The following deposit requirements for estimated antidumping duties will be effective upon publication of the notice of final results of this review for all shipments of flanges from Spain entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for the companies under review will be the rate established in the final results of the review (except, if the rate is zero or *de minimis,* no cash deposit will be required); (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation but the producer is, the cash deposit rate will be the rate established for the most recent period for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 18.81 percent,[14] the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance

[7] *See* 19 CFR 351.309(c)(ii).

[8] *See* 19 CFR 351.309(d).

[9] *See* 19 CFR 351.309(c)(2) and (d)(2).

[10] *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020).

[11] *See* 19 CFR 351.310(c).

[12] *See* 19 CFR 351.212(b)(1).

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

[14] *See Order,* 82 FR at 27229.

with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

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

Dated: June 30, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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

[FR Doc. 2022–14418 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–044]

1,1,1,2-Tetrafluoroethane (R–134a) From the People's Republic of China: Final Results of the First Expedited Sunset Review of the Antidumping Duty Order

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

SUMMARY: As a result of this first expedited sunset review, the U.S. Department of Commerce (Commerce) finds that revoking the antidumping duty (AD) order on 1,1,1,2-Tetrafluoroethane (R–134a) from the People's Republic of China (China) would likely lead to continuation or recurrence of dumping at the level indicated in the ''Final Results of First Sunset Review'' section of this notice.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Katherine Sliney, 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) 482–2437.

SUPPLEMENTARY INFORMATION:

Background

On March 1, 2022, Commerce published the notice of initiation of the first sunset review of the AD order on R–134a from China,[1] pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] Commerce received a notice of intent to participate from the American HFC Coalition and its individual members (*i.e.,* Arkema Inc., The Chemours Company FC LLC, Honeywell International Inc., and Mexichem Fluor Inc (collectively, the domestic interested party), within the deadline specified in 19 CFR 351.218(d)(1)(i).[3] The domestic interested party claimed interested party status under section 771(9)(C) of the Act, as a coalition of domestic manufacturers and producers of R–134a in the United States.

Commerce received a substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).[4] We received no substantive response from any other interested parties in this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The merchandise covered by the order is 1,1,1,2-Tetrafluoroethane, R–134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-Tetrafluoroethane is CF3–CH2 F, and the Chemical Abstracts Service (CAS) registry number is CAS 811–97–2.[5]

Merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2903.45.1000. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

Analysis of Comments Received

All issues raised in this sunset review 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 the topics discussed in the Issues and Decision Memorandum is included as the appendix to this notice. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(c) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping and that the magnitude of the margins of dumping likely to prevail is up to 167.02 percent.

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. 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 the final results and this notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218(e)(1)(ii)(C)(2) and 19 CFR 351.221(c)(5)(ii).

Dated: June 29, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary

[1] *See 1,1,1,2 Tetrafluoroethane (R–134a) from the People's Republic of China: Antidumping Duty Order,* 82 FR 18422 (April 19, 2017) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 87 FR 11416 (March 1, 2022).

[3] *See* Domestic Interested Party's Letter, ''Five-Year (''Sunset'') Review of Antidumping Duty Order on 1,1,1,2- Tetrafluoroethane (R–134a) from China: Notice of Intent to Participate,'' dated March 16, 2022.

[4] *See* Domestic Interested Party's Letter, ''Five-Year (''Sunset'') Review of Antidumping Duty Order on 1,1,1,2- Tetrafluoroethane (R–134a) from China: Substantive Response to Notice of Initiation of Five-Year (Sunset) Review of the Antidumping Duty Order,'' dated March 31, 2022 (Substantive Response).

[5] 1,1,1,2-Tetrafluoroethane is sold under a number of trade names including Klea 134a and Zephex 134a (Mexichem Fluor); Genetron 134a (Honeywell); FreonTM 134a, Suva 134a, Dymel 134a, and Dymel P134a (Chemours); Solkane 134a (Solvay); and Forane 134a (Arkema). Generically, 1,1,1,2-Tetrafluoroethane has been sold as Fluorocarbon 134a, R–134a, HFC–134a, HF A–134a, Refrigerant 134a, and UN3159.

[6] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the First Sunset Expedited Review of the Antidumping Duty Order on 1,1,1,2-Tetrafluoroethane (R–134a) from China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Dumping Margins Likely to Prevail
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2022–14424 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–873]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel From India: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from India was sold in the United States at less than normal value (NV) during the period of review (POR) of June 1, 2020, through May 31, 2021.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Alexis Cherry or Samantha Kinney, 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) 482–0607 or (202) 482–2285, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 11, 2018, Commerce published the antidumping duty (AD) order on cold-drawn mechanical tubing from India.[1] On August 3, 2021, in accordance with 19 CFR 351.221(c)(i), Commerce initiated an administrative review of the *Order,* covering one producer/exporter, Tube Products of India, Ltd., a unit of Tube Investments of India Limited (collectively, TII).[2]

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), on February 14, 2022, Commerce determined that it was not practicable to complete the preliminary results of this review within 245 days and extended the deadline for the preliminary results of this review until June 30, 2022.[3]

For a detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[4] The Preliminary Decision Memorandum is a public document and is available via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *http://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The merchandise covered by the *Order* is cold-drawn mechanical tubing from India. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a) of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

Preliminary Results

We preliminarily determine the following weighted-average dumping margin for the period June 1, 2020, through May 31, 2021:

Exporter/producer	Weighted-average dumping margin (percent)
Tube Products of India, Ltd., a unit of Tube Investments of India Limited	17.31

Verification

On November 11, 2021, the petitioners, PTC Alliance Corp., Webco Industries, Inc., and Zekelman Industries, requested that Commerce conduct verification of TII's responses. Accordingly, as provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon in making its final results of the review.

Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results of review to interested parties with an Administrative Protective Order within five days of the date of public announcement of the preliminary results in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to Commerce. A timeline for the submission of case briefs and written comments will be provided to interested parties at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.[5] Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[6] Case and rebuttal briefs should be filed using ACCESS.[7]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically via ACCESS, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name,

[1] *See Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China, the Federal Republic of Germany, India, Italy, the Republic of Korea, and Switzerland: Antidumping Duty Orders; and Amended Final Determinations of Sales at Less Than Fair Value for the People's Republic of China and Switzerland,* 83 FR 26962 (June 11, 2018); *see also Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Notice of Court Decision Not in Harmony With Final Determination of Sales at Less Than Fair Value; Notice of Amended Final Determination Pursuant to Court Decision; and Notice of Revocation of Antidumping Duty Order, in part,* 85 FR 31742 (May 27, 2020); *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Notice of Second Amended Final Determination; Notice of Amended Order; Notice of Resumption of First and Reinitiation of Second Antidumping Duty Administrative Reviews; Notice of Opportunity for Withdrawal; and Notice of Assessment in Third Antidumping Duty Administrative Review,* 86 FR 74069 (December 29, 2021) (collectively, *Order*).

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 41821 (August 3, 2021) (*Initiation Notice*).

[3] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,'' dated February 14, 2022.

[4] *See* Memorandum, ''Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[5] *See* 19 CFR 351.309(d)(1) and (2); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19,*85 FR 17006 (March 26, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

[6] *See* 19 CFR 351.309(c)(2) and (d)(2).

[7] *See* 19 CFR 351.303(f).

address, and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold a hearing at a time and date to be determined.[8] Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time on the date that the document is due. Commerce has modified certain of its requirements for serving documents containing business proprietary information until further notice.[9]

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless this deadline is extended.[10]

Assessment Rates

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

If TII's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent) in the final results of this review, Commerce intends to calculate an importer-specific assessment rate based on the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1). Where we do not have entered values for all U.S. sales to a particular importer/customer, we will calculate a per-unit assessment rate by aggregating the antidumping duties due for all U.S. sales to that importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).[11] We intend to instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.,* 0.50 percent). To determine whether the duty assessment rates are *de minimis,* in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculate importer (or customer) specific *ad valorem* ratios based on the estimated entered value. Where either a respondent's weighted-average dumping margin is zero or *de minimis,* or an importer- (or customer-) specific *ad valorem* rate is zero or *de minimis,* in the final results of review, we intend to instruct CBP to liquidate the appropriate entries without regard to antidumping duties.[12]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by TII 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 in the original less-than-fair-value (LTFV) investigation.[13] if there is no rate for the intermediate company(ies) involved in the transaction.[14]

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for TII will be that established in the final results of this administrative 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 companies not participating in this review, the cash deposit 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, a prior review, or the underlying investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.87 percent, the all-others rate established in the LTFV investigation.[15] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Notification to Interested Parties

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

Dated: June 29, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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

[FR Doc. 2022–14425 Filed 7–6–22; 8:45 am]

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[8] *See* 19 CFR 351.310(d).

[9] *See Temporary Rule.*

[10] *See* section 751(a)(3)(A) of the Act; and 19 CFR 351.213(h).

[11] *See* 19 CFR 351.212(b)(1).

[12] *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 8103 (February 14, 2012).

[13] *See Order,* 83 FR at 26965.

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

[15] *See Order,* 83 FR at 26965.

DEPARTMENT OF COMMERCE

International Trade Administration

Civil Nuclear Trade Advisory Committee

AGENCY: International Trade Administration, U.S. Department of Commerce.

ACTION: Notice of an open meeting.

SUMMARY: This notice sets forth the schedule and proposed topics for a meeting of the Civil Nuclear Trade Advisory Committee (CINTAC).

DATES: The meeting is scheduled for Thursday, July 14, 2022 from 11:00 a.m. to 4:00 p.m. Eastern Daylight Time (EDT). The deadline for members of the public to register to participate, including requests to make comments during the meeting and for auxiliary aids, or to submit written comments for dissemination prior to the meeting, is 5:00 p.m. EDT on Monday, July 11, 2022.

ADDRESSES: The meeting will be held virtually via Microsoft Teams. Requests to register to participate (including to speak or for auxiliary aids) and any written comments should be submitted via email to Mr. Jonathan Chesebro, Office of Energy & Environmental Industries, International Trade Administration, at *jonathan.chesebro@trade.gov.*

FOR FURTHER INFORMATION CONTACT: Mr. Jonathan Chesebro, Office of Energy & Environmental Industries, International Trade Administration (Phone: 202–482–1297; email: *jonathan.chesebro@trade.gov*).

SUPPLEMENTARY INFORMATION:

Background: The CINTAC was established under the discretionary authority of the Secretary of Commerce and in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. App.), in response to an identified need for consensus advice from U.S. industry to the U.S. Government regarding the development and administration of programs to expand United States exports of civil nuclear goods and services in accordance with applicable U.S. laws and regulations, including advice on how U.S. civil nuclear goods and services export policies, programs, and activities will affect the U.S. civil nuclear industry's competitiveness and ability to participate in the international market.

The Department of Commerce renewed the CINTAC charter on August 5, 2020. This meeting is being convened under the seventh charter of the CINTAC.

On July 14, 2022 the CINTAC will hold the tenth meeting of its current charter term. The Committee, with officials from the U.S. Department of Commerce and other agencies, will discuss major issues affecting the competitiveness of the U.S. civil nuclear energy industry and discuss a proposed recommendation on civil nuclear financing. An agenda will be made available by July 11, 2022 upon request to Mr. Jonathan Chesebro.

Members of the public wishing to attend the public session of the meeting must notify Mr. Chesebro at the contact information above by 5:00 p.m. EDT on Monday, July 11, 2022 in order to pre-register to participate. Please specify any requests for reasonable accommodation at least five business days in advance of the meeting. Last minute requests will be accepted but may not be possible to fill. A limited amount of time will be available for brief oral comments from members of the public attending the meeting. To accommodate as many speakers as possible, the time for public comments will be limited to two (2) minutes per person, with a total public comment period of 30 minutes. Individuals wishing to reserve speaking time during the meeting must contact Mr. Chesebro and submit a brief statement of the general nature of the comments and the name and address of the proposed participant by 5:00 p.m. EDT on Monday, July 11, 2022. If the number of registrants requesting to make statements is greater than can be reasonably accommodated during the meeting, the International Trade Administration may conduct a lottery to determine the speakers.

Any member of the public may submit written comments concerning the CINTAC's affairs at any time before or after the meeting. Comments may be submitted to Mr. Jonathan Chesebro at *Jonathan.chesebro@trade.gov.* For consideration during the meeting, and to ensure transmission to the Committee prior to the meeting, comments must be received no later than 5:00 p.m. EDT on Monday, July 11, 2022. Comments received after that date will be distributed to the members but may not be considered at the meeting.

Copies of CINTAC meeting minutes will be available within 90 days of the meeting.

Dated: July 1, 2022.

Man K. Cho,

Deputy Director, Office of Energy and Environmental Industries.

[FR Doc. 2022–14486 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DR–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–968]

Aluminum Extrusions From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order

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

SUMMARY: As a result of this expedited sunset review, the Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on aluminum extrusions from the People's Republic of China (China) would likely lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Effective July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Frank Schmitt, Office VI, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4880.

SUPPLEMENTARY INFORMATION:

Background

On March 1, 2022, Commerce initiated the second sunset review of the *Order,*[1] pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] On March 15, 2022, Commerce received a notice of intent to participate, within the 15-day deadline specified in 19 CFR 351.218(d)(1)(i), from the Aluminum Extrusions Fair Trade Committee and its constituent producers of aluminum extrusions (the petitioner).[3] The petitioner claimed interested party status under section 771(9)(E) (covering trade and business associations) and individually under section 771(9)(C) (covering manufacturers, producers, and wholesalers) of the Act, respectively.

Commerce received an adequate substantive response from the petitioner within the 30-day deadline specified in

[1] *See Aluminum Extrusions from the People's Republic of China: Countervailing Duty Order,* 76 FR 30653 (May 26, 2011) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 87 FR 11416 (March 1, 2022).

[3] *See* Petitioner's Letter, ''Aluminum Extrusions from the People's Republic of China: Notice of Intent to Participate in Sunset Review,'' dated March 15, 2022.

19 CFR 351.218(d)(3)(i).[4] On April 20, 2022, Commerce notified the U.S. International Trade Commission that we did not receive a substantive response from the Government of China or any respondent interested party to the proceeding.[5] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(l)(ii)(B)(2) and (C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The merchandise covered by the *Order* is aluminum extrusions. For a complete description of the scope of the *Order, see* Issues and Decision Memorandum.[6]

Analysis of Comments Received

All issues raised in this review are addressed in the accompanying Issues and Decision Memorandum.[7] The issues discussed in the Issues and Decision Memorandum are listed 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 accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b)(1) of the Act, we determine that revocation of the *Order* would be likely to lead to continuation or recurrence of a net countervailable subsidy at the rates listed below:

Producer/exporter	Net countervailable subsidy rate (percent)
Dragonluxe Limited	374.15
Foshan Guangcheng Aluminum Co., Ltd., Guang Ya Aluminum Industries Co. Ltd., Guang Ya Aluminum Industries Hong Kong, and Yongji Guanghai Aluminum Industry Co., Ltd	12.04
Kong Ah International Company Limited	25.82 [8]
Karlton Aluminum Company Ltd., Zhaoqing New Zhongya Aluminum Co., Ltd., Zhongya Shaped Aluminum HK Holding Ltd	20.18
Liaoyang Zhongwang Aluminum Profile Co. Ltd./Liaoning Zhongwang Group	374.15
Miland Luck Limited	374.15
All Others	22.96

Notification Regarding Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to 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 return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results and this notice in accordance with sections 751(c), 752(b), 777(i)(1) of the Act, and 19 CFR 351.218(e)(1)(ii)(C)(2) and 351.221(c)(5)(ii).

Dated: June 29, 2022.

Ryan Majerus,

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 *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
  2. Net Countervailable Subsidy Rate Likely to Prevail
  3. Nature of the Subsidies
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2022–14488 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Internatonal Trade Administration

[A–580–885]

Phosphor Copper From the Republic of Korea: Final Results of the First Expedited Sunset Review of the Antidumping Duty Order

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

SUMMARY: As a result of this expedited sunset review, the U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on phosphor copper from the Republic of Korea (Korea) would be likely to lead to continuation or recurrence of dumping at levels identified in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska, AD/CVD Operations,

[4] *See* Petitioner's Letter, ''Aluminum Extrusions from the People's Republic of China: Substantive Response to Notice of Initiation of Sunset Review,'' dated March 30, 2022 (Substantive Response).

[5] *See* Commerce's Letter to U.S. International Trade Commission, ''Sunset Reviews Initiated on March 1, 2022,'' dated April 20, 2022.

[6] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the 2022 Expedited Sunset Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[7] *Id.*

[8] *See Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination,* 76 FR 18521 (April 4, 2011) (*Final Determination*); *see also Aluminum Extrusions from the People's Republic of China: Amended Final Results of Countervailing Duty Administrative Review; 2013,* 80 FR 77325 (March 22, 2016) (*Final Results 2013 Review*). Kong Ah International Company Limited was included among the cross-owned companies comprising the Gyang Ya Group in the *Final Determination.* However, other members of the Gyang Ya Group were subsequently reviewed as mandatory respondents in the *Final Results 2013 Review,* while Kong Ah International Company Limited was not. Therefore, the rates for the additional programs found to be countervailable for the individually examined Guang Ya Group Companies in the *Final Results 2013 Review* are not the rates for Kong Ah International Company Limited. Rather, for additional programs found to be countervailable in the *Final Results 2013 Review,* we have used the average of the rates of the companies individually examined.

Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482- 8362.

SUPPLEMENTARY INFORMATION:

Background

On April 24, 2017, Commerce published the AD order on phosphor copper from Korea.[1] On March 1, 2022, Commerce published the *Initiation Notice* of the first sunset review of the *Order,* pursuant to section 751(c)(2) of the Tariff Act of 1930, as amended (the Act).[2] On March 8, 2022, Commerce received a notice of intent to participate in the sunset review from Metallurgical Products Company (the domestic interested party), filed in proper form, within the deadline specified in 19 CFR 351.218(d)(1)(i).[3] The domestic interested party claimed interested party status pursuant to section 771(9)(C) of the Act as a manufacturer in the United States of the domestic like product.[4]

On March 24, 2022, the domestic interested party filed a complete substantive response within the deadline specified in 19 CFR 351.218(d)(3)(i).[5] Commerce did not receive a substantive response from any respondent interested party with respect to this proceeding. Further, no hearing was requested. On April 20, 2022, Commerce notified the U.S. International Trade Commission of the lack of a substantive response.[6] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The merchandise covered by the *Order* is master alloys[7] of copper containing between five percent and 17 percent phosphorus by nominal weight, regardless of form (including but not limited to shot, pellet, waffle, ingot, or nugget), and regardless of size or weight. Subject merchandise consists predominantly of copper (by weight), and may contain other elements, including but not limited to iron (Fe), lead (Pb), or tin (Sn), in small amounts (up to one percent by nominal weight). Phosphor copper is frequently produced to JIS H2501 and ASTM B–644, Alloy 3A standards or higher; however, merchandise covered by the order includes all phosphor copper, regardless of whether the merchandise meets, fails to meet, or exceeds these standards.

Merchandise covered by the *Order* is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7405.00.1000. This HTSUS subheading is provided for convenience and customs purposes; the written description of the scope of the *Order* is dispositive.

Analysis of Comments Received

All issues raised in this sunset review are addressed in the accompanying Issues and Decision Memorandum.[8] A list of the topics discussed in the Issues and Decision Memorandum is attached as 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 accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the weighted-average dumping margin likely to prevail is up to 8.43 percent.

Administrative Protective Order

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

Notification to Interested Parties

We are issuing and publishing these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.221(c)(5)(ii).

Dated: June 29, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

I. Summary
II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of Continuation or Recurrence of Dumping
  2. Magnitude of the Margin of Dumping Likely to Prevail
VII. Final Results of Expedited Sunset Review
VIII. Recommendation

[FR Doc. 2022–14417 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–840]

Certain Frozen Warmwater Shrimp From India: Final Results of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that producers and/or exporters of certain frozen warmwater shrimp (shrimp) from India made sales at less than normal value during the period of review (POR) February 1, 2020, through January 31, 2021.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Terre Keaton Stefanova or Adam Simons, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1280 or (202) 482–6172, respectively.

SUPPLEMENTARY INFORMATION:

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[1] *See Phosphor Copper From the Republic of Korea: Antidumping Duty Order,* 82 FR 18893 (April 24, 2017) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Review,* 87 FR 11416 (March 1, 2022) (*Initiation Notice*).

[3] *See* Domestic Interested Party's Letter, ''Phosphorous Copper from Korea: Notice of Intent to Participate in Sunset Review,'' dated March 8, 2022.

[4] *Id.* at 2.

[5] *See* Domestic Interested Party's Letter, ''Phosphorous Copper from Korea: Substantive Response to the Notice of Initiation of Sunset Review,'' March 24, 2022.

[6] *See* Commerce's Letter, ''Sunset Reviews Initiated on March 1, 2022,'' dated April 20, 2022.

[7] A ''master alloy'' is a base metal, such as copper, to which a relatively high percentage of one or two other elements is added.

[8] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the First Expedited Sunset Review of the Antidumping Duty Order on Phosphor Copper from Korea,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Background

This review covers 163 producers and/or exporters of the subject merchandise. Commerce selected two mandatory respondents for individual examination: LNSK Green House Agro Products LLP (LNSK) and Royal Imports and Exports (Royal). The producers/exporters not selected for individual examination are listed in Appendix II.

On March 1, 2022, Commerce published the *Preliminary Results* and invited interested parties to comment.[1] For a complete description of the events that occurred since the *Preliminary Results,* see the Issues and Decision Memorandum.[2]

Scope of the Order [3]

The merchandise subject to the *Order* is certain frozen warmwater shrimp. The product is currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers: 0306.17.00.03, 0306.17.00.04, 0306.17.00.05, 0306.17.00.06, 0306.17.00.07, 0306.17.00.08, 0306.17.00.09, 0306.17.00.10, 0306.17.00.11, 0306.17.00.12, 0306.17.00.13, 0306.17.00.14, 0306.17.00.15, 0306.17.00.16, 0306.17.00.17, 0306.17.00.18, 0306.17.00.19, 0306.17.00.20, 0306.17.00.21, 0306.17.00.22, 0306.17.00.23, 0306.17.00.24, 0306.17.00.25, 0306.17.00.26, 0306.17.00.27, 0306.17.00.28, 0306.17.00.29, 0306.17.00.40, 0306.17.00.41, 0306.17.00.42, 1605.21.10.30, and 1605.29.10.10. Although the HTSUS numbers are provided for convenience and for customs purposes, the written product description remains dispositive.[4]

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in Appendix I to this notice and addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Verification

Commerce was unable to conduct on-site verification of the information relied upon for the final results of this review. However, we took additional steps in lieu of an on-site verification to verify this information, in accordance with section 782(i) of the Act.[5]

Changes Since the Preliminary Results

Based on the comments received from interested parties, we made no changes to our margin calculations in the *Preliminary Results.*

Final Results of the Review

As a result of this review, we determine the following weighted-average dumping margins for the period February 1, 2020, through January 31, 2021:

Exporter/producer	Weighted-average dumping margin (percent)
LNSK Green House Agro Products LLP	0.00
Royal Imports and Exports	3.01
Companies Not Selected for Individual Review [6]	3.01

Review-Specific Rate for Companies Not Selected for Individual Review

The exporters or producers not selected for individual review are listed in Appendix II.

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Persuant to 19 CFR 351.212(b)(1), because LNSK and Royal reported the entered value for their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis,* we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Commerce's ''automatic assessment'' practice will apply to entries of subject merchandise during the POR produced by LNSK or Royal for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.,* a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.[7]

For the companies that were not selected for individual review, we assigned an assessment rate based on the review-specific rate, calculated as noted in the ''Final Results of the Review'' section, above.[8] The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.[9]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP

[1] *See Certain Frozen Warmwater Shrimp from India: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,* 87 FR 11413 (March 1, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

[2] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the 2020–2021 Administrative Review of the Antidumping Duty Order on Certain Frozen Warmwater Shrimp from India,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[3] *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from India,* 70 FR 5147 (February 1, 2005) (*Order*).

[4] For a complete description of the scope of the *Order, see* the PDM.

[5] *See* Commerce's Letters, In-Lieu of On-Site Verification Questionnaires, dated March 28, 2022; *see also* LNSK's Letter, ''LNSK Green House Agro Products LLP Response to Questionnaire in lieu of Verification,'' dated April 6, 2022; and Royal's Letter, ''Royal Imports and Exports' Response to Questionnaire in lieu of Verification,'' dated April 6, 2022.

[6] Under section 735(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding any margins that are zero or de *minimis* margins, and any margins determined entirely {on the basis of facts available}.'' Because the margin calculated for LNSK is zero, we have assigned a dumping margin to these companies based on the rate calculated for Royal.

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

[8] *See, e.g., Certain Frozen Warmwater Shrimp from India: Final Results of Antidumping Duty Administrative Review; 2016–2017,* 83 FR 32835 (July 16, 2018).

[9] *See* section 751(a)(2)(C) of the Act.

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

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of 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 rates for the reviewed companies will be the rates shown above, except if the rate is less than 0.50 percent (*de minimis* within the meaning of 19 CFR 351.106(c)(1)), the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a previous review, or the less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all-other manufacturers or exporters will continue to be 10.17 percent, the all-others rate established in the LTFV investigation.[10] These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

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

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: June 29, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Discussion of the Issues General Comments
  Comment 1: Differential Pricing Analysis
  Comment 2: Excluding Window Period Sales from the Constructed Value (CV) Profit Calculation for Royal
  Comment 3: Excluding a Certain Control Number (CONNUM) from the Price-to-Price Comparisons for Royal
IV. Recommendation

Appendix II

Review-Specific Rate Applicable to Companies Not Selected for Individual Review

1. Abad Fisheries
2. Accelerated Freeze Drying Co.
3. ADF Foods Ltd.
4. Albys Agro Private Limited
5. Al-Hassan Overseas Private Limited
6. Allana Frozen Foods Pvt. Ltd.
7. Allanasons Ltd.
8. Alps Ice & Cold Storage Private Limited
9. Amarsagar Seafoods Private Limited
10. Amulya Seafoods
11. Anantha Seafoods Private Limited
12. Anjaneya Seafoods
13. Asvini Agro Exports
14. Ayshwarya Seafood Private Limited
15. B R Traders
16. Baby Marine Eastern Exports
17. Baby Marine Exports
18. Baby Marine International
19. Baby Marine Sarass
20. Baby Marine Ventures
21. Balasore Marine Exports Private Limited
22. BB Estates & Exports Private Limited
23. Bell Exim Private Limited
24. Bhatsons Aquatic Products
25. Bhavani Seafoods
26. Bijaya Marine Products
27. Blue Fin Frozen Foods Pvt. Ltd.
28. Blue Water Foods & Exports P. Ltd.
29. Bluepark Seafoods Pvt. Ltd.
30. Britto Seafood Exports Pvt Ltd.
31. Calcutta Seafoods Pvt. Ltd./Bay Seafood Pvt. Ltd./Elque & Co.
32. Canaan Marine Products
33. Capithan Exporting Co.
34. Cargomar Private Limited
35. Chakri Fisheries Private Limited
36. Chemmeens (Regd)
37. Cherukattu Industries (Marine Div)
38. Cochin Frozen Food Exports Pvt. Ltd.
39. Continental Fisheries India Private Limited
40. Coreline Exports
41. Corlim Marine Exports Pvt. Ltd.
42. CPF (India) Private Limited
43. Crystal Sea Foods Private Limited
44. Danica Aqua Exports Private Limited
45. Datla Sea Foods
46. Delsea Exports Pvt. Ltd.
47. Devi Sea Foods Limited [11]
48. Empire Industries Limited
49. Entel Food Products Private Limited
50. Esmario Export Enterprises
51. Everblue Sea Foods Private Limited
52. Febin Marine Foods Private Limited
53. Fedora Sea Foods Private Limited
54. Food Products Pvt., Ltd./Parayil Food Products Private Limited
55. Fouress Food Products Private Limited
56. Frontline Exports Pvt. Ltd.
57. G A Randerian Ltd.
58. Gadre Marine Exports (AKA Gadre Marine Exports Pvt. Ltd.)
59. Galaxy Maritech Exports P. Ltd.
60. Geo Aquatic Products (P) Ltd.
61. Godavari Mega Aqua Food Park Private Limited
62. Grandtrust Overseas (P) Ltd.
63. GVR Exports Pvt. Ltd.
64. Hari Marine Private Limited
65. Haripriya Marine Export Pvt. Ltd.
66. HIC ABF Special Foods Pvt. Ltd.
67. Hiravati Exports Pvt. Ltd.
68. Hiravati International Pvt. Ltd.
69. Hiravati Marine Products Private Limited
70. HMG Industries Limited
71. HN Indigos Private Limited
72. Hyson Exports Private Limited
73. Indian Aquatic Products
74. Indo Aquatics
75. Indo Fisheries
76. Indo French Shellfish Company Private Limited
77. International Freezefish Exports
78. Jinny Marine Traders
79. K.V. Marine Exports
80. Karunya Marine Exports Private Limited
81. Kaushalya Aqua Marine Product Exports Pvt. Ltd.
82. Kay Exports [12]
83. Kings Marine Products
84. Koluthara Exports Ltd.
85. Libran Foods
86. Mangala Sea Products
87. Marine Harvest India
88. Megaa Moda Pvt. Ltd.
89. Milsha Agro Exports Private Limited
90. Milsha Sea Product
91. Minaxi Fisheries Private Limited
92. Mindhola Foods LLP

[10] *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order,* 70 FR 5147, 5148 (February 1, 2005).

[11] Shrimp produced and exported by Devi Sea Foods Limited (Devi) was excluded from the order effective February 1, 2009. *See Certain Frozen Warmwater Shrimp from India: Final Results of the Antidumping Duty Administrative Review, Partial Rescission of Review, and Notice of Revocation of Order in Part,* 75 FR 41813, 41814 (July 19, 2010). Accordingly, we initiated this administrative review with respect to Devi only for shrimp produced in India where Devi acted as either the manufacturer or exporter (but not both).

[12] We incorrectly listed this company as ''Kay Exports'' in Appendix II of the *Preliminary Results. See Preliminary Results,* 87 FR at 11415.

93. MMC Exports Limited
94. MTR Foods
95. Naik Frozen Foods Private Limited
96. Naik Oceanic Exports Pvt. Ltd./Rafiq Naik Exports Pvt. Ltd.
97. Naik Seafoods Limited
98. NAS Fisheries Pvt. Ltd.
99. Nine Up Frozen Foods
100. NK Marine Exports LLP
101. Nutrient Marine Foods Limited
102. Oceanic Edibles International Limited
103. Paragon Sea Foods Pvt. Ltd.
104. Paramount Seafoods
105. Pesca Marine Products Pvt., Ltd.
106. Pijikay International Exports P Ltd.
107. Pravesh Seafood Private Limited
108. Premier Exports International
109. Premier Marine Foods
110. Premier Seafoods Exim (P) Ltd.
111. Raju Exports
112. Raunaq Ice & Cold Storage
113. RDR Exports
114. RF Exports Private Limited
115. Riyarchita Agro Farming Private Limited
116. Rupsha Fish Private Limited
117. R V R Marine Products Private Limited
118. S Chanchala Combines Private Limited
119. Sagar Samrat Seafoods
120. Sahada Exports
121. Samaki Exports Private Limited
122. Sasoondock Matsyodyog Sahakari Society Ltd.
123. Sea Doris Marine Exports
124. Seagold Overseas Pvt. Ltd.
125. Shimpo Exports Private Limited
126. Shimpo Seafoods Private Limited
127. Shiva Frozen Food Exp. Pvt. Ltd.
128. Shroff Processed Food & Cold Storage P Ltd.
129. Silver Seafood
130. Sita Marine Exports
131. Sonia Fisheries
132. Sri Sakkthi Cold Storage
133. Srikanth International
134. SSF Ltd.
135. Star Agro Marine Exports Private Limited
136. Star Organic Foods Private Limited
137. Stellar Marine Foods Private Limited
138. Sterling Foods
139. Summit Marine Exports Private Limited
140. Sun Agro Exim
141. Supran Exim Private Limited
142. Suvarna Rekha Exports Private Limited
143. Suvarna Rekha Marines P Ltd.
144. TBR Exports Pvt. Ltd.
145. Teekay Marine P Ltd.
146. The Waterbase Limited
147. Torry Harris Seafoods Ltd.
148. Triveni Fisheries P Ltd.
149. U & Company Marine Exports
150. Ulka Sea Foods Private Limited
151. Uniroyal Marine Exports Ltd.
152. Unitriveni Overseas Private Limited
153. Vaisakhi Bio-Marine Pvt. Ltd.
154. Vasai Frozen Food Co.
155. Veronica Marine Exports Private Limited
156. Victoria Marine & Agro Exports Ltd.
157. Vinner Marine
158. Vitality Aquaculture Pvt. Ltd.
159. VKM Foods Private Limited
160. VRC Marine Foods LLP
161. Zeal Aqua Limited

[FR Doc. 2022–14419 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–043]

Stainless Steel Sheet and Strip From the People's Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order

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

SUMMARY: As a result of this expedited sunset review, the U.S. Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on stainless steel sheet and strip (SSSS) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Daniel Alexander, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4313.

SUPPLEMENTARY INFORMATION:

Background

On April 3, 2017, Commerce published the CVD order on SSSS from China.[1] On March 1, 2022, Commerce published the notice of initiation of the first sunset review of the *Order,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] Commerce received a timely notice of intent to participate from Cleveland-Cliffs Inc., North American Stainless, and Outokumpu Stainless USA LLC (domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i).[3] The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as domestic producers engaged in the production of SSSS in the United States.

Commerce received a substantive response from the domestic interested parties[4] within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive response from any other interested parties in this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), we determined that the respondent interested parties did not provide an adequate response to the notice of initiation and, therefore, Commerce conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The products covered by the *Order* are stainless sheet and strip, whether in coils or straight lengths. For a complete description of the scope of the *Order, see* the Issues and Decision Memorandum.[5]

Analysis of Comments Received

All issues raised in this sunset review are addressed in the Issues and Decision Memorandum. A list of topics discussed in the Issues and Decision Memorandum is included as the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via the Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, we determine that revocation of the CVD order on SSSS from China would be likely to lead to continuation or recurrence of countervailable subsidies at the following rates:

Company	Subsidy rate (percent)
Shanxi Taigang Stainless Steel Co. Ltd	75.60
Ningbo Baoxin Stainless Steel Co., Ltd ..	190.71
Baosteel Stainless Steel Co Ltd.	
Baoshan Iron & Steel Co, Ltd.	

[1] *See Stainless Steel Sheet and Strip from the People's Republic of China: Countervailing Duty Order,* 82 FR 16166 (April 3, 2017) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 87 FR 11416 (March 1, 2022).

[3] *See* Domestic Interested Parties' Letter, ''Five-Year (''Sunset'') Review of the Countervailing Duty Order on Stainless Steel Sheet and Strip from China—Domestic Interested Parties' Notice of Intent to Participate,'' dated March 15, 2022.

[4] *See* Domestic Interested Parties' Letter, ''Five-Year (''Sunset'') Review of the Countervailing Duty Order on Stainless Steel Sheet and Strip from China—Domestic Interested Parties' Substantive Response to Notice of Initiation,'' dated March 30, 2022.

[5] *See* Memorandum, ''Issues and Decision Memorandum for the Expedited First Sunset Review of the Countervailing Duty Order on Stainless Steel Sheet and Strip from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Company	Subsidy rate (percent)
Baosteel Desheng Stainless Steel Co., Ltd.	
Baosteel Co., Ltd.	
Bayi Iron & Steel Co., Ltd.	
Ningbo Iron & Steel Co., Ltd.	
Shaoguan Iron & Steel Co., Ltd.	
Guangdong Shaoguan Iron & Steel Co., Ltd.	
Zhanjiang Iron & Steel Co., Ltd.	
Daming International Import Export Co Ltd.	
Tianjin Taigang Daming Metal Product Co., Ltd.	
All Others	75.60

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. 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 the final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act, and 19 CFR 351.218(e)(1)(ii)(C)(2).

Dated: June 29, 2022.

Ryan Majerus,

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 *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
2. Net Countervailable Subsidy Rates Likely to Prevail
3. Nature of the Subsidies
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2022–14421 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–883]

Glycine From India: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2020–2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that producers and/or exporters subject to this administrative review made sales of subject merchandise at less than normal value during the period of review June 1, 2020, through May 31, 2021. We invite interested parties to comment on these preliminary results.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Emily Bradshaw or Yang Jin Chun, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3896 or (202) 482–5760, respectively.

SUPPLEMENTARY INFORMATION

Background

On June 21, 2019, Commerce published the antidumping duty order on glycine from India.[1] On August 3, 2021, Commerce published the notice of initiation of the administrative review of the antidumping duty order on glycine from India.[2] On February 16, 2022, Commerce extended the time limit for these preliminary results to June 30, 2022, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).[3]

Scope of the Order

The merchandise subject to the *Order* is glycine. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.[4]

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. Export price and constructed export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, *see* Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *http://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.* A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. On November 1, 2021, GEO Specialty Chemicals, Inc. withdrew its requests for review with respect to GEM Corpochem Private Limited, Indiana Chem-Port, J.R. Corporation, Mulji Mehta Enterprises, Mulji Mehta Pharma, Rexisize Rasayan Industries, and Studio Disrupt.[5] Because the requests for review were timely withdrawn and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is partially rescinding this review of the *Order* for these seven companies.

Application of Facts Available With Adverse Inferences

Pursuant to section 776(a) of the Act, Commerce is preliminarily relying upon facts otherwise available to determine a weighted-average dumping margin for Kumar Industries/Rudraa International (collectively Kumar)[6] because: (1)

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

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 41821, 41823 (August 3, 2021).

[3] *See* Memorandum, ''Glycine from India: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated February 16, 2022.

[4] *See* Memorandum, ''Glycine from India: Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[5] *See* GEO Specialty Chemicals, Inc.'s Letter, ''Partial Withdrawal of Request for Administrative Review,'' dated November 1, 2021.

[6] Rudraa International is one of the companies for which the review request was withdrawn. *Id.* In the last completed administrative review, Commerce collapsed Kumar Industries and Rudraa International. *See Glycine from India: Final Results*

Continued

necessary information is not available on the record; and (2) Kumar withheld requested information, failed to provide such information by the established deadlines, and significantly impeded this proceeding. Further, Commerce preliminarily determines that an adverse inference is warranted in selecting from among the facts otherwise available pursuant to section 776(b) of the Act because Kumar failed to cooperate to the best of its ability. For further information, *see* ''Application of Facts Available and Adverse Inferences'' in the Preliminary Decision Memorandum.

Rate for Non-Selected Respondents

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for non-examined companies in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely {on the basis of facts available}.''

In this review, we have preliminarily calculated a weighted-average dumping margin for the mandatory respondent Avid Organics Private Limited that is not zero, *de minimis,* or based entirely on facts available (*i.e.,* 20.72 percent). Accordingly, we have preliminarily assigned this rate to Paras Intermediates Private Ltd., the sole respondent not selected for individual examination in this administrative review .[7]

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margins exist for the period June 1, 2020, through May 31, 2021.

Producer/exporter	Weighted-average dumping margin (percent)
Avid Organics Private Limited	20.72
Kumar Industries/Rudraa International	31.76
Paras Intermediates Private Ltd.	20.72

Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this administrative review within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b).

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.[8] Commerce has modified certain of its requirements for serving documents containing business proprietary information until further notice.[9] Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.[10]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.[11]

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice in the **Federal Register**, unless extended, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon completion of the administrative review, Commerce shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries covered by this review. For the companies for which we have rescinded this review, we intend to instruct CBP to assess antidumping duties on all appropriate entries at a rate equal to the cash deposit rate of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period of review, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue assessment instructions to CBP for the rescinded companies no earlier than 35 days after the date of publication of the preliminary results of this administrative review in the **Federal Register**.

If the weighted-average dumping margin for Avid Organics Private Limited or Kumar is not zero or *de minimis* in the final results of this review, we will calculate, for each company, an importer-specific assessment rate on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1).[12] If any of these companies' weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate for one of these companies is zero or *de minimis,* Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[13] For entries of subject merchandise during the period of review produced by any of these companies for which it did not know its merchandise was destined for the

*of Antidumping Duty Administrative Review; 2018–*2020, 86 FR 62508, 62509 n.4 (November 10, 2021). For these preliminary results, we continue to treat these two companies as a collapsed single entity. For this reason, we are not rescinding this administrative review for Rudraa International individually.

[7] *See* Preliminary Decision Memorandum at 7.

[8] *See* 19 CFR 351.309(d); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19,* 85 FR 17006, 17007 (March 26, 2020) (''To provide adequate time for release of case briefs via ACCESS, E&C intends to schedule the due date for all rebuttal briefs to be 7 days after case briefs are filed (while these modifications remain in effect).'').

[9] *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period,* 85 FR 41363 (July 10, 2020).

[10] *See* 19 CFR 351.309(c)(2) and (d)(2); *see also* 19 CFR 351.303 (for general filing requirements).

[11] *See* 19 CFR 351.310(c); *see also* 19 CFR 351.303 (for general filing requirements).

[12] *See Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings: Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

[13] *Id.,* 77 FR at 8102–03; *see also* 19 CFR 351.106(c)(2).

United States, we will instruct CBP to liquidate unreviewed entries.[14]

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

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication in the **Federal Register** of the notice of final results of administrative review for all shipments of glycine from India entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for companies subject to this review will be equal to the company-specific weighted-average dumping margin established in the final results of the review; (2) for merchandise exported by a company not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation but the producer is, the cash deposit rate will be the rate established in the completed segment for the most recent period for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will be 7.23 percent, the all-others rate established in the less-than-fair-value investigation, adjusted for the export-subsidy rate in the companion countervailing duty investigation.[15] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and sections 19 CFR 351.213(h)(2) and 19 CFR 351.221(b)(4).

Dated: June 30, 2022.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Application of Facts Available and Adverse Inferences
V. Rate for Non-Selected Respondent
VI. Discussion of the Methodology
VII. Currency Conversion
VIII. Recommendation

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

[15] *See Order,* 84 FR at 29171.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–967]

Aluminum Extrusions From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order

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

SUMMARY: As a result of this expedited sunset review, the Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on aluminum extrusions from the People's Republic of China (China) would be likely to lead to continuation or recurrence of dumping as indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Carolyn Adie, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone (202) 482–6250.

SUPPLEMENTARY INFORMATION:

Background

On March 1, 2022, Commerce published the notice of initiation of the second sunset review of the AD order on aluminum extrusions from China,[1] pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] In accordance with 19 CFR 351.218(d)(1)(i) and (ii), Commerce received notice of intent to participate in this sunset review from the Aluminum Extrusions Fair Trade Committee (the domestic interested party), within 15 days after the date of publication of the *Initiation Notice.*[3] The domestic interested party claimed interested party status under section 771(9)(E) of the Act and 19 CFR 351.102(b)(29)(vii), as a committee composed of U.S. producers of the domestic like product. The individual committee members claimed interested party status under section 771(9)(C) of the Act and 19 CFR 351.102(b)(29)(v) as U.S. producers of the domestic like product.

Commerce received adequate substantive responses to the *Initiation Notice* from the domestic interested party within the 30-day period specified in 19 CFR 351.218(d)(3)(i).[4] Commerce received no substantive responses from any respondent interested parties. On April 20, 2022, Commerce notified the U.S. International Trade Commission that it did not receive adequate substantive responses from the respondent interested parties.[5] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The merchandise subject to the *Order* are aluminum extrusions from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.[6]

Analysis of Comments Received

All issues raised in this SUNSET review are addressed in the Issues and Decision Memorandum. A list of topics

[1] *See Aluminum Extrusions from the People's Republic of China: Antidumping Duty Order,* 76 FR 30650 (May 26, 2011) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 87 FR 11416 (March 1, 2022) (*Initiation Notice*).

[3] *See* Domestic Interested Party's Letter, ''Notice of Intent to Participate in Sunset Review,'' dated March 15, 2022.

[4] *See* Domestic Interested Party's Letter, ''Substantive Response to Notice of Initiation of Sunset Review,'' dated March 30, 2022.

[5] *See* Commerce's Letter, ''Sunset Reviews Initiated on March 1, 2022,'' dated April 20, 2022.

[6] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China,'' dated concurrently with, and herby adopted by, this notice (Issues and Decision Memorandum).

discussed in the Issues and Decision Memorandum is included as 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 accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c) and 752(c) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, and the magnitude of the margins of dumping likely to prevail would be weighted-average dumping margins up to 86.01 percent *ad valorem.*

Administrative Protective Order

This notice serves as the only reminder to parties subject to the administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a). Timely written notification of the 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 these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351.221(c)(5)(ii).

Dated: June 29, 2022.

Ryan Majerus,

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 *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of the Continuation or Recurrence of Dumping
  2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Expedited Sunset Review
VIII. Recommendation

[FR Doc. 2022–14480 Filed 7–6–22; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XC149]

Gulf of Mexico Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will hold a meeting of its Outreach and Education Technical Committee (Committee).

DATES: The meeting will convene on Monday, August 1, 2022, from 12 p.m. to 4 p.m., EDT.

ADDRESSES: The meeting will be held virtually. Please visit the Gulf Council website at *www.gulfcouncil.org* for meeting materials and webinar registration information.

Council address: Gulf of Mexico Fishery Management Council, 4107 W. Spruce Street, Suite 200, Tampa, FL 33607; telephone: (813) 348–1630.

FOR FURTHER INFORMATION CONTACT: Emily Muehlstein, Public Information Officer, Gulf of Mexico Fishery Management Council; *emily.muehlstein@gulfcouncil.org,* telephone: (813) 348–1630.

SUPPLEMENTARY INFORMATION:

Monday, August 1, 2022; 12 p.m. until 4 p.m., EDT.

The meeting will begin with member and staff introductions, adoption of agenda, approval of November 15, 2021 meeting summary, and scope of work.

The Committee will hear a presentation on changes to shrimp effort data collection and provide recommendations on how to promote return of shrimp fleet effort data.

The Committee will receive an update on Return 'Em Right, discuss any other business items and take Public Comment before the meeting adjourns.

—Meeting Adjourns

The meeting will be broadcast via webinar only. You may register for the webinar by visiting *www.gulfcouncil.org* and clicking on the Council meeting on the calendar.

The Agenda is subject to change, and the latest version along with other meeting materials will be posted on *www.gulfcouncil.org* as they become available.

Although other non-emergency issues not on the agenda may come before this group for discussion, in accordance with the Magnuson-Stevens Fishery Conservation and Management Act, those issues may not be the subject of formal action during this meeting. Actions will be restricted to those issues specifically identified in the agenda and any issues arising after publication of this notice that require emergency action under Section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the Council's intent to take-action to address the emergency.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: July 1, 2022.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2022–14505 Filed 7–6–22; 8:45 am]

BILLING CODE 3510–22–P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities Under OMB Review

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (''PRA''), this notice announces that the Information Collection Request (''ICR'') abstracted below has been forwarded to the Office of Information and Regulatory Affairs (''OIRA''), of the Office of Management and Budget (''OMB''), for review and comment. The ICR describes the nature of the information collection and its expected costs and burden.

DATES: Comments must be submitted on or before August 8, 2022.

ADDRESSES: Written comments and recommendations for the proposed information collection should be submitted within 30 days of this notice's publication to OIRA, at *https://www.reginfo.gov/public/do/PRAMain.* Please find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the website's search function. Comments can be entered electronically by clicking on the ''comment'' button next to the information collection on the ''OIRA Information Collections Under Review'' page, or the ''View ICR—Agency Submission'' page. A copy of the supporting statement for the collection of information discussed herein may be obtained by visiting *https://www.reginfo.gov/public/do/PRAMain.*

In addition to the submission of comments to *https://Reginfo.gov* as indicated above, a copy of all comments submitted to OIRA may also be submitted to the Commodity Futures Trading Commission (the ''Commission'' or ''CFTC'') by clicking on the ''Submit Comment'' box next to the descriptive entry for OMB Control No. 3038–0070, at *https://comments.cftc.gov/FederalRegister/PublicInfo.aspx.*

Or by either of the following methods:

- *Mail:* Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.
- *Hand Delivery/Courier:* Same as Mail above.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments submitted to the Commission should include only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission's regulations.[1] The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from *https://www.cftc.gov* that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the ICR will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

FOR FURTHER INFORMATION CONTACT: Owen Kopon, Associate Director, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; (202) 418–5360; email: *OKopon@cftc.gov.*

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.,* Federal agencies must obtain approval from the Office of Management and Budget (''OMB'') for each collection of information they conduct or sponsor. ''Collection of Information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the Commission is publishing notice of the proposed extension of the existing collection of information listed below. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.[2]

Title: Real Time Public Reporting and Block Trades (OMB Control No. 3038–0070). This is a request for comment on revision of a currently approved information collection.

Abstract: The collection of information is needed to ensure that swap data repositories publicly disseminate swap data as required by the Commodity Exchange Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank Act'').[3] The Dodd-Frank Act directed the CFTC to adopt rules providing for the real-time public reporting and dissemination of swap data and rules for block trades.

On September 17, 2020, the Commission adopted a rulemaking amending its part 43 regulations.[4] In the release accompanying the Final Rule, the Commission included some cost and burden estimates that were not included in the Proposal, including changes to some of its previous estimates.[5] The Commission explains these cost and burden estimates further below.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. On December 2, 2020, the Commission published in the **Federal Register** notice of the proposed revision of this information collection (including estimated costs related to the modification or maintenance of systems in order to be in compliance with the amendments to Sec. 43.3 that were adopted in the Final Rule), and provided 60 days for public comment on the proposed revision, 85 FR 77437 (''60-Day Notice''). The Commission did not receive any comments on the 60-Day Notice.

1. Amendments to Regulation 43.3

In the Proposal, the Commission omitted the aggregate reporting burden for proposed Sec. 43.3 (as well as Sec. 43.4) and instead provided PRA estimates for all of part 43. The Final Rule included the estimated aggregate reporting burden for Sec. 43.3 as follows:

Estimated Number of Respondents: 1,729 SEFs, DCMs, and reporting counterparties.

Estimated Number of Reports per Respondent: 2,998.

Average Number of Hours per Report: 0.067.

Estimated Gross Annual Reporting Burden: 725,696.

Existing Sec. 43.3 requires reporting counterparties to send swap reports to swap data repositories (''SDRs'') as soon as technologically practicable after execution. The Commission did not include any burden estimates in the Proposal related to the modification or maintenance of systems in order to be in compliance with the proposed amendments to Sec. 43.3.[6] However, for the Final Rule, the Commission recognized certain entities would incur start-up costs to modify their reporting systems and operational costs to maintain them going forward to adopt

[1] 17 CFR 145.9.

[2] 44 U.S.C. 3512, 5 CFR 1320.5(b)(2)(i) and 1320.8 (b)(3)(vi).

[3] Public Law 111–203, 124 Stat. 1376 (2010).

[4] The Commission proposed the amendments to part 43 in February 2020. Real-Time Public Reporting Requirements, 85 FR 21516 (Apr. 17, 2020) (the ''Proposal''). The final rule was published in the **Federal Register**, 85 FR 75422 (Nov. 25, 2020) (the ''Final Rule'').

[5] In the Final Rule, the Commission revised the information collection to reflect the adoption of amendments to part 43, including changes to reflect adjustments that were made to the Final Rule in response to comments on the Proposal (not relating to PRA). In the Proposal, the Commission omitted the aggregate reporting burden for proposed Sec. 43.3 and Sec. 43.4 in the preamble and instead provided PRA estimates for all of part 43. In the Final Rule, the Commission included PRA estimates for final Sec. 43.3 and Sec. 43.4 which are set forth below. In addition, in the Final Rule, the Commission revised the information collection to include burden estimates for one-time costs that SDRs, SEFs, DCMs, and reporting counterparties could incur to modify their systems to adopt the changes to part 43, as well as burden estimates for these entities to perform any annual maintenance or adjustments to reporting systems related to the changes. These estimates are also set forth below. The Commission did not include PRA estimates for all of part 43 in the Final Rule preamble as the Final Rule only affects PRA estimates for Sec. 43.3 and Sec. 43.4. However, PRA estimates for all of part 43 were included in the supporting statement being filed with OMB in connection with the Final Rule (excluding estimates related to the Commission's block trade regulation, as the block trade regulation is not affected by the final rulemaking).

[6] The supporting statement for part 43 submitted for the Proposal only showed negative incremental changes in Attachment A (*e.g.,* showed a negative adjustment of 30,300 responses and negative 2,030.10 burden hours).

the changes to Sec. 43.3[7] in the Final Rule, as explained below.

In the Final Rule, the Commission estimated the cost for a reporting entity, including designated contracts markets (''DCMs''), derivatives clearing organizations (''DCOs''), major swap participants (''MSPs''), swap dealers (''SDs''), non-SD/MSP/DCO counterparties, and swap execution facilities (''SEFs''), to modify their systems and maintain those modifications going forward to adopt the Final Rule could range from $24,000 to $74,000 per entity. There are an estimated 1,732 reporting entities, for a total estimated cost of $84,868,000.[8] As described in the Final Rule, the estimated cost range is based on a number of assumptions that cover tasks required to design, test, and implement an updated data system based on the new swap data elements contained in part 43.

In the Final Rule, the Commission further estimated that the cost for an SDR to modify their systems, including their data reporting, ingestion, and validation systems, and maintain those modifications going forward may range from $144,000 to $510,000 per SDR. There are three SDRs that would be required to modify their existing systems, for an estimated total cost of $981,000.[9]

2. Amendments to Regulation 43.4

In the Final Rule, the Commission estimated that the amendments would reduce the number of mirror swaps SDRs would need to publicly disseminate by 100 reports per each SDR, for an aggregate burden hour reduction of 20.10 hours. In addition, the Commission estimated that the aggregate reporting burden total for Sec. 43.4, as adjusted for the reduction in reporting by SDRs of mirror swaps, is as follows:

Estimated Number of Respondents: 4.

Estimated Number of Reports per Respondent: 1,499,900.

Average Number of Hours per Report: 0.0067.

Estimated Gross Annual Reporting Burden: 40,497.

The Commission did not include any burden estimates in the Proposal related to the modification or maintenance of systems in order to be in compliance with the proposed amendments to Sec. 43.4. To avoid double-counting, the Commission included the costs associated with updates to Sec. 43.4 in the estimates for Sec. 43.3 discussed above, as they would be captured in the costs of updating systems based on the list of swap data elements in part 43.

Burden Statement: Provisions of CFTC Regulations 43.3, 43.4, and 43.6 result in information collection requirements within the meaning of the PRA. With respect to the ongoing reporting and recordkeeping burdens associated with swaps, the CFTC is revising its estimate of the burden of this collection (excluding estimates related to the Commission's block trade regulation, which is not affected by the final rulemaking). The Commission believes that SDs, MSPs, SEFs, DCMs, DCOs, and non-SD/MSP/DCO counterparties incur an annual time-burden of 771,831 hours. This time-burden represents a proportion of the burden respondents incur to operate and maintain their swap data recordkeeping and reporting systems. The respondent burden for this collection (excluding estimates related to the Commission's block trade regulation) is estimated to be as follows:

Respondents/Affected Entities: SDs, MSPs, and other counterparties to a swap transaction (*i.e.,* non-SD/MSP/DCO counterparties).

Estimated Number of Respondents: 1,732.

Estimated Average Burden Hours per Respondent: 445.

Estimated Total Annual Burden Hours: 771,831 hours.

Frequency of Collection: Ongoing.

Capital or Operating and Maintenance Costs: $85,849,000.[10]

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: July 1, 2022.

Robert Sidman,

Deputy Secretary of the Commission.

[FR Doc. 2022–14506 Filed 7–6–22; 8:45 am]

BILLING CODE 6351–01–P

[7] The Commission did not include any burden estimates in the Final Rule related to the modification or maintenance of systems in order to be in compliance with the amendments to Sec. 43.4. To avoid double-counting, the Commission included the costs associated with updates to Sec. 43.4 in the estimates for Sec. 43.3, as they would be captured in the costs of updating systems based on the list of swap data elements in part 43.

[8] Based on the Commission's eight years of experience in administering the existing-real time reporting regulation, the Commission believes that the costs to reporting entities to implement the Final Rule will be on the lower end of the range, closer to $24,000 than to $74,000.

[9] As described in the Final Rule, the estimated cost ranges are based on a number of assumptions that cover the set of tasks required for the SDR to design, test, and implement an updated data system based on the new swap data elements contained in part 43.

[10] In the Proposal, the Commission omitted the aggregate reporting burden for proposed Sec. 43.3 and Sec. 43.4 in the preamble and instead provided PRA estimates for all of part 43 (excluding estimates related to the Commission's block trade regulation, which is not affected by the final rulemaking). In the Final Rule, the Commission included PRA estimates for final Sec. 43.3 and Sec. 43.4 in the preamble because these are the only sections of part 43 affected by the final rulemaking. Attachment A to the supporting statement for the Proposal only showed the changes in the burden estimates for Sec. 43.3 and Sec. 43.4 for the Proposal. For the Final Rule, the Commission revised Attachment A to the supporting statement that was filed with OMB to include aggregate burden estimates for all requirements in the collection (excluding estimates related to the Commission's block trade regulation, as the burden estimates for the block trade regulation are not affected by the final rulemaking). In addition, in the Final Rule, the Commission revised the information collection to include burden estimates for one-time costs that SDRs, SEFs, DCMs, and reporting counterparties could incur to modify their systems to adopt the changes to part 43, as well as burden estimates for these entities to perform any annual maintenance or adjustments to reporting systems related to the changes. The estimates in the supporting statements for the Final Rule are consistent with the estimates shown in the Burden Statement above (*e.g.,* the supporting statement for the Final Rule reflects that there are 1,732 respondents and that the total annual number of burden hours across all respondents is 771,831.)

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB–2022–0043]

Agency Information Collection Activities: Comment Request

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Consumer Financial Protection Bureau (CFPB or Bureau) requests the extension of the Office of Management and Budget's (OMB's) approval of the existing information collection titled ''Consumer Leasing Act (Regulation M),'' approved under OMB Control Number 3170–0006.

DATES: Written comments are encouraged and must be received on or before August 8, 2022 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: Documentation prepared in support of

this information collection request is available at *www.regulations.gov.* Requests for additional information should be directed to Anthony May, Paperwork Reduction Act Officer, at (202) 841–0544, 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: Consumer Leasing Act (Regulation M).

OMB Control Number: 3170–0006.

Type of review: Extension of a currently approved information collection.

Affected Public: Businesses and other for-profit institutions.

Estimated Number of Respondents: 13,718.

Estimated Total Annual Burden Hours: 2,126.

Abstract: Consumers rely on the disclosures required by the Consumer Leasing Act, 15 U.S.C. 1667 *et seq.* (CLA) and Regulation M, 12 CFR 1013, for information to comparison shop among leases as well as to ascertain the true costs and terms of lease offers. Federal/State enforcement and private litigants use the records to ascertain whether accurate and complete disclosures of the cost of leases have been provided to consumers prior to consummation of the lease. This information provides the primary evidence of law violations in CLA enforcement actions brought by Federal agencies. The agency's ability to enforce the CLA would be significantly impaired without Regulation M's recordkeeping requirements.

Request for Comments: The Bureau published a 60-day **Federal Register** notice on 4/7/2022 (87 FR 20394) under Docket Number: CFPB–2022–0021. The Bureau is 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 submitted to 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. 2022–14471 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AM–P

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB–2022–0044]

Agency Information Collection Activities: Comment Request

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Consumer Financial Protection Bureau (CFPB or Bureau) requests the extension of the Office of Management and Budget's (OMB's) approval of the existing information collection titled ''Mortgage Acts and Practices—Advertising (Regulation N)'' approved under OMB Control Number 3170–0009.

DATES: Written comments are encouraged and must be received on or before August 8, 2022 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: Documentation prepared in support of this information collection request is available at *www.regulations.gov.* Requests for additional information should be directed to Anthony May, Paperwork Reduction Act Officer, at (202) 841–0544, 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: Mortgage Acts and Practices—Advertising (Regulation N).

OMB Control Number: 3170–0009.

Type of review: Extension of a currently approved information collection.

Affected Public: Businesses and other for-profit institutions.

Estimated Number of Respondents: 506.

Estimated Total Annual Burden Hours: 253.

Abstract: Regulation N (12 CFR part 1014) prohibits misrepresentations about the terms of mortgage credit products in commercial communications and requires that covered persons keep certain related records for a period of twenty-four (24) months from last dissemination. The information that Regulation N requires covered persons to retain is necessary to ensure efficient and effective law enforcement to address deceptive practices that occur in the mortgage advertising area.

Request for Comments: The Bureau published a 60-day **Federal Register** notice on 2/25/2022 (87 FR 10776) under Docket Number: CFPB–2022–0012. The Bureau is 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 submitted to 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. 2022–14472 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AM–P

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB–2022–0045]

Agency Information Collection Activities: Comment Request

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Consumer Financial Protection Bureau (CFPB or Bureau) requests the extension of the Office of Management and Budget's (OMB's) approval of the existing information collection titled ''Mortgage Assistance Relief Services (Regulation O)'' approved under OMB Control Number 3170–0007.

DATES: Written comments are encouraged and must be received on or before October 5, 2022 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: Documentation prepared in support of this information collection request is available at *www.regulations.gov.* Requests for additional information should be directed to Anthony May, Paperwork Reduction Act Officer, at (202) 841–0544, 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: Mortgage Assistance Relief Services (Regulation O).

OMB Control Number: 3170–0007.

Type of Review: Extension of a currently approved information collection.

Affected Public: Businesses and other for-profit institutions.

Estimated Number of Respondents: 118.

Estimated Total Annual Burden Hours: 354.

Abstract: The required disclosures under Regulation O (12 CFR part 1015) assist prospective purchasers of mortgage assistance relief services (MARS) in making well-informed decisions and avoiding deceptive unfair acts and practices. The Bureau and the Federal Trade Commission use the information provided under Regulation O's recordkeeping requirements for enforcement purposes and to ensure compliance with Regulation O by MARS providers. The information is requested only on a case-by-case basis.

Request for Comments: The Bureau published a 60-day **Federal Register** notice on 2/24/2022 (87 FR 10343) under Docket Number: CFPB–2022–0011. The Bureau is 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 submitted to 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. 2022–14474 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AM–P

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB–2022–0046]

Agency Information Collection Activities: Comment Request

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Consumer Financial Protection Bureau (CFPB or Bureau) requests the extension of the Office of Management and Budget's (OMB's) approval of the existing information collection titled ''Interstate Land Sales Full Disclosure Act (Regulations J, K, and L)'' approved under OMB Control Number 3170–0012.

DATES: Written comments are encouraged and must be received on or before August 8, 2022 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: Documentation prepared in support of this information collection request is available at *www.regulations.gov.* Requests for additional information should be directed to Anthony May, Paperwork Reduction Act Officer, at (202) 841–0544, 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: Interstate Land Sales Full Disclosure Act (Regulations J, K, and L).

OMB Control Number: 3170–0012.

Type of review: Extension of a currently approved information collection.

Affected Public: Businesses and other for-profit institutions.

Estimated Number of Respondents: 197.

Estimated Total Annual Burden Hours: 3,412.

Abstract: The Interstate Land Sales Full Disclosure Act (ILSA) requires land developers to register subdivisions of 100 or more non-exempt lots with the Bureau before selling or leasing the lots, and to provide each lot purchaser with a disclosure document designated as a property report, 15 U.S.C. 1703–1704. ILSA was enacted in response to a nationwide proliferation of developers of unimproved subdivisions who made elaborate, and often fraudulent, claims about their land to unsuspecting lot purchasers. Information is submitted to the Bureau to assure compliance with ILSA and the implementing regulations. The Bureau also investigates developers who are not in compliance with the regulations.

Request for Comments: The Bureau published a 60-day **Federal Register** notice on 4/7/2022 (87 FR 20393) under Docket Number: CFPB–2022–0020. The Bureau is 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 submitted to 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. 2022–14473 Filed 7–6–22; 8:45 am]

BILLING CODE 4810–AM–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DoD–2022–OS–0080]

Submission for OMB Review; Comment Request

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness, Department of Defense (DoD).

ACTION: Emergency 1-day information collection notice.

SUMMARY: Consistent with the Paperwork Reduction Act of 1995 and its implementing regulations, this document provides notice that DoD is submitting an Information Collection Request to the Office of Management and Budget (OMB) to authorize the members of the Internal Review Team to collect information about racial disparities in the investigative and military justice systems of the DoD via focus groups with officers, noncommissioned officers, and enlisted personnel of each of the Military Services who are currently serving in military leadership positions (or who have served in such positions within the last 365 days). DoD requests emergency processing and OMB authorization to collect the information after publication of this notice for a period of six months.

DATES: Comments must be received by July 8, 2022.

ADDRESSES: The Department has requested emergency processing from OMB for this information collection request by 1 day after publication of this notice. Interested parties can access the supporting materials and collection instrument as well as submit comments and recommendations to OMB at *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 1-day Review—Open for Public Comments'' or by using the search function. Comments submitted in response to this notice will be summarized and included in the request for OMB approval of this information collection. They will also become a matter of public record.

FOR FURTHER INFORMATION CONTACT: Angela Duncan, 571–372–7574, or *whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.*

SUPPLEMENTARY INFORMATION: The Deputy Secretary of Defense directed the establishment of the Internal Review Team (IRT) on Racial Disparities in the Investigative and Military Justice Systems to identify and address the root causes of racial disparities in the DoD investigative and military justice systems. The review will provide actionable recommendations the Department can implement or establish to improve strategies, programs, policies, processes, and resources to address these disparities. The IRT comprises General Officers and members of the civilian Senior Executive Service who, with the support of subject matter experts, will focus their full-time efforts on this review. The IRT commenced its work on June 1, 2022, and is charged to provide its findings and recommendation to the DSD not later than August 24, 2022. Consideration of the role of military leaders in the Department's investigative and military justice process is a key component of the IRT's review. As a result of this information collection, the IRT will have access to a body of qualitative information provided by military leaders (including military officers, noncommissioned officers, and enlisted personnel) regarding their personal experiences in addressing Service member misconduct and performance matters. This information will assist the IRT in identifying themes, trends, and vignettes that illustrate how the actions and decisions of military leaders affect whether and how a subordinate Service member will become involved in the investigative or military justice systems and will inform IRT recommendations to address the root causes of racial disparities in those systems.

Title; Associated Form; and OMB Number: Department of Defense Internal Review Team on Racial Disparities in the Investigative and Military Justice Systems; OMB Control Number 0704–RTRD.

Type of Request: Emergency.

Number of Respondents: 480.

Responses per Respondent: 1.

Annual Responses: 480.

Average Burden per Response: 2 hours.

Annual Burden Hours: 960 hours.

Affected Public: Individuals or households.

Frequency: Once.

Respondent's Obligation: Voluntary.

Request for Comments

Comments are invited on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of DoD, including whether the information collected has practical utility; (2) the accuracy of DoD's estimate of the burden (including hours and cost) of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including automated collection techniques or the use of other forms of information technology.

Dated: July 1, 2022.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2022–14487 Filed 7–6–22; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF ENERGY

Notice of Request for Information (RFI) Regarding Hydropower Incentive Programs Development

AGENCY: Grid Deployment Office, Department of Energy (DOE).

ACTION: Request for Information (RFI).

SUMMARY: The U.S. Department of Energy (DOE) invites public input for its Request for Information (RFI) number DE–FOA–0002762 regarding issues related to the development of hydroelectric incentive programs authorized under sections 243 and 247 of the Energy Policy Act of 2005, as amended by sections 40332 and 40333 of the Infrastructure Investment and Jobs Act. DOE's Grid Deployment Office (GDO) welcomes written and verbal input from the public on the subjects identified in this RFI to support the development of future hydroelectric incentive programs.

DATES: Responses to the RFI must be received no later than 11:59 p.m. EDT on Tuesday, September 6, 2022.

ADDRESSES: Interested parties are to submit comments electronically to *WPTORFI@ee.doe.gov.* In lieu of or in addition to providing electronic

responses to this RFI, respondents may request a 30-minute individual unrecorded discussion with a DOE staff member regarding the content of their responses to the RFI questions. When submitting electronic responses, include with subject line ''Organization/Name: Response to RFI on Hydropower Incentives Program''. Only electronic responses or verbal responses through a scheduled 30-minute individual discussion will be accepted. The complete RFI is located at *https://eere-exchange.energy.gov/.*

DOE will hold a public meeting via webinar on Tuesday, August 9, 2022. For webinar registration information, participant instructions, and information about the capabilities available to webinar participants, please visit *https://bit.ly/RFI_HydroIncentiveProgram.*

FOR FURTHER INFORMATION CONTACT: Questions may be addressed to Corey Vezina, email at *hydroincentive@ee.doe.gov* or phone number (240) 562–1382. Further instruction can be found in the RFI document posted on EERE Exchange.

SUPPLEMENTARY INFORMATION: The purpose of this RFI is to solicit feedback from industry, tribes, government agencies, state and local coalitions, academia, research laboratories, labor unions, community-based organizations (CBOs), and other stakeholders on definitions, program structure, and selection related to the Department's authority to provide capital improvement incentives under Sections 243 and 247 of the Energy Policy Act of 2005 (Pub. L. 109–58) (EPAct 2005). *See* 42 U.S.C. 15882 and 15883. This is solely a request for information and not a Funding Opportunity Announcement. DOE is not accepting applications at this time.

Confidential Business Information: According to 10 CFR 1004.11, any person submitting information that he or she believes to be confidential and exempt by law from public disclosure should submit via email, postal mail, or hand delivery two well-marked copies: one copy of the document marked ''confidential'' including all the information believed to be confidential, and one copy of the document marked ''non-confidential'' with the information believed to be confidential deleted. Submit these documents via email or on a CD, if feasible. DOE will make its own determination about the confidential status of the information and treat it according to its determination.

It is DOE's policy that all comments may be included in the public docket, without change and as received, including any personal information provided in the comments (except information deemed to be exempt from public disclosure).

Signing Authority

This document of the Department of Energy was signed on June 30, 2022, by Patricia Hoffman, Acting Director, Grid Deployment Office, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE **Federal Register** Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC on July 1, 2022.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

[FR Doc. 2022–14444 Filed 7–6–22; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP22–2–000]

Gas Transmission Northwest LLC; Notice of Availability of the Draft Environmental Impact Statement for the Proposed GTN Xpress Project

The staff of the Federal Energy Regulatory Commission (FERC or Commission) has prepared a draft environmental impact statement (EIS) for the GTN XPress Project (Project), proposed by Gas Transmission Northwest LLC (GTN) in the above-referenced docket. GTN proposes to modify existing compressor stations in Idaho, Washington, and Oregon. This Project would increase the capacity of GTN's existing natural gas transmission system by about 150 million standard cubic feet per day between Idaho and Oregon. According to GTN, the Project is necessary to serve the growing market demand its system is experiencing.

The draft EIS assesses the potential environmental effects of modifying and installing new facilities at the existing compressor stations in accordance with the requirements of the National Environmental Policy Act (NEPA). The FERC staff concludes that approval of the proposed Project, with the mitigation measures recommended in the EIS, would result in some adverse environmental impacts, but none that are considered significant. Regarding climate change impacts, this EIS is not characterizing the Project's greenhouse gas emissions as significant or insignificant because the Commission is conducting a generic proceeding to determine whether and how the Commission will conduct significance determinations going forward.[1] The EIS also concludes that no system or other alternative would meet the Project objectives while providing a significant environmental advantage over the Project as proposed.

The U.S. Environmental Protection Agency is participating as cooperating agency in the preparation of the EIS. A cooperating agency has jurisdiction by law or special expertise with respect to resources potentially affected by the proposal and participates in the NEPA analysis.

The Commission mailed a copy of the *Notice of Availability* of the draft EIS to federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Indian tribes; potentially affected landowners and other interested individuals and groups; and newspapers and libraries in the Project area. The draft 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 draft 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 number in the ''Docket Number'' field, excluding the last three digits (*i.e.* CP22–2). 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 draft 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. Any person wishing to comment on the draft EIS may do so. Your comments should focus on the draft EIS' disclosure and discussion of

[1] *Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Project Reviews,* 178 FERC ¶ 61,108 (2022); 178 FERC ¶ 61,197 (2022).

potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. To ensure consideration of your comments on the proposal in the final EIS, it is important that the Commission receive your comments on or before 5:00 p.m. Eastern Time on August 22, 2022.

For your convenience, there are three methods you can use to submit your comments to the Commission. The Commission encourages electronic filing of comments and has staff available to assist you at (866) 208–3676 or *FercOnlineSupport@ferc.gov.* Please carefully follow these instructions so that your comments are properly recorded.

(1) You can file your comments electronically using the eComment feature on the Commission's website (*www.ferc.gov*) under the link to FERC Online. This is an easy method for submitting brief, text-only comments on a project;

(2) You can file your comments electronically by using the eFiling feature on the Commission's website (*www.ferc.gov*) under the link to FERC Online. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on ''eRegister.'' If you are filing a comment on a particular project, please select ''Comment on a Filing'' as the filing type; or

(3) You can file a paper copy of your comments by mailing them to the Commission. Be sure to reference the project docket number (CP22–2–000) on your letter. Submissions sent via the U.S. Postal Service must be addressed to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

Any person seeking to become a party to the proceeding must file a motion to intervene pursuant to Rule 214 of the Commission's Rules of Practice and Procedures (18 CFR part 385.214). Motions to intervene are more fully described at *https://www.ferc.gov/how-intervene.* Only intervenors have the right to seek rehearing or judicial review of the Commission's decision. The Commission grants affected landowners and others with environmental concerns intervenor status upon showing good cause by stating that they have a clear and direct interest in this proceeding which no other party can adequately represent. Simply filing environmental comments will not give you intervenor status, but you do not need intervenor status to have your comments considered.

Questions?

Additional information about the Project is available from the Commission's Office of External Affairs, at (866) 208–FERC, or on 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.

Dated: June 30, 2022.

Debbie-Anne A. Reese,

Deputy Secretary.

[FR Doc. 2022–14457 Filed 7–6–22; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 4684–070]

GR Catalyst One, LLC; Notice of Intent To File License Application, Filing of Pre-Application Document, and Approving Use of the Traditional Licensing Process

a. *Type of Application:* Notice of Intent to File License Application and Request to Use the Traditional Licensing Process (TLP).

b. *Project No.:* 4684–070.

c. *Date filed:* May 2, 2022.

d. *Submitted by:* GR Catalyst One, LLC (GRCO).[1]

e. *Name of Project:* Stillwater Hydroelectric Project.

f. *Location:* Located at the New York State Canal Corporation's Stillwater dam, on Champlain Canal at Lock C–4, on the Hudson River in Saratoga County, in the town Stillwater, New York. The project does not occupy any federal land.

g. *Filed Pursuant to:* 18 CFR 5.3 of the Commission's regulations.

h. *Potential Applicant Contact:* Celeste Fay, Director of Regulatory Affairs, 5 Dartmouth Avenue, Suite 104, Auburn, NH 03032. Phone: (413) 262–9466, Email: *celeste@gravityrenewables.com.*

i. *FERC Contact:* Samantha Pollak, Phone: (202) 502–6419, Email: *samantha.pollak@ferc.gov.*

j. GRCO filed its request to use the TLP on May 2, 2022 and provided public notice of its request on the same day. In a letter dated July 1, 2022, the Director of the Division of Hydropower Licensing approved GRCO's request to use the TLP.

k. With this notice, we are initiating informal consultation with the U.S. Fish and Wildlife Service and/or NOAA Fisheries under section 7 of the Endangered Species Act and the joint agency regulations thereunder at 50 CFR part 402; and NOAA Fisheries under section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and implementing regulations at 50 CFR 600.920. We are also initiating consultation with the New York State Historic Preservation Officer, as required by section 106, National Historic Preservation Act, and the implementing regulations of the Advisory Council on Historic Preservation at 36 CFR 800.2.

l. With this notice, we are designating GRCO as the Commission's non-federal representative for carrying out informal consultation pursuant to section 7 of the Endangered Species Act and consultation pursuant to section 106 of the National Historic Preservation Act.

m. GRCO filed a Pre-Application Document (PAD), including a proposed process plan and schedule, with the Commission, pursuant to 18 CFR 5.6 of the Commission's regulations.

n. A copy of the PAD may be viewed on the Commission's website (*http://www.ferc.gov*), using the ''eLibrary'' link. Enter the docket number, excluding the last three digits in the docket number field, to access the document. For assistance, contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* (866) 208–3676 (toll free), or (202) 502–8659 (TTY).

o. The applicant states its unequivocal intent to submit an application for a new license for Project No. 4684. Pursuant to 18 CFR 16.20 each application for a subsequent license and any competing license applications must be filed with the Commission at least 24 months prior to the expiration of the existing license. All applications

[1] GR Catalyst One, LLC is a subsidiary of Gravity Renewables, Inc.

for license for this project must be filed by May 31, 2025.

p. Register online at *http://www.ferc.gov/docs-filing/esubscription.asp* to be notified via email of new filing and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

Dated: June 30, 2022.

Debbie-Anne A. Reese,

Deputy Secretary.

[FR Doc. 2022–14456 Filed 7–6–22; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: PR22–53–000.
Applicants: Black Hills Wyoming Gas, LLC.
Description: § 284.123(g) Rate Filing: Black Hills Wyoming Gas, LLC Revised Statement of Rates Filing to be effective 6/1/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5047.
Comment Date: 5 p.m. ET 7/20/22.
284.123(g) Protests Due: 5 p.m. ET 8/29/22.

Docket Numbers: RP22–996–000.
Applicants: Big Sandy Pipeline, LLC.
Description: § 4(d) Rate Filing: Big Sandy EPC 2022 to be effective 8/1/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5036.
Comment Date: 5 p.m. ET 7/11/22.

Docket Numbers: RP22–997–000.
Applicants: Colorado Interstate Gas Company, L.L.C.
Description: § 4(d) Rate Filing: Negotiated Rate Agreement Filing (Northwestern Corporation) to be effective 7/1/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5055.
Comment Date: 5 p.m. ET 7/11/22.

Docket Numbers: RP22–998–000.
Applicants: Columbia Gulf Transmission, LLC.
Description: § 4(d) Rate Filing: LAXP—Sabine Pass Neg. Rate—Chicot Incremental to be effective 7/1/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5086.
Comment Date: 5 p.m. ET 7/11/22.

Docket Numbers: RP22–999–000.
Applicants: El Paso Natural Gas Company, L.L.C.
Description: § 4(d) Rate Filing: Negotiated Rate Agreement Update (SRP July-Sept 2022) to be effective 7/1/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5115.
Comment Date: 5 p.m. ET 7/11/22.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

The filings are accessible in the Commission's eLibrary system (*https://elibrary.ferc.gov/idmws/search/fercgensearch.asp*) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Dated: June 30, 2022.

Debbie-Anne A. Reese,

Deputy Secretary.

[FR Doc. 2022–14458 Filed 7–6–22; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following electric corporate filings:

Docket Numbers: EC22–83–000.
Applicants: Black Hills Colorado Electric, LLC.
Description: Application for Authorization Under Section 203 of the Federal Power Act of Black Hills Colorado Electric, LLC.
Filed Date: 6/29/22.
Accession Number: 20220629–5182.
Comment Date: 5 p.m. ET 7/20/22.

Take notice that the Commission received the following exempt wholesale generator filings:

Docket Numbers: EG22–157–000.
Applicants: Clearwater Wind I, LLC.
Description: Notice of Self-Certification of Exempt Wholesale Generator Status of Clearwater Wind I, LLC.
Filed Date: 6/30/22.
Accession Number: 20220630–5058.
Comment Date: 5 p.m. ET 7/21/22.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER10–2249–009.
Applicants: Portland General Electric Company.
Description: Triennial Market Power Analysis for Northwest Region of Portland General Electric Company.
Filed Date: 6/30/22.
Accession Number: 20220630–5134.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER10–2475–028; ER10–2474–027; ER10–2984–057; ER10–3246–021; ER13–1266–039; ER15–2211–037.
Applicants: MidAmerican Energy Services, LLC, CalEnergy, LLC, PacifiCorp, Merrill Lynch Commodities, Inc., Sierra Pacific Power Company, Nevada Power Company.
Description: Triennial Market Power Analysis for Northwest Region of Nevada Power Company, et al.
Filed Date: 6/29/22.
Accession Number: 20220629–5190.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER10–2794–036; ER14–2672–021; ER12–1825–034.
Applicants: EDF Industrial Power Services (CA), LLC, EDF Energy Services, LLC, EDF Trading North America, LLC.
Description: Triennial Market Power Analysis for Southwest Region of EDF Trading North America, LLC et al.
Filed Date: 6/29/22.
Accession Number: 20220629–5185.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER11–2508–026; ER19–1415–002; ER19–1416–001; ER19–1414–002.
Applicants: GenOn REMA, LLC, GenOn Florida, LP, GenOn California South, LP, GenOn Energy Management, LLC.
Description: Supplement to December 29, 2020 Triennial Market Power Analysis for the Southeast Region of GenOn Energy Management, LLC, et al.
Filed Date: 5/11/21.
Accession Number: 20210511–5110.
Comment Date: 5 p.m. ET 7/11/22.

Docket Numbers: ER15–2267–003.
Applicants: Chevron Power Holdings Inc.
Description: Triennial Market Power Analysis for Southwest Region of Chevron Power Holdings Inc.
Filed Date: 6/29/22.
Accession Number: 20220629–5180.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER16–2019–007.
Applicants: Five Points Solar Park LLC.

Description: Triennial Market Power Analysis for Southwest Region of Five Points Solar Park LLC.
Filed Date: 6/29/22.
Accession Number: 20220629–5181.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER16–2044–002.
Applicants: Elk Hills Power, LLC.
Description: Triennial Market Power Analysis for Southwest Region of Elk Hills Power, LLC.
Filed Date: 6/27/22.
Accession Number: 20220627–5164.
Comment Date: 5 p.m. ET 8/26/22.

Docket Numbers: ER18–2511–005.
Applicants: NorthWestern Corporation.
Description: Triennial Market Power Analysis for Northwest Region of NorthWestern Corporation.
Filed Date: 6/30/22.
Accession Number: 20220630–5116.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER20–391–006; ER21–2557–001.
Applicants: Aron Energy Prepay 5 LLC, J. Aron & Company LLC.
Description: Triennial Market Power Analysis and Notice of Change in Status for Southwest Region of Aron Energy Prepay 5 LLC, et al.
Filed Date: 6/29/22.
Accession Number: 20220629–5183.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER20–464–002; ER11–2335–018; ER18–920–011.
Applicants: Marco DM Holdings, L.L.C., Plum Point Services Company, LLC, Greenleaf Energy Unit 2 LLC.
Description: Triennial Market Power Analysis for Southwest Region of Greenleaf Energy Unit 2 LLC, et al.
Filed Date: 6/29/22.
Accession Number: 20220629–5187.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER20–608–003.
Applicants: Bear Valley Electric Service, Inc.
Description: Market: Triennial Market Power Filing to be effective 12/31/9998.
Filed Date: 6/30/22.
Accession Number: 20220630–5160.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER20–2590–001.
Applicants: Basin Electric Power Cooperative.
Description: Triennial Market Power Analysis for Northwest Region of Basin Electric Power Cooperative.
Filed Date: 6/29/22.
Accession Number: 20220629–5189.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER21–46–000.
Applicants: Mercuria Energy America, LLC.
Description: Refund Report of Mercuria Energy America, L.L.C.
Filed Date: 6/23/22.
Accession Number: 20220623–5193.
Comment Date: 5 p.m. ET 7/14/22.

Docket Numbers: ER21–630–002.
Applicants: 325MK 8ME LLC.
Description: Compliance filing: 325MK 8ME LLC Request for Change in Category Status to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5033.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER21–1350–002.
Applicants: Citadel Solar, LLC.
Description: Compliance filing: Citadel Solar, LLC Request for Change in Category Status to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5032.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2042–000.
Applicants: Jackpot Holdings, LLC.
Description: Supplement to June 6, 2022 Jackpot Holdings, LLC submits tariff filing per 35.12: Jackpot Holdings, LLC—MBR Application to be effective 8/6/2022.
Filed Date: 6/29/22.
Accession Number: 20220629–5186.
Comment Date: 5 p.m. ET 7/11/22.

Docket Numbers: ER22–2122–001; ER13–1248–003.
Applicants: Patua Acquisition Company, LLC, NGP Blue Mountain I LLC.
Description: Triennial Market Power Analysis for Northwest Region of NGP Blue Mountain I LLC, et al.
Filed Date: 6/29/22.
Accession Number: 20220629–5184.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER22–2237–000.
Applicants: Southern California Edison Company.
Description: Tariff Amendment: Cancel LA Ortega Grid WDT1636 SA No 1167 to be effective 8/30/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5062.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2238–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1976R11 FreeState Electric Cooperative, Inc. NITSA and NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5076.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2239–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1889R11 Evergy Kansas Central, Inc. NITSA NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5081.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2241–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 3620R4 Kansas City Board of Public Utilities NITSA NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5082.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2242–000.
Applicants: PJM Interconnection, L.L.C.
Description: § 205(d) Rate Filing: Amendment to ISA, Service Agreement No. 5961; Queue No. AE1–226 to be effective 1/19/2021.
Filed Date: 6/30/22.
Accession Number: 20220630–5085.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2243–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1636R26 Kansas Electric Power Cooperative, Inc. NITSA and NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5087.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2244–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1887R12 Evergy Kansas Central, Inc. NITSA NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5093.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2245–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1885R12 Evergy Kansas Central, Inc. NITSA NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5102.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2246–000.
Applicants: BCE Los Alamitos, LLC.
Description: Baseline eTariff Filing: Market-Based Rate Application for BCE Los Alamitos, LLC to be effective 8/30/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5128.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2247–000.
Applicants: Midcontinent Independent System Operator, Inc.
Description: § 205(d) Rate Filing: 2022–06–30_SA 3332 SIGE-Grandview Solar 1st Rev GIA (J783) to be effective 6/16/2022.
Filed Date: 6/30/22.

Accession Number: 20220630–5132.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2248–000.
Applicants: Cedar Creek Wind Energy, LLC.
Description: Market: Updated Market Power Analysis for the NW Region and Revised MBR Tariff to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5137.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER22–2249–000.
Applicants: Mountain Breeze Wind, LLC.
Description: Market: Updated Market Power Analysis for the NW Region and Revised MBR Tariff to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5142.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER22–2250–000.
Applicants: Panorama Wind, LLC.
Description: Market: Updated Market Power Analysis for the NW Region and Revised MBR Tariff to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5146.
Comment Date: 5 p.m. ET 8/29/22.

Docket Numbers: ER22–2251–000.
Applicants: Tidal Energy Marketing (U.S.) L.L.C.
Description: § 205(d) Rate Filing: MBR Tariff Revisions to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5155.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2252–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 1895R11 Evergy Kansas Central, Inc. NITSA NOA to be effective 9/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5158.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2253–000.
Applicants: PJM Interconnection, L.L.C.
Description: § 205(d) Rate Filing: Amendment to WMPA, Service Agreement No. 6084; Queue No. AF2–292 to be effective 5/4/2021.
Filed Date: 6/30/22.
Accession Number: 20220630–5169.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2254–000.
Applicants: Consolidated Edison Company of New York, Inc.
Description: § 205(d) Rate Filing: Electric and Gas Bill Relief Program 6–30–2022 to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5170.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2255–000.
Applicants: Duke Energy Progress, LLC.
Description: § 205(d) Rate Filing: DEP-Recovery of a Regulatory Asset Related to Early Retirement of Roxboro to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5181.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2256–000.
Applicants: New Creek Wind LLC.
Description: § 205(d) Rate Filing: Market-Based Tariff Revisions to be effective 7/1/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5187.
Comment Date: 5 p.m. ET 7/21/22.

Docket Numbers: ER22–2257–000.
Applicants: PJM Interconnection, L.L.C.
Description: § 205(d) Rate Filing: Original ISA/CSA, Service Agreement Nos. 6527/6515; Queue No. AC1–053 to be effective 6/7/2022.
Filed Date: 6/30/22.
Accession Number: 20220630–5210.
Comment Date: 5 p.m. ET 7/21/22.

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 or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) 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.

Dated: June 30, 2022.

Debbie-Anne A. Reese,

Deputy Secretary.

[FR Doc. 2022–14455 Filed 7–6–22; 8:45 am]

BILLING CODE 6717–01–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPPT–2016–0737; FRL–9945–01–OCSPP]

Trichloroethylene (TCE); Draft Revision to Toxic Substances Control Act (TSCA) Risk Determination; Notice of Availability and Request for Comment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is announcing the availability of and seeking public comment on a draft revision to the risk determination for the trichloroethylene (TCE) risk evaluation issued under TSCA. The draft revision to the TCE risk determination reflects the announced policy changes to ensure the public is protected from unreasonable risks from chemicals in a way that is supported by science and the law. In this draft revision to the risk determination EPA finds that TCE, as a whole chemical substance, presents an unreasonable risk of injury to health when evaluated under its conditions of use. In addition, this revised risk determination does not reflect an assumption that all workers always appropriately wear personal protective equipment (PPE). EPA understands that there could be occupational safety protections in place at workplace locations; however, not assuming use of PPE reflects EPA's recognition that unreasonable risk may exist for subpopulations of workers that may be highly exposed because they are not covered by OSHA standards, or their employers are out of compliance with OSHA standards, or because many of OSHA's chemical-specific permissible exposure limits largely adopted in the 1970's are described by OSHA as being ''outdated and inadequate for ensuring protection of worker health.'' This revision, when final, would supersede the condition of use-specific no unreasonable risk determinations in the November 2020 TCE risk evaluation (and withdraw the associated order) and would make a revised determination of unreasonable risk for TCE as a whole chemical substance.

DATES: Comments must be received on or before August 8, 2022.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA—EPA–HQ–OPPT–2016–0737, through the *Federal eRulemaking Portal* at *https://www.regulations.gov.* Follow the online instructions for submitting comments. Do not submit

electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Additional instructions on commenting and visiting the docket, along with more information about dockets generally, is available at *https://www.epa.gov/dockets.*

FOR FURTHER INFORMATION CONTACT: *For technical information contact:* Katelan McNamara, Office of Pollution Prevention and Toxics (7404M), Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460–0001; telephone number: (202) 564–4361; email address: *McNamara.Katelan@EPA.gov.*

For general information contact: The TSCA-Hotline, ABVI-Goodwill, 422 South Clinton Ave., Rochester, NY 14620; telephone number: (202) 554–1404; email address: *TSCA-Hotline@epa.gov.*

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Does this action apply to me?

This action is directed to the public in general. This action may, however, be of interest to those involved in the manufacture, processing, distribution, use, disposal, and/or the assessment of risks involving chemical substances and mixtures. You may be potentially affected by this action if you manufacture (defined under TSCA to include import), process (including recycling), distribute in commerce, use or dispose of TCE, including TCE in products. Since other entities may also be interested in this draft revision to the risk determination, EPA has not attempted to describe all the specific entities that may be affected by this action.

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

TSCA section 6, 15 U.S.C. 2605, requires EPA to conduct risk evaluations to determine whether a chemical substance presents an unreasonable risk of injury to health or the environment, without consideration of costs or other non-risk factors, including an unreasonable risk to a potentially exposed or susceptible subpopulation (PESS) identified as relevant to the risk evaluation by the Administrator, under the conditions of use. 15 U.S.C. 2605(b)(4)(A). TSCA sections 6(b)(4)(A) through (H) enumerate the deadlines and minimum requirements applicable to this process, including provisions that provide instruction on chemical substances that must undergo evaluation, the minimum components of a TSCA risk evaluation, and the timelines for public comment and completion of the risk evaluation. TSCA also requires that EPA operate in a manner that is consistent with the best available science, make decisions based on the weight of the scientific evidence, and consider reasonably available information. 15 U.S.C. 2625(h), (i), and (k).

The statute identifies the minimum components for all chemical substance risk evaluations. For each risk evaluation, EPA must publish a document that outlines the scope of the risk evaluation to be conducted, which includes the hazards, exposures, conditions of use, and the potentially exposed or susceptible subpopulations that EPA expects to consider. 15 U.S.C. 2605(b)(4)(D). The statute further provides that each risk evaluation must also: (1) integrate and assess available information on hazards and exposures for the conditions of use of the chemical substance, including information that is relevant to specific risks of injury to health or the environment and information on relevant potentially exposed or susceptible subpopulations; (2) describe whether aggregate or sentinel exposures were considered and the basis for that consideration; (3) take into account, where relevant, the likely duration, intensity, frequency, and number of exposures under the conditions of use; and (4) describe the weight of the scientific evidence for the identified hazards and exposures. 15 U.S.C. 2605(b)(4)(F)(i) through (ii) and (iv) through (v). Each risk evaluation must not consider costs or other non-risk factors. 15 U.S.C. 2605(b)(4)(F)(iii).

EPA has inherent authority to reconsider previous decisions and to revise, replace, or repeal a decision to the extent permitted by law and supported by reasoned explanation. *FCC* v. *Fox Television Stations, Inc.,* 556 U.S. 502, 515 (2009); *see also Motor Vehicle Mfrs. Ass'n* v. *State Farm Mutual Auto. Ins. Co.,* 463 U.S. 29, 42 (1983). Pursuant to such authority, EPA is reconsidering the risk determinations in the November 2020 TCE Risk Evaluation.

C. What action is EPA taking?

EPA is announcing the availability of and seeking public comment on a draft revision to the risk determination for the risk evaluation for TCE under TSCA, which was initially published in November 2020 (Ref. 1). EPA is specifically seeking public comment on the draft revision to the risk determination for the risk evaluation where the agency intends to determine that TCE, as a whole chemical, presents an unreasonable risk of injury to health when evaluated under its conditions of use. The Agency's risk determination for TCE is better characterized as a whole chemical risk determination rather than condition-of-use-specific risk determinations. Accordingly, EPA would revise and replace section 5 of the risk evaluation for TCE where the findings of unreasonable risk to health were previously made for the individual conditions of use evaluated. EPA would also withdraw the order issued previously for 2 conditions of use previously determined not to present unreasonable risk.

This revision would be consistent with EPA's plans to revise specific aspects of the first ten TSCA chemical risk evaluations in order to ensure that the risk evaluations better align with TSCA's objective of protecting health and the environment. Under the draft revision, the same 52 conditions of use would continue to drive the unreasonable risk determination for TCE. Removing the assumptions that workers always and appropriately wear PPE (see Unit II.C.) when making the whole chemical risk determination for TCE would not alter the conditions of use that drive the unreasonable risk determination for TCE, though additional risks for acute non-cancer and cancer effects from inhalation and dermal exposures would also drive the unreasonable risk in many of those conditions of use (where previously those conditions of use were identified as presenting unreasonable risk for chronic non-cancer effects and cancer). Overall, 52 conditions of use out of 54 EPA evaluated would drive the TCE whole chemical unreasonable risk determination due to risks identified for human health. The full list of the conditions of use evaluated for the TCE TSCA risk evaluation is in Tables 4–59 and 4–60 of the risk evaluation (Ref. 2).

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

1. *Submitting CBI.* Do not submit this information to EPA through *regulations.gov* or email. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD–ROM that you mail to EPA, mark the outside of the disk or CD–ROM as CBI and then identify electronically within the disk or CD–ROM the specific information that is claimed CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked

will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments.* When preparing and submitting your comments, see the commenting tips at *http://www.epa.gov/dockets/comments.html.*

II. Background

A. Why is EPA re-issuing the risk determination for the TCE risk evaluation conducted under TSCA?

In 2016, as directed by TSCA section 6(b)(2)(A), EPA chose the first ten chemical substances to undergo risk evaluations under the amended TSCA. These chemical substances are asbestos, 1-bromopropane, carbon tetrachloride, C.I. Pigment Violet (PV 29), cyclic aliphatic bromide cluster (HBCD), 1,4-dioxane, methylene chloride, n-methylpyrrolidone (NMP), perchloroethylene (PCE), and trichloroethylene (TCE).

From June 2020 to January 2021, EPA published risk evaluations on the first ten chemical substances, including for TCE in November 2020. The risk evaluations included individual unreasonable risk determinations for each condition of use evaluated. EPA issued determinations that particular conditions of use did not present an unreasonable risk by order under TSCA section 6(i)(1).

In accordance with Executive Order 13990 (Ref. 3) and other Administration priorities (Refs. 4, 5, and 6), EPA reviewed the risk evaluations for the first ten chemical substances, including TCE, to ensure that they meet the requirements of TSCA, including conducting decision making in a manner that is consistent with the best available science.

As a result of this review, EPA announced plans to revise specific aspects of the first ten risk evaluations in order to ensure that the risk evaluations appropriately identify unreasonable risks and thereby help ensure the protection of human health and the environment (Ref. 7). To that end, EPA is reconsidering two key aspects of the risk determinations for TCE published in November 2020. First, following a review of specific aspects of the November 2020 TCE risk evaluation, EPA proposes that making an unreasonable risk determination for TCE as a whole chemical substance, rather than making unreasonable risk determinations separately on each individual condition of use evaluated in the risk evaluation, is the most appropriate approach to TCE under the statute and implementing regulations. Second, EPA proposes that the risk determination should be explicit that it does not rely on assumptions regarding the use of personal protective equipment (PPE) in making the unreasonable risk determination under TSCA section 6, even though some facilities might be using PPE as one means to reduce workers exposures; rather, the use of PPE would be considered during risk management as appropriate.

Separately, EPA is conducting a screening approach to assess potential risks from the air and water pathways for several of the first 10 chemicals, including this chemical. For TCE the exposure pathways that were or could be regulated under another EPA administered statute were excluded from the final risk evaluation (see section 1.4.2 of the November 2020 TCE risk evaluation). This resulted in the ambient air and ambient water pathways for TCE not being assessed. The goal of the recently-developed screening approach is to remedy this exclusion and to identify if there are risks that were unaccounted for in the TCE risk evaluation. While this analysis is underway, EPA is not incorporating the screening-level approach into this draft revised unreasonable risk determination. If the results suggest there is additional risk, EPA will determine if the risk management approaches being contemplated for TCE will protect against these risks or if the risk evaluation will need to be formally supplemented or revised.

This action pertains only to the risk determination for TCE. While EPA intends to consider and may take additional similar actions on other of the first ten chemicals, EPA is taking a chemical-specific approach to reviewing the risk evaluations and is incorporating new policy direction in a surgical manner, while being mindful of the Congressional direction on the need to complete risk evaluations and move toward any associated risk management activities in accordance with statutory deadlines.

B. What is a whole chemical view of the unreasonable risk determination for the TCE risk evaluation?

TSCA section 6 repeatedly refers to determining whether a chemical *substance* presents unreasonable risk under its conditions of use. Stakeholders have disagreed over whether a chemical substance should receive: A single determination that is comprehensive for the chemical substance after considering the conditions of use, referred to as a whole-chemical determination; or multiple determinations, each of which is specific to a condition of use, referred to as condition-of-use-specific determinations.

The proposed risk evaluation procedural rule was premised on the whole chemical approach to making an unreasonable risk determination (Ref. 8). In that proposed rule, EPA acknowledged a lack of specificity in statutory text that might lead to different views about whether the statute compelled EPA's risk evaluations to address all conditions of use of a chemical substance or whether EPA had discretion to evaluate some subset of conditions of use (*i.e.,* to scope out some manufacturing, processing, distribution in commerce, use, or disposal activities), but also stated that ''EPA believes the word 'the' (in TSCA section 6(b)(4)(A)) is best interpreted as calling for evaluation that considers all conditions of use.'' (Ref. 8).

The proposed rule, however, was unambiguous on the point that an unreasonable risk determination would be for the chemical substance as a whole, even if based on a subset of uses. (See Ref. 8 at pgs. 7565–66: ''TSCA section 6(b)(4)(A) specifies that a risk evaluation must determine whether 'a chemical substance' presents an unreasonable risk of injury to health or the environment 'under the conditions of use.' The evaluation is on the chemical substance—not individual conditions of use—and it must be based on 'the conditions of use.' In this context, EPA believes the word 'the' is best interpreted as calling for evaluation that considers all conditions of use.''). In the proposed regulatory text, EPA proposed to determine whether the chemical substance presents an unreasonable risk of injury to health or the environment under the conditions of use (Ref. 8 at pg. 7480).

The final risk evaluation procedural rule stated (82 FR 33726, July 20, 2017) (FRL–9964–38) (Ref. 9): ''As part of the risk evaluation, EPA will determine whether the chemical substance presents an unreasonable risk of injury to health or the environment under each condition of uses [sic] within the scope of the risk evaluation, either in a single decision document or in multiple decision documents.'' (See also 40 CFR 702.47). For the unreasonable risk determinations in the first ten risk evaluations, EPA applied this provision by making individual risk determinations for each condition of use evaluated in each risk evaluation (*i.e.,* the condition-of-use-specific approach to risk determinations). That approach was based on one particular passage in the preamble to the final risk evaluation

procedural rule, which stated that EPA will make individual risk determinations for all conditions of use identified in the scope. (Ref. 9 at pg. 33744).

In contrast to this portion of the preamble of the final risk evaluation procedural rule, the regulatory text itself and other statements in the preamble reference a risk determination *for the chemical substance* under its conditions of use, rather than separate risk determinations for each of the conditions of use of a chemical substance. In the key regulatory provision excerpted earlier from 40 CFR 702.47, the text explains that, ''[a]s part of the risk evaluation, EPA will determine whether *the chemical substance* presents an unreasonable risk of injury to health or the environment under each condition of uses [sic] within the scope of the risk evaluation, either in a single decision document or in multiple decision documents'' (Ref. 9, emphasis added). Other language reiterates this perspective. For example, 40 CFR 702.31(a) states that the purpose of the rule is to establish the EPA process for conducting a risk evaluation to determine whether a chemical substance presents an unreasonable risk of injury to health or the environment as required under TSCA section 6(b)(4)(B). Likewise, there are recurring references to whether the chemical substance presents an unreasonable risk in 40 CFR 702.41(a). See, for example, 40 CFR 702.41(a)(6), which explains that the extent to which EPA will refine its evaluations for one or more condition of use in any risk evaluation will vary as necessary to determine whether a chemical substance presents an unreasonable risk. Notwithstanding the one preambular statement about condition-of-use-specific risk determinations, the preamble to the final rule also contains support for a risk determination on the chemical substance as a whole. In discussing the identification of the conditions of use of a chemical substance, the preamble notes that this task inevitably involves the exercise of discretion on EPA's part, and ''as EPA interprets the statute, the Agency is to exercise that discretion consistent with the objective of conducting a technically sound, manageable evaluation to determine whether a chemical substance—not just individual uses or activities—presents an unreasonable risk.'' (Ref. 8 at pg. 33729).

Therefore, notwithstanding EPA's choice to issue condition-of-use-specific risk determinations to date, EPA interprets its risk evaluation regulation to also allow the Agency to issue whole-chemical risk determinations. Either approach is permissible under the regulation. A panel of the Ninth Circuit Court of Appeals also recognized the ambiguity of the regulation on this point. *Safer Chemicals* v. *EPA, 943 F.3d 397, 413* (9th Cir. 2019) (holding a challenge about ''use-by-use risk evaluations [was] not justiciable because it is not clear, due to the ambiguous text of the Risk Evaluation Rule, whether the Agency will actually conduct risk evaluations in the manner Petitioners fear'').

EPA plans to consider the appropriate approach for each chemical substance risk evaluation on a case-by-case basis, taking into account considerations relevant to the specific chemical substance in light of the Agency's obligations under TSCA. The Agency expects that this case-by-case approach will provide greater flexibility in the Agency's ability to evaluate and manage unreasonable risk from individual chemical substances. EPA believes this is a reasonable approach under TSCA and the Agency's implementing regulations.

With regard to the specific circumstances of TCE, as further explained in this notice, EPA proposes that a whole chemical approach is appropriate for TCE in order to protect health and the environment. The whole chemical approach is appropriate for TCE because there are benchmark exceedances for multiple conditions of use (spanning across most aspects of the chemical lifecycle—from manufacturing (including import), processing, commercial and industrial use, consumer use, and disposal) for health of workers, occupational non-users, consumers, and bystanders associated with TCE exposures. Because these chemical-specific properties cut across the conditions of use within the scope of the risk evaluation, a substantial amount of the conditions of use drive the unreasonable risk; therefore, it is appropriate for the Agency to make a determination for TCE that the whole chemical presents an unreasonable risk.

As explained later in this document, the revisions to the unreasonable risk determination (section 5 of the risk evaluation) would be based on the existing risk characterization section of the risk evaluation (section 4 of the risk evaluation) and would not involve additional technical or scientific analysis. The discussion of the issues presented in this **Federal Register** notice and in the accompanying draft revision to the risk determination would supersede any conflicting statements in the prior TCE risk evaluation and the response to comments document (Ref. 10). With respect to the TCE risk evaluation, EPA intends to change the risk determination to a whole chemical approach without considering the use of PPE and does not intend to amend, nor does a whole chemical approach require amending, the underlying scientific analysis of the risk evaluation in the risk characterization section of the risk evaluation. EPA views the peer reviewed hazard and exposure assessments and associated risk characterization as robust and upholding the standards of best available science and weight of the scientific evidence per TSCA sections 26(h) and (i).

EPA is announcing the availability of and seeking public comment on the draft superseding unreasonable risk determination for TCE, including a description of the risks driving the unreasonable risk determination under the conditions of use for the chemical substance as a whole. For purposes of TSCA section 6(i), EPA is making a draft risk determination on TCE as a whole chemical. Under the proposed revised approach, the ''whole chemical'' risk determination for TCE would supersede the no unreasonable risk determinations for TCE that were premised on a condition-of-use-specific approach to determining unreasonable risk. When finalized, EPA's revised unreasonable risk determination would also contain an order withdrawing the TSCA section 6(i)(1) order in section 5.4.1 of the November 2020 TCE risk evaluation.

C. What revision does EPA propose about the use of PPE for the TCE risk evaluation?

In the risk evaluations for the first ten chemical substances, as part of the unreasonable risk determination, EPA assumed for several conditions of use that all workers were provided and always used PPE in a manner that achieves the stated assigned protection factor (APF) for respiratory protection, or used impervious gloves for dermal protection. In support of this assumption, EPA considered reasonably available information such as public comments indicating that some employers, particularly in the industrial setting, provide PPE to their employees and follow established worker protection standards (*e.g.,* Occupational Safety and Health Administration (OSHA) requirements for protection of workers).

For the November 2020 TCE risk evaluation, EPA assumed that workers used PPE for 21 occupational conditions of use. However, in the November 2020 TCE risk evaluation, EPA determined that there is unreasonable risk to

workers for all these COUs even with this assumed PPE use.

EPA is revising the assumption for TCE that workers always or properly use PPE, although it does not question the public comments received regarding the occupational safety practices often followed by industry respondents. When characterizing the risk to human health from occupational exposures during risk evaluation under TSCA, EPA believes it is appropriate to evaluate the levels of risk present in baseline scenarios where PPE is not assumed to be used by workers. This approach of not assuming PPE use by workers considers the risk to potentially exposed or susceptible subpopulations (workers and occupational non-users) who may not be covered by OSHA standards, such as self-employed individuals and public sector workers who are not covered by a State Plan. It should be noted that, in some cases, baseline conditions may reflect certain mitigation measures, such as engineering controls, in instances where exposure estimates are based on monitoring data at facilities that have engineering controls in place.

In addition, EPA believes it is appropriate to evaluate the levels of risk present in scenarios considering applicable OSHA requirements (*e.g.,* chemical-specific permissible exposure limits (PELs) and/or chemical-specific PELs with additional substance-specific standards) as well as scenarios considering industry or sector best practices for industrial hygiene that are clearly articulated to the Agency. It should be noted that, in some cases, baseline conditions may reflect certain mitigation measures, such as engineering controls, in instances where exposure estimates are based on monitoring data at facilities that have engineering controls in place. Consistent with this approach, the November 2020 TCE risk evaluation characterized risk to workers both with and without the use of PPE. By characterizing risks using scenarios that reflect different levels of mitigation, EPA risk evaluations can help inform potential risk management actions by providing information that could be used during risk management to tailor risk mitigation appropriately to address any unreasonable risk identified, or to ensure that applicable OSHA requirements or industry or sector best practices that address the unreasonable risk are required for all potentially exposed or susceptible subpopulations (including self-employed individuals and public sector workers who are not covered by an OSHA State Plan).

When undertaking unreasonable risk determinations as part of TSCA risk evaluations, however, EPA does not believe it is appropriate to assume as a general matter that an applicable OSHA requirement or industry practices related to PPE use is consistently and always properly applied. Mitigation scenarios included in the EPA risk evaluation (*e.g.,* scenarios considering use of various PPE) likely represent what is happening already in some facilities. However, the Agency cannot assume that all facilities have adopted these practices for the purposes of making the TSCA risk determination.

Therefore, EPA proposes to make a determination of unreasonable risk for TCE from a baseline scenario that does not assume compliance with OSHA standards, including any applicable exposure limits or requirements for use of respiratory protection or other PPE. Making unreasonable risk determinations based on the baseline scenario should not be viewed as an indication that EPA believes there are no occupational safety protections in place at any location, or that there is widespread non-compliance with applicable OSHA standards. Rather, it reflects EPA's recognition that unreasonable risk may exist for subpopulations of workers that may be highly exposed because they are not covered by OSHA standards, such as self-employed individuals and public sector workers who are not covered by a State Plan, or because their employer is out of compliance with OSHA standards, or because many of OSHA's chemical-specific permissible exposure limits largely adopted in the 1970's are described by OSHA as being ''outdated and inadequate for ensuring protection of worker health'' (Ref. 11), or because EPA finds unreasonable risk for purposes of TSCA notwithstanding OSHA requirements.

In accordance with this approach, EPA is proposing the draft revision to the TCE risk determination without relying on assumptions regarding the occupational use of PPE in making the unreasonable risk determination under TSCA section 6; rather, information on the use of PPE as a means of mitigating risk (including information received from industry respondents about occupational safety practices in use) would be considered during the risk management phase as appropriate. This would represent a change from the approach taken in the 2020 risk evaluation for TCE and EPA invites comments on this draft change to the TCE risk determination. As a general matter, when undertaking risk management actions, EPA intends to strive for consistency with applicable OSHA requirements and industry best practices, including appropriate application of the hierarchy of controls, when those measures would address an identified unreasonable risk, including unreasonable risk to potentially exposed or susceptible subpopulations. Consistent with TSCA section 9(d), EPA will consult and coordinate TSCA activities with OSHA and other relevant Federal agencies for the purpose of achieving the maximum applicability of TSCA while avoiding the imposition of duplicative requirements. Informed by the mitigation scenarios and information gathered during the risk evaluation and risk management process, the Agency might propose rules that require risk management practices that may be already common practice in many or most facilities. Adopting clear, comprehensive regulatory standards will foster compliance across all facilities (ensuring a level playing field) and assure protections for all affected workers, especially in cases where current OSHA standards may not apply or be sufficient to address the unreasonable risk.

Removing the assumption that all workers always and appropriately wear PPE in making the whole chemical risk determination for TCE would not result in additional conditions of use to the original 52 conditions of use that drive the unreasonable risk, though EPA would identify additional risks for acute non-cancer and cancer effects from inhalation and dermal exposures as driving the unreasonable risk within many of those conditions of use (where previously those conditions of use were identified as presenting unreasonable risk only for chronic non-cancer effects and cancer due to assumed use of PPE). The draft revision to the risk determination would clarify that EPA does not rely on the assumed use of PPE when making the risk determination for the whole substance. EPA is requesting comment on this potential change.

D. What is TCE?

TCE is a colorless liquid with a pleasant, sweet odor resembling that of chloroform. It is considered a volatile organic compound and has a wide range of uses in consumer and commercial products and in industry. An estimated 84% of TCE's annual production volume is used as an intermediate in the manufacture of the hydrofluorocarbon, HFC–134a, an alternative to the refrigerant chlorofluorocarbon, CFC–12. Another 15% of TCE production volume is used as a degreasing solvent, leaving approximately 2% for other uses. The total aggregate production volume

decreased from 220.5 to 171.9 million pounds between 2012 and 2015.

E. What conclusions did EPA reach about the risks of TCE in the 2020 TSCA risk evaluation and what conclusions is EPA proposing to reach based on the whole chemical approach and not assuming the use of PPE?

In the 2020 risk evaluation, EPA determined that TCE presents an unreasonable risk to health under the following conditions of use:

- Manufacturing: domestic manufacture;
- Manufacturing: import;
- Processing: processing as a reactant/intermediate;
- Processing: incorporation into a formulation, mixture or reaction product;
- Processing: incorporation into articles;
- Processing: repackaging;
- Processing: recycling;
- Industrial and commercial use as a solvent for open-top batch vapor degreasing;
- Industrial and commercial use as a solvent for closed-loop batch vapor degreasing;
- Industrial and commercial use as a solvent for in-line conveyorized vapor degreasing;
- Industrial and commercial use as a solvent for in-line web cleaner vapor degreasing;
- Industrial and commercial use as a solvent for cold cleaning;
- Industrial and commercial use as a solvent for aerosol spray degreaser/cleaner and mold release;
- Industrial and commercial use as a lubricant and grease in tap and die fluid;
- Industrial and commercial use as a lubricant and grease in penetrating lubricant;
- Industrial and commercial use as an adhesive and sealant in solvent-based adhesives and sealants; tire repair cement/sealer; mirror edge sealant;
- Industrial and commercial use as a functional fluid in heat exchange fluid;
- Industrial and commercial use in paints and coatings as a diluent in solvent-based paints and coatings;
- Industrial and commercial use in cleaning and furniture care products in carpet cleaner and wipe cleaning;
- Industrial and commercial use in laundry and dishwashing products in spot remover;
- Industrial and commercial use in arts, crafts, and hobby materials in fixatives and finishing spray coatings;
- Industrial and commercial use in corrosion inhibitors and anti-scaling agents;
- Industrial and commercial use in processing aids in process solvent used in battery manufacture; process solvent used in polymer fabric spinning, fluoroelastomer manufacture and Alcantara manufacture; extraction solvent used in caprolactam manufacture; precipitant used in beta-cyclodextrin manufacture;
- Industrial and commercial use as ink, toner and colorant products in toner aid;
- Industrial and commercial use in automotive care products in brake parts cleaner;
- Industrial and commercial use in apparel and footwear care products in shoe polish;
- Industrial and commercial use in hoof polish; gun scrubber; pepper spray; other miscellaneous industrial and commercial uses;
- Consumer use as a solvent in brake and parts cleaner;
- Consumer use as a solvent in aerosol electronic degreaser/cleaner;
- Consumer use as a solvent in liquid electronic degreaser/cleaner;
- Consumer use as a solvent in aerosol spray degreaser/cleaner;
- Consumer use as a solvent in liquid degreaser/cleaner;
- Consumer use as a solvent in aerosol gun scrubber;
- Consumer use as a solvent in liquid gun scrubber;
- Consumer use as a solvent in mold release;
- Consumer use as a solvent in aerosol tire cleaner;
- Consumer use as a solvent in liquid tire cleaner;
- Consumer use as a lubricant and grease in tap and die fluid;
- Consumer use as a lubricant and grease in penetrating lubricant;
- Consumer use as an adhesive and sealant in solvent-based adhesives and sealants;
- Consumer use as an adhesive and sealant in mirror edge sealant;
- Consumer use as an adhesive and sealant in tire repair cement/sealer;
- Consumer use as a cleaning and furniture care product in carpet cleaner;
- Consumer use as a cleaning and furniture care product in aerosol spot remover;
- Consumer use as a cleaning and furniture case product in liquid spot remover;
- Consumer use in arts, crafts, and hobby materials in fixative and finishing spray coatings;
- Consumer use in apparel and footwear products in shoe polish;
- Consumer use in fabric spray;
- Consumer use in film cleaner;
- Consumer use in hoof polish;
- Consumer use in toner aid; and
- Disposal.

Under the proposed whole chemical approach to the TCE risk determination, the unreasonable risk from TCE would continue to be driven by risk from those same conditions of use. In addition, by removing the assumption of PPE use in making the whole chemical risk determination for TCE, there are no additional conditions of use that would drive the draft unreasonable risk determination. The same 52 COUs out of the 54 EPA evaluated would continue to drive EPA's unreasonable risk determination, though additional risks for acute non-cancer and cancer effects from inhalation and dermal exposures would drive the unreasonable risk within many of those conditions of use (where previously those conditions of use were identified as presenting unreasonable risk only for chronic non-cancer effects and cancer due to assumed use of PPE). Overall, 52 conditions of use out of the 54 EPA evaluated would drive the TCE whole chemical unreasonable risk determination.

III. Revision of the November 2020 Risk Evaluation

A. Why is EPA proposing to revise the risk determination for the TCE risk evaluation?

EPA is proposing to revise the risk determination for the TCE risk evaluation pursuant to TSCA section 6(b) and consistent with Executive Order 13990, (''Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis'') and other Administration priorities (Refs. 3, 4, and 6). EPA is revising specific aspects of the first ten TSCA existing chemical risk evaluations in order to ensure that the risk evaluations better align with TSCA's objective of protecting health and the environment. For the TCE risk evaluation, this includes the draft revision: (1) making the risk determination in this instance based on the whole chemical substance instead of by individual conditions of use, and (2) emphasizing that EPA does not rely on the assumed use of PPE when making the risk determination.

B. What are the draft revisions?

EPA is releasing a draft revision of the risk determination for the TCE risk evaluation pursuant to TSCA section 6(b). Under the revised determination, EPA preliminarily concludes that TCE, as evaluated in the risk evaluation as a whole, presents an unreasonable risk of injury to health under its conditions of use. This revision would replace the

previous unreasonable risk determinations made for TCE by individual conditions of use, supersede the determinations (and withdraw the associated order) of no unreasonable risk for the conditions of use identified in the TSCA section 6(i)(1) no unreasonable risk order, and clarify the lack of reliance on assumed use of PPE as part of the risk determination.

These draft revisions do not alter any of the underlying technical or scientific information that informs the risk characterization, and as such the hazard, exposure, and risk characterization sections are not changed except to the extent that statements about PPE assumptions in sections 2.3.1.2.5 (Dermal Exposure Modeling) and section 4.2.2 (Risk Estimation for Occupational Exposures), Table 4–9 (Inhalation Exposure Data Summary and PPE Use Determination), of the TCE risk evaluation would be superseded. The discussion of the issues in this notice and in the accompanying draft revision to the risk determination would supersede any conflicting statements in the prior executive summary and sections 2.3.1.2.5 and 4.2.2 from the TCE risk evaluation and the response to comments document (Refs. 2 and 10). Additional policy changes to other chemical risk evaluations, including any consideration of potentially exposed or susceptible subpopulations and/or inclusion of additional exposure pathways, are not necessarily reflected in these draft revisions to the risk determination.

C. Will the draft revised risk determination be peer reviewed?

The risk determination (section 5 in the November 2020 risk evaluation) was not part of the scope of the peer reviews of the TCE risk evaluation by the Science Advisory Committee on Chemicals (SACC). Thus, consistent with that approach, EPA does not intend to conduct peer review of the draft revised unreasonable risk determination for the TCE risk evaluation because no technical or scientific changes will be made to the hazard or exposure assessments or the risk characterization.

D. What are the next steps for finalizing revisions to the risk determination?

EPA will review and consider public comment received on the draft revised risk determination for the TCE risk evaluation and, after considering those public comments, issue the revised final TCE risk determination. If finalized as drafted, EPA would also issue a new order to withdraw the TSCA section 6(i)(1) no unreasonable risk order issued in Section 5.4.1 of the 2020 TCE risk evaluation. This final revised risk determination would supersede the November 2020 risk determinations of no unreasonable risk. Consistent with the statutory requirements of TSCA section 6(a), the Agency would then propose risk management actions to address the unreasonable risk determined in the TCE risk evaluation.

IV. References

The following is a listing of the documents that are specifically referenced in this document. The docket includes these documents and other information considered by EPA, including documents that are referenced within the documents that are included in the docket, even if the referenced document is not physically located in the docket. For assistance in locating these other documents, please consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

1. EPA Draft Revised Unreasonable Risk Determination for TCE, Section 5, July 2022.
2. EPA Risk Evaluation for Trichloroethylene. EPA Document #740–R–18–008. November 2020. *https://www.epa.gov/sites/default/files/2020-11/documents/1._risk_evaluation_for_trichloroethylene_tce_casrn_79-01-6.pdf.*
3. Executive Order 13990. Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis. **Federal Register**. 86 FR 7037, January 25, 2021.
4. Executive Order 13985. Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. **Federal Register**. 86 FR 7009, January 25, 2021.
5. Executive Order 14008. Tackling the Climate Crisis at Home and Abroad. **Federal Register**. 86 FR 7619, February 1, 2021.
6. Presidential Memorandum. Memorandum on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking. **Federal Register**. 86 FR 8845, February 10, 2021.
7. EPA Press Release. EPA Announces Path Forward for TSCA Chemical Risk Evaluations. June 2021. *https://www.epa.gov/newsreleases/epa-announces-path-forward-tsca-chemical-risk-evaluations.*
8. EPA. Proposed Rule; Procedures for Chemical Risk Evaluation Under the Amended Toxic Substances Control Act. **Federal Register**. 82 FR 7562, January 19, 2017 (FRL–9957–75).
9. EPA. Final Rule; Procedures for Chemical Risk Evaluation Under the Amended Toxic Substances Control Act. **Federal Register**. 82 FR 33726, July 20, 2017 (FRL–9964–38).
10. EPA. Summary of External Peer Review and Public Comments and Disposition for Trichloroethylene (TCE). November 2020. *https://www.regulations.gov/document/EPA-HQ-OPPT-2019-0500-0114.*
11. Occupational Safety and Health Administration. Permissible Exposure Limits—Annotated Tables. Accessed June 13, 2022. *https://www.osha.gov/annotated-pels.*

Authority: 15 U.S.C. 2601 *et seq.*

Dated: July 1, 2022.

Michal Freedhoff,

Assistant Administrator, Office of Chemical Safety and Pollution Prevention.

[FR Doc. 2022–14478 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OLEM–2018–0105, FRL–10000–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; Oil Pollution Act Facility Response Plans (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR), Oil Pollution Act Facility Response Plans (EPA ICR Number 1630.14, OMB Control Number 2050–0135) 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 July 31, 2022. Public comments were previously requested via the **Federal Register** on November 10, 2021 during a 60-day comment period. This notice allows for an additional 30 days for public comments. A fuller description of the ICR is given below, including its estimated burden and cost to the public. 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.

DATES: Additional comments may be submitted on or before August 8, 2022.

ADDRESSES: Submit your comments, referencing Docket ID No. EPA–HQ–OLEM–2018–0105, to EPA online using *www.regulations.gov* (our preferred method) or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 28221T, 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 Proprietary Business Information (PBI) 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: J. Troy Swackhammer, Office of Emergency Management, Mail Code 5104A, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: (202) 564–1966; email address: *swackhammer.j-troy@epa.gov.*

SUPPLEMENTARY INFORMATION: 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: The authority for EPA's facility response plan (FRP) requirements is derived from section 311(j)(5) of the Clean Water Act, as amended by the Oil Pollution Act of 1990. EPA's regulation is codified at 40 CFR 112.20 and 112.21 and related appendices. The purpose of an FRP is to help an owner or operator identify the necessary resources to respond to an oil discharge in a timely manner. If implemented effectively, the FRP will reduce the impact and severity of oil discharges and may prevent discharges because of the identification of risks at the facility. Although the owner or operator is the primary data user, EPA also uses the data in certain situations to ensure that facilities comply with the regulation and to help allocate response resources. State and local governments may use the data, which are not generally available elsewhere, and can greatly assist local emergency preparedness planning efforts. The EPA reviews all submitted FRPs and must approve FRPs for those facilities whose discharges may cause significant and substantial harm to the environment to ensure that facilities believed to pose the highest risk have planned for adequate resources and procedures to respond to oil discharges (See 40 CFR 112.20(f)(3) for further information about the criteria for significant and substantial harm.). No information collected under the FRP rule is expected to be confidential. One of the criteria necessary for information to be classified as ''proprietary business information'' (40 CFR 2.208) is that a business must show that it has previously taken reasonable measures to protect the confidentiality of the information and that it intends to continue to take such measures. EPA provides no assurances of confidentiality to facility owners or operators when they file their FRPs.

Form Numbers: None.

Respondents/affected entities: Owners or operators of facilities required to have Spill Prevention, Control, and Countermeasure (SPCC) plans under the Oil Pollution Prevention regulation (40 CFR part 112) and that, because of their location, could reasonably be expected to cause substantial harm to the environment.

Respondent's obligation to respond: Mandatory under section 311(j)(5) of the Clean Water Act, as amended by the Oil Pollution Act of 1990.

Estimated number of respondents: 16,027 (total).

Frequency of response: Annual.

Total estimated burden: 385,784 hours (per year). Burden is defined at 5 CFR 1320.03(b).

Total estimated cost: $17,751,436 (per year), includes $25,954 annualized capital or operation and maintenance costs.

Changes in Estimates: The burden estimate showed an annualized increase of 1,975 hours over the prior inventory due to the projected increase in the facility universe for the ICR renewal period. The capital cost increase reflects printing and travel costs based on the ICR consultations.

Courtney Kerwin,

Director, Regulatory Support Division.

[FR Doc. 2022–14497 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OW–2011–0442; FRL–10003–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; Microbial Rules (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR) for the Microbial Rules (EPA ICR Number 1895.11, OMB Control Number 2040–0205) 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 July 31, 2022. Public comments were previously requested via the **Federal Register** on December 15, 2021, during a 60-day comment period. The ICR, a copy of which is in the docket and briefly summarized in this document, describes the covered information collection activities, along with the Agency's estimated burden and cost. 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.

DATES: Additional comments may be submitted on or before August 8, 2022.

ADDRESSES: Submit your comments, referencing Docket ID Number EPA–HQ–OW–2011–0442, online using *www.regulations.gov* (our preferred method) or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 2821T, 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: Kevin Roland, Drinking Water Protection Division, Office of Ground Water and Drinking Water, (4606M), Environmental Protection Agency, 1200 Pennsylvania Avenue NW, Washington, DC 20460; telephone number: 202–564–4588: fax number: 202–564–3755; email address: *roland.kevin@epa.gov.*

SUPPLEMENTARY INFORMATION: Supporting documents, which explain in detail the information that EPA will be collecting, are available in the public

docket for this ICR. The docket can be viewed online at *https://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: The Microbial Rules ICR examines public water system and primacy agency burden and costs for recordkeeping and reporting requirements in support of the microbial drinking water regulations. The recordkeeping and reporting requirements are mandatory for compliance with the *Code of Federal Regulations* (CFFR) at 40 CFR parts 141 and 142. The following microbial regulations are included: the Surface Water Treatment Rule (SWTR), the Revised Total Coliform Rule (RTCR), the Interim Enhanced Surface Water Treatment Rule (IESWTR), the Filter Backwash Recycling Rule (FBRR), the Long Term 1 Enhanced Surface Water Treatment Rule (LT1ESWTR), the Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR), the Ground Water Rule (GWR) and the Aircraft Drinking Water Rule (ADWR). Future microbial-related rulemakings will be added to this consolidated ICR after the regulations are promulgated and the initial, rule-specific, ICRs are due to expire.

Form Numbers: None.

Respondents/affected entities: Public water systems and primacy agencies.

Respondent's obligation to respond: Mandatory for compliance with 40 CFR parts 141 and 142.

Estimated number of respondents: 144,273 (total).

Frequency of response: Varies by requirement (*i.e.,* on occasion, monthly, quarterly, semi-annually, and annually).

Total estimated burden: 15,020,711 hours (per year). Burden is defined at 5 CFR 1320.03(b).

Total estimated cost: $1,318,255,000 (per year), includes $174,805,000 annualized capital or operation and maintenance costs.

Changes in the Estimates: There is a decrease of 3,106,871 hours in the total estimated respondent burden compared with the ICR currently approved by OMB. This is due to the replacement of the original Total Coliform Rule with the Revised Total Coliform Rule and updated system inventories.

Courtney Kerwin,

Director, Regulatory Support Division.

[FR Doc. 2022–14492 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OAR–2021–0099; FRL–10002–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; NESHAP for Wet-Formed Fiberglass Mat Production (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR), NESHAP for Wet-Formed Fiberglass Mat Production (EPA ICR Number 1964.10, OMB Control Number 2060–0496), 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, 2022. Public comments were previously requested, via the **Federal Register**, on April 13, 2021, during a 60-day comment period. This notice allows for an additional 30 days for public comments. A fuller description of the ICR is given below, including its estimated burden and cost to the public. An agency may neither conduct nor sponsor, and a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number.

DATES: Additional comments may be submitted on or before August 8, 2022.

ADDRESSES: Submit your comments, referencing Docket ID Number EPA–HQ–OAR–2021–0099, online using *www.regulations.gov* (our preferred method) or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 2821T, 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: Muntasir Ali, Sector Policies and Program Division (D243–05), Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina, 27711; telephone number: (919) 541–0833; email address: *ali.muntasir@epa.gov.*

SUPPLEMENTARY INFORMATION: 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 *https://www.regulations.gov,* or in person at the EPA Docket Center, WJC West Building, 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: The National Emission Standards for Hazardous Air Pollutants (NESHAP) for Wet-formed Fiberglass Mat Production were proposed on May 26, 2000, promulgated on April 11, 2002, and amended on: April 20, 2006; February 28, 2019; and November 19, 2020. The NESHAP is codified at 40 CFR part 63, subpart HHHH. The NESHAP apply to wet-formed fiberglass mat production facilities that emit greater than or equal to 10 tons per year (tpy) of any one hazardous air pollutant (HAP), or greater than or equal to 25 tpy of any combination of HAP. Affected sources include new and existing drying and curing ovens. The pollutants regulated include organic HAP, using formaldehyde as a surrogate. New facilities include those that commenced construction or reconstruction after the date of the original proposal (May 26, 2000). The NESHAP standards require initial notifications, performance tests, and semi-annual reports by the owners/operators of the affected facilities. This information is being collected to assure compliance with 40 CFR part 63, subpart HHHH.

Form Numbers: None.

Respondents/affected entities: Wet-formed fiberglass mat production facilities.

Respondent's obligation to respond: Mandatory (40 CFR 63, subpart HHHH).

Estimated number of respondents: 7 (total).

Frequency of response: Semi-annually.

Total estimated burden: 1,470 hours (per year). Burden is defined at 5 CFR 1320.3(b).

Total estimated cost: $174,000 (per year), which includes $0 in annualized capital/startup and/or operation & maintenance costs.

Changes in the Estimates: There is no change in the total estimated burden as currently identified in the OMB Inventory of Approved Burdens. This ICR adjusts the time required for facilities to familiarize themselves with the rule requirements in each year from 8 hours for 2.33 respondents to 2 hours per year for 7 respondents; however, there is no significant change in the total burden hours due to rounding.

Courtney Kerwin,

Director, Regulatory Support Division.

[FR Doc. 2022–14491 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[9993–01–OA]

Children's Health Protection Advisory Committee

AGENCY: Environmental Protection Agency (EPA).

ACTION: Request for nominations to the Children's Health Protection Advisory Committee.

SUMMARY: The U.S. Environmental Protection Agency (EPA) invites nominations from a range of qualified candidates for consideration for appointment to its Children's Health Protection Advisory Committee (CHPAC). EPA anticipates filling vacancies by March 1, 2023. EPA may use additional sources to solicit nominees.

Background: CHPAC is chartered under the Federal Advisory Committee Act (FACA), Public Law 92–463. EPA established this Committee in 1997 to provide independent advice to the EPA Administrator on a broad range of environmental issues affecting children's health.

The EPA Administrator appoints members for three-year terms with a cap on service at six years. The Committee meets 2–3 times annually and the average workload is approximately 10 to 15 hours per month. EPA provides reimbursement for travel and other incidental expenses associated with official government business, but members must be able to cover expenses prior to reimbursement.

The CHPAC is looking for representatives from industry; tribal, state, county and local government; school systems; academia; health care providers (including pediatricians, obstetric professionals, occupational medicine practitioners and community nurses); and non-governmental organizations.

The types of experience necessary includes: children's environmental health and development; epidemiology and toxicology; role of environmental chemicals in childhood diseases such as asthma, obesity and attention-deficit/hyperactivity disorder (ADHD); prenatal environmental exposures and adverse health outcomes; specific environmental exposures to chemicals such as lead, mercury and other heavy metals that adversely impact children's health; tribal children's environmental health; children's environmental health disparities; research; air quality (indoor and outdoor); water quality; EPA regulation development; risk assessment; exposure assessment; science policy; public health information tracking; and outreach and risk communication.

EPA is looking for background and experience that would contribute to the diversity of perspectives on the committee (*e.g.,* geographic, economic, social, cultural, racial, ethnicity, educational, and other considerations).

Nominees must have the ability to volunteer time to attend meetings 2–3 times a year in Washington, DC, participate in teleconference meetings, develop recommendations to the EPA Administrator, and prepare reports and advice letters.

In accordance with Executive Order 14035 (June 25, 2021), EPA values and welcomes opportunities to increase diversity, equity, inclusion and accessibility on its federal advisory committees. EPA's federal advisory committees have a workforce that reflects the diversity of the American people.

Nominations must include the following information:

- Brief statement describing the nominee's interest in serving on the CHPAC.
- Short biography (no more than one page) describing the professional and educational qualifications, including a list of relevant activities, and any current or previous service on federal advisory committees.
- Statement about the perspective the nominee brings to the committee.
- Current contact information for the nominee, including name, organization (and position within that organization), business address, email address, and telephone number.
- Candidates may self-nominate; one letter of support is welcome.

Submit nominations by August 15, 2022 by email to *EPA_CHPAC@icfi.com* and *Nguyen.Amelia@epa.gov* or mail to Amelia Nguyen, Designated Federal Officer, Office of Children's Health Protection, U.S. Environmental Protection Agency, Mail Code 1107T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.

FOR FURTHER INFORMATION CONTACT: Amelia Nguyen, Designated Federal Officer, U.S. EPA; telephone (202) 564–4268 or *Nguyen.Amelia@epa.gov.*

Amelia Nguyen,

Designated Federal Officer, Office of Children's Health Protection.

[FR Doc. 2022–14394 Filed 7–6–22; 8:45 am]

BILLING CODE P

ENVIRONMENTAL PROTECTION AGENCY

[FRL–9989–01–OA; EPA–HQ–OA–2022–0050]

White House Environmental Justice Advisory Council; Notification of Virtual Public Meeting

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notification for a public meeting.

SUMMARY: Pursuant to the Federal Advisory Committee Act (FACA), the U.S. Environmental Protection Agency (EPA) hereby provides notice that the White House Environmental Justice Advisory Council (WHEJAC) will meet on the dates and times described below. The meeting is open to the public. Members of the public are encouraged to provide comments relevant to federal disaster preparedness and relief and community resilience. For additional information about registering to attend the meetings or to provide public comment, please see ''REGISTRATION'' under **SUPPLEMENTARY INFORMATION**. Pre-registration is required.

DATES: The WHEJAC will hold a virtual public meeting on Wednesday, August 3, 2022, and Thursday, August 4, 2022, from approximately 3:00 p.m.–7:30 p.m., Eastern Time, each day. A public comment period relevant to the development of an annual public performance scorecard and the types of indicators or data that would be useful in a scorecard will be considered by the WHEJAC during the meeting on August 3, 2022. (see **SUPPLEMENTARY INFORMATION**). Members of the public who wish to participate during the public comment period must pre-register by 11:59 p.m., Eastern Time, July 27, 2022.

FOR FURTHER INFORMATION CONTACT: Victoria Robinson, WHEJAC Designated Federal Officer, U.S. EPA; email: *whejac@epa.gov*; telephone: (202) 564–6349. Additional information about the WHEJAC is available at *https://www.epa.gov/environmentaljustice/white-house-environmental-justice-advisory-council.*

SUPPLEMENTARY INFORMATION: The meeting discussion will focus on draft recommendations related to climate resilience, the beta version of the Climate and Economic Justice Screening Tool, and the implementation of the Justice40 Initiative.

The Charter of the WHEJAC states that the advisory committee will provide independent advice and recommendations to the Chair of the CEQ and to the White House Environmental Justice Interagency Council (IAC). The WHEJAC will provide advice and recommendations about broad cross-cutting issues, related but not limited to, issues of environmental justice and pollution reduction, energy, climate change mitigation and resiliency, environmental health, and racial inequity. The WHEJAC's efforts will include a broad range of strategic, scientific, technological, regulatory, community engagement, and economic issues related to environmental justice.

Registration: Individual registration is required for the virtual public meeting. Information on how to register is located at *https://www.epa.gov/environmental justice/white-house-environmental-justice-advisory-council.* Registration for the meeting is available through the scheduled end time of the meeting. Registration to speak during the public comment period will close 11:59 p.m., Eastern Time, on July 27, 2022. When registering, please provide your name, organization, city and state, and email address for follow up. Please also indicate whether you would like to provide public comment during the meeting, and whether you are submitting written comments at the time of registration.

A. Public Comment

The WHEJAC is interested in receiving public comments specific to the development of an annual public performance scorecard and the types of indicators or data that would be useful in a scorecard. This scorecard will provide a method for evaluation and accountability to assess the Federal Government's progress in addressing current and historic environmental injustice. Every effort will be made to hear from as many registered public commenters during the time specified on the agenda. Individuals or groups making remarks during the public comment period will be limited to three (3) minutes. Please be prepared to briefly describe your issue and what you want the WHEJAC to advise CEQ and IAC to do. Submitting written comments for the record are strongly encouraged. You can submit your written comments in three different ways, (1.) by creating comments in the Docket ID No. EPA–HQ–OA–2022–0050 at *http://www.regulations.gov,* (2.) by using the webform at *https://www.epa.gov/environmentaljustice/forms/white-house-environmental-justice-advisory-council-whejac-public-comment,* and (3.) by sending comments via email to *whejac@epa.gov.* Written comments can be submitted through August 18, 2022.

B. Information About Services for Individuals With Disabilities or Requiring English Language Translation Assistance

For information about access or services for individuals requiring assistance, please contact Victoria Robinson via email at *whejac@epa.gov* or contact by phone at (202) 564–6349. To request special accommodations for a disability or other assistance, please submit your request at least seven (7) working days prior to the meeting, to give EPA sufficient time to process your request. All requests should be sent to the email listed in the **FOR FURTHER INFORMATION CONTACT** section.

Matthew Tejada,

Director for the EPA Office of Environmental Justice.

[FR Doc. 2022–14395 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OAR–2021–0115; FRL–9996–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; NESHAP for Paint Stripping and Miscellaneous Surface Coating at Area Sources (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR), NESHAP for Paint Stripping and Miscellaneous Surface Coating at Area Sources (EPA ICR Number 2268.06, OMB Control Number 2060–0607), 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 June 30, 2022. Public comments were previously requested, via the **Federal Register**, on April 13, 2021 during a 60-day comment period. This notice allows for an additional 30 days for public comments. A fuller description of the ICR is given below, including its estimated burden and cost to the public. An agency may neither conduct nor sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

DATES: Additional comments may be submitted on or before August 8, 2022.

ADDRESSES: Submit your comments, referencing Docket ID Number EPA–HQ–OAR–2021–0115, online using *www.regulations.gov* (our preferred method) or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 2821T, 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: Muntasir Ali, Sector Policies and Program Division (D243–05), Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina, 27711; telephone number: (919) 541–0833; email address: *ali.muntasir@epa.gov.*

SUPPLEMENTARY INFORMATION: 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 *https://www.regulations.gov,* or in person at the EPA Docket Center, WJC West Building, 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: The National Emission Standards for Hazardous Air Pollutants (NESHAP) for Paint Stripping and

Miscellaneous Surface Coating at Area Sources (40 CFR part 63, subpart HHHHHH) are part of the EPA Integrated Urban Strategy to reduce cancer risk from area sources under Section 112(k)(3)(C) of the Clean Air Act (CAA). These standards apply to existing facilities and new facilities that conduct paint stripping operations using methylene chloride-containing paint strippers, motor vehicle and mobile equipment surface coating operations, and miscellaneous surface coating operations located at area sources. In general, all NESHAP standards require initial notifications, performance tests, and periodic reports by the owners/operators of the affected facilities. They are also required to maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility, or any period during which the monitoring system is inoperative. These notifications, reports, and records are used by the EPA to determine compliance with the standards.

Form Numbers: None.

Respondents/affected entities: Paint stripping and miscellaneous surface coating operations.

Respondent's obligation to respond: Mandatory (40 CFR part 63, subpart HHHHHH).

Estimated number of respondents: 39,812 (total).

Frequency of response: Initially and occasionally.

Total estimated burden: 102,000 hours (per year). Burden is defined at 5 CFR 1320.3(b).

Total estimated cost: $12,100,000 (per year), which includes $27,100 in annualized capital/startup and/or operation & maintenance costs.

Changes in the Estimates: There is an adjustment decrease in the total estimated burden as currently identified in the OMB Inventory of Approved Burdens. This decrease is not due to any program changes. The reason for the change in burden is related to an error in the prior ICR which was corrected in this renewal package. The prior ICR assumed that all sources would submit an annual notification of changes report, but this rule does not require sources to submit an annual report unless a change has occurred in information previously submitted in either the initial notification required by § 63.11175(a), Notification of Compliance, or a previous annual notification of changes report. We have adjusted this assumption, and based on OAQPS discussions with industry, we have assumed that 20 percent of existing sources will submit a notification of changes report each year; this includes submittal of a methylene chloride minimization plan for paint stripping sources using more than one ton of methylene chloride in the calendar year.

The prior ICR also assumed that no government-owned miscellaneous surface coating operations at area sources would need to update records of painter certification or records of filter efficiency each year. We have revised this assumption and estimate that the proportions of government-owned surface coating sources and commercial surface coating sources that must record this information each year will be the same. Therefore, in line with our assumptions for commercial surface coating sources, we have assumed that 20 percent of painters at government-owned surface coating sources will need to have their records updated each year, and that one percent of government-owned surface coating sources will opt to use filters which will require them to test and record the filter efficiency. This adjustment in the burden estimate for government-owned surface coating sources results in an increase in recordkeeping burden for those sources. However, the overall burden estimate for all types of sources, including government-owned surface coating sources, has still decreased due to our corrected assumption regarding annual notification of changes reports. Therefore, the number of sources predicted by this ICR to submit reports has been greatly reduced, and the associated labor and operation and maintenance costs have seen a corresponding reduction. However, the individual cost per respondent of submitting a notification or report has not changed.

Courtney Kerwin,

Director, Regulatory Support Division.

[FR Doc. 2022–14460 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OEM–2015–0725; FRL–9999–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; Risk Management Program Requirements and Petitions To Modify the List of Regulated Substances Under the Clean Air Act (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is submitting an information collection request (ICR), Risk Management Program Requirements and Petitions to Modify the List of Regulated Substances under section 112(r) of the Clean Air Act (EPA ICR Number 1656.18, OMB Control Number 2050–0144) 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 November 30, 2022. Public comments were previously requested via the **Federal Register** on December 14, 2021 during a 60-day comment period. This notice allows for an additional 30 days for public comments. A fuller description of the ICR is given below, including its estimated burden and cost to the public. 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.

DATES: Additional comments may be submitted on or before August 8, 2022.

ADDRESSES: Submit your comments, referencing Docket ID No. EPA–HQ–OEM–2015–0725, online using *www.regulations.gov* (our preferred method) or by mail to: (1) EPA Docket Center, Environmental Protection Agency, Mail Code 28221T, 1200 Pennsylvania Ave. NW, Washington, DC 20460, and (2) OMB via email to *oira_submission@omb.eop.gov.* Address comments to OMB Desk Officer for EPA. 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 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: Wendy Hoffman, Office of Emergency Management, Mail Code 5104A, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: (202) 564–8794; email address: *hoffman.wendy@epa.gov.*

SUPPLEMENTARY INFORMATION: Supporting documents, which explain in detail the information that EPA will be collecting, are available in the public docket for this ICR. The docket can be viewed online at *www.regulations.gov.* Out of an abundance of caution for members of the public and our staff, the EPA Docket Center and Reading Room is closed to the public, with limited exceptions, to reduce the risk of transmitting COVID–19. Our Docket Center staff will continue to provide remote customer service via email, phone, and webform. For further information about the EPA's public docket, Docket Center services and the current status, please visit us online at *https://www.epa.gov/dockets.* The telephone number for the Docket Center is 202–566–1744.

Abstract: This information collection is authorized by the following Clean Air Act (CAA) sections: for onsite documentation of Risk Management Plans (RMPs), section 112(r)(7)(B)(i) and (ii); for submitting an RMP, section 112(r)(7)(B)(iii); and, for onsite documentation and submittal of RMPs, section 114(a)(1). The agencies implementing the Risk Management Program use RMPs to evaluate compliance with the Chemical Accident Prevention Provisions in 40 CFR part 68 and to identify sources for inspection that may pose significant risks to the community. Citizens may use the information to assess and address chemical hazards in their communities and to respond appropriately in the event of a release of a regulated substance.

This request for comments relates to the renewal of OMB Control Number 2050–0144, which covers the Risk Management Program and is being consolidated with EPA ICR Number OMB Control Number 2050–0216, which represents the Risk Management Program information collection requirements impacted by the Final Risk Management Program Reconsideration Rule (Reconsideration Rule), published on December 19, 2019 (84 FR 69834). The Reconsideration Rule modified changes made to the Risk Management Program by the Final Risk Management Program Amendments Rule (Amendments Rule), published on January 13, 2017 (82 FR 4594). The consolidation covers information collection requirements from the Amendments Rule that were retained or retained with modification in the Reconsideration Rule. Once this renewal ICR is approved, OMB Control Number 2050–0216 will be discontinued.

EPA received no comments on the ICR. The final ICR package is being submitted to OMB for review and approval for a 30-day review period.

Form Numbers: None.

Respondents/affected entities: Stationary sources that manufacture, react, mix, store, or use substances in processes that require equipment designed, constructed, installed, operated, or maintained in specific ways to prevent accidental releases and ensure safe operations.

Respondent's obligation to respond: Mandatory under CAA section 112(r)(7)(B)(iii).

Estimated number of respondents: 14,216.

Frequency of response: Sources are required to register and submit an RMP once every five years, unless there are significant changes in the information provided.

Total estimated burden: 704,005 hours (per year). Burden is defined at 5 CFR 1320.03(b).

Total estimated cost: $50,147,128 (per year), which includes $31,044 annual operation & maintenance costs. No capital costs are associated with this ICR.

Changes in Estimates: This ICR estimates a total annual respondent burden of 704,005 hours, which is a decrease of 69,872 burden hours for all sources and States compared to the previous two ICRs being consolidated here. Three primary reasons account for this decrease in burden. First, the burden varies from one ICR renewal to the next due to different resubmission deadlines based on the sources' RMP re-submission deadlines and other regulatory deadlines. Therefore, the burden changes each year depending on how many sources must submit their RMP and comply with certain prevention program requirements. Second, the number of sources subject to the regulations fluctuates regularly and is slightly lower than in the previous ICR (12,995 sources in the previous ICR versus 12,341 sources in this ICR). Finally, the burden for rule familiarization under the Amendments rule and the Reconsideration rule is a one-time burden that was incurred at the time of implementation of the Reconsideration rule and is not included in this consolidated ICR. However, rule familiarization with the RMP requirements in general is retained for new sources in this consolidated ICR.

Courtney Kerwin,

Director, Regulatory Support Division.

[FR Doc. 2022–14461 Filed 7–6–22; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Termination of Receiverships

The Federal Deposit Insurance Corporation (FDIC or Receiver), as Receiver for each of the following insured depository institutions, was charged with the duty of winding up the affairs of the former institutions and liquidating all related assets. The Receiver has fulfilled its obligations and made all dividend distributions required by law.

NOTICE OF TERMINATION OF RECEIVERSHIPS

Fund	Receivership name	City	State	Termination date
10156	Greater Atlantic Bank	Reston	VA	07/01/2022
10219	Broadway Bank	Chicago	IL	07/01/2022
10229	Eurobank	San Juan	PR	07/01/2022
10232	1st Pacific Bank of California	San Diego	CA	07/01/2022
10250	Nevada Security Bank	Reno	NV	07/01/2022
10254	USA Bank	Port Chester	NY	07/01/2022
10263	First National Bank of the South	Spartanburg	SC	07/01/2022

The Receiver has further irrevocably authorized and appointed FDIC-Corporate as its attorney-in-fact to execute and file any and all documents that may be required to be executed by the Receiver which FDIC-Corporate, in its sole discretion, deems necessary, including but not limited to releases, discharges, satisfactions, endorsements,

assignments, and deeds. Effective on the termination dates listed above, the Receiverships have been terminated, the Receiver has been discharged, and the Receiverships have ceased to exist as legal entities.

(*Authority:* 12 U.S.C. 1819)

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on July 1, 2022.

James P. Sheesley,

Assistant Executive Secretary.

[FR Doc. 2022–14449 Filed 7–6–22; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL MARITIME COMMISSION

Notice of Agreements Filed

The Commission hereby gives notice of filing of the following agreements under the Shipping Act of 1984. Interested parties may submit comments, relevant information, or documents regarding the agreements to the Secretary by email at *Secretary@fmc.gov,* or by mail, Federal Maritime Commission, 800 North Capitol Street, Washington, DC 20573. Comments will be most helpful to the Commission if received within 12 days of the date this notice appears in the **Federal Register**, and the Commission requests that comments be submitted within 7 days on agreements that request expedited review. Copies of agreements are available through the Commission's website (*www.fmc.gov*) or by contacting the Office of Agreements at (202)–523–5793 or *tradeanalysis@fmc.gov.*

Agreement No.: 201390.

Agreement Name: BAL/Transfar Slot Purchase Agreement.

Parties: Transfar Shipping Ptd. Ltd. and BAL Container Line Co. Ltd.

Filing Party: Neal Mayer; Hoppel, Mayer & Coleman.

Synopsis: The Agreement authorizes Transfar to charter slots to BAL on an ''as needed, as available'' basis in the trade between ports in China and ports on the U.S. Pacific Coast.

Proposed Effective Date: 6/27/2022.

Location: https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/65505.

Dated: July 1, 2022.

William Cody,

Secretary.

[FR Doc. 2022–14459 Filed 7–6–22; 8:45 am]

BILLING CODE 6730–02–P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)).

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Ann E. Misback, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington DC 20551–0001, not later than August 8, 2022.

A. Federal Reserve Bank of St. Louis (Holly A. Rieser, Senior Manager) P.O. Box 442, St. Louis, Missouri 63166–2034, or electronically to *Comments.applications@stls.frb.org*:

1. *First Waterloo Bancshares, Inc., Waterloo, Illinois;* to merge with Village Bancshares, Inc., and thereby indirectly acquire The Village Bank, both of Saint Libory, Illinois.

Board of Governors of the Federal Reserve System.

Ann Misback,

Secretary of the Board.

[FR Doc. 2022–14447 Filed 7–6–22; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifiers: CMS–10137]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services, Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: The Centers for Medicare & Medicaid Services (CMS) is announcing an opportunity for the public to comment on CMS' intention to collect information from the public. Under the Paperwork Reduction Act of 1995 (the PRA), federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information (including each proposed extension or reinstatement of an existing collection of information) and to allow 60 days for public comment on the proposed action. Interested persons are invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by September 6, 2022.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to *http://www.regulations.gov.* Follow the instructions for ''Comment or Submission'' or ''More Search Options'' to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier/OMB Control Number: ____, Room C4–26–05, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, you may make your request using one of following:

1. Access CMS' website address at website address at *https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing.*

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786–4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in each collection's supporting statement and associated materials (see **ADDRESSES**).

CMS–10137 Solicitation for Applications for Medicare Prescription Drug Plan 2024 Contracts

Under the PRA (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term ''collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collection

1. *Type of Information Collection Request:* Revision of a currently approved collection; *Title:* Solicitation for Applications for Medicare Prescription Drug Plan 2024 Contracts; *Use:* Coverage for the prescription drug benefit is provided through contracted prescription drug plans (PDPs) or through Medicare Advantage (MA) plans that offer integrated prescription drug and health care coverage (MA–PD plans). Cost Plans that are regulated under Section 1876 of the Social Security Act, and Employer Group Waiver Plans (EGWP) may also provide a Part D benefit. Organizations wishing to provide services under the Prescription Drug Benefit Program must complete an application, negotiate rates, and receive final approval from CMS. Existing Part D Sponsors may also expand their contracted service area by completing the Service Area Expansion (SAE) application.

Collection of this information is mandated in Part D of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) in Subpart 3. The application requirements are codified in Subpart K of 42 CFR 423 entitled ''*Application Procedures and Contracts with PDP Sponsors.*''

The information will be collected under the solicitation of proposals from PDP, MA–PD, Cost Plan, Program of All Inclusive Care for the Elderly (PACE), and EGWP applicants. The collected information will be used by CMS to: (1) ensure that applicants meet CMS requirements for offering Part D plans (including network adequacy, contracting requirements, and compliance program requirements, as described in the application), (2) support the determination of contract awards. *Form Number:* CMS–10137 (OMB Control Number: 0938–0936); *Frequency:* Annually; *Affected Public:* Private Sector, Business or other for-profit and not-for-profit institutions; *Number of Respondents:* 331; *Number of Responses:* 425 *Total Annual Hours:* 1,861. (For policy questions regarding this collection contact Arianne Spaccarelli at 410–786–5715.)

Dated: July 1, 2022.

William N. Parham, III,

Director, Paperwork Reduction Staff, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2022–14504 Filed 7–6–22; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket Nos. FDA–2020–E–2269 and FDA–2020–E–2270]

Determination of Regulatory Review Period for Purposes of Patent Extension; XEGLYZE

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or the Agency) has determined the regulatory review period for XEGLYZE and is publishing this notice of that determination as required by law. FDA has made the determination because of the submission of applications to the Director of the U.S. Patent and Trademark Office (USPTO), Department of Commerce, for the extension of a patent which claims that human drug product.

DATES: Anyone with knowledge that any of the dates as published (see **SUPPLEMENTARY INFORMATION**) are incorrect may submit either electronic or written comments and ask for a redetermination September 6, 2022. Furthermore, any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period by January 3, 2023. See ''Petitions'' in the **SUPPLEMENTARY INFORMATION** section for more information.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. The *https://www.regulations.gov* electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of September 6, 2022. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

• *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

• For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket Nos. FDA–2020–E–2269 and FDA–2020–E–2270 for ''Determination of Regulatory Review Period for Purposes of Patent Extension; XEGLYZE.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

• Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with § 10.20 (21 CFR 10.20) and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

FOR FURTHER INFORMATION CONTACT: Beverly Friedman, Office of Regulatory Policy, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993, 301–796–3600.

SUPPLEMENTARY INFORMATION:

I. Background

The Drug Price Competition and Patent Term Restoration Act of 1984 (Pub. L. 98–417) and the Generic Animal Drug and Patent Term Restoration Act (Pub. L. 100–670) generally provide that a patent may be extended for a period of up to 5 years so long as the patented item (human drug or biologic product, animal drug product, medical device, food additive, or color additive) was subject to regulatory review by FDA before the item was marketed. Under these acts, a product's regulatory review period forms the basis for determining the amount of extension an applicant may receive.

A regulatory review period consists of two periods of time: a testing phase and an approval phase. For human drug products, the testing phase begins when the exemption to permit the clinical investigations of the drug becomes effective and runs until the approval phase begins. The approval phase starts with the initial submission of an application to market the human drug product and continues until FDA grants permission to market the drug product. Although only a portion of a regulatory review period may count toward the actual amount of extension that the Director of USPTO may award (for example, half the testing phase must be subtracted as well as any time that may have occurred before the patent was issued), FDA's determination of the length of a regulatory review period for a human drug product will include all of the testing phase and approval phase as specified in 35 U.S.C. 156(g)(1)(B).

FDA has approved for marketing the human drug product, XEGLYZE (abametapir). XEGLYZE is indicated for the topical treatment of head lice infestation in patients 6 months of age and older. XEGLYZE should be used in the context of an overall lice management program. Subsequent to this approval, the USPTO received patent term restoration applications for XEGLYZE (U.S. Patent Nos. 7,812,163; 8,212,038) from Dr. Reddy's Laboratories, S.A., and the USPTO requested FDA's assistance in determining the patents' eligibility for patent term restoration. In a letter dated April 5, 2021, FDA advised the USPTO that this human drug product had undergone a regulatory review period and that the approval of XEGLYZE represented the first permitted commercial marketing or use of the product. Thereafter, the USPTO requested that FDA determine the product's regulatory review period.

II. Determination of Regulatory Review Period

FDA has determined that the applicable regulatory review period for XEGLYZE is 4,573 days. Of this time, 2,797 days occurred during the testing phase of the regulatory review period, while 1,776 days occurred during the approval phase. These periods of time were derived from the following dates:

1. *The date an exemption under section 505(i) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 355(i)) became effective:* January 18, 2008. The applicant claims July 9, 2008, as the date the investigational new drug application (IND) became effective. However, FDA records indicate that the IND effective date was January 18, 2008, which was 30 days after FDA receipt of the IND.

2. *The date the application was initially submitted with respect to the human drug product under section 505 of the FD&C Act:* September 14, 2015. FDA has verified the applicant's claim that the new drug application (NDA) for XEGLYZE (NDA 206966) was initially submitted on September 14, 2015.

3. *The date the application was approved:* July 24, 2020. FDA has verified the applicant's claim that NDA 206966 was approved on July 24, 2020.

This determination of the regulatory review period establishes the maximum potential length of a patent extension. However, the USPTO applies several statutory limitations in its calculations of the actual period for patent extension. In its applications for patent extension, this applicant seeks 1,826 days of patent term extension.

III. Petitions

Anyone with knowledge that any of the dates as published are incorrect may submit either electronic or written comments and, under 21 CFR 60.24, ask for a redetermination (see **DATES**). Furthermore, as specified in § 60.30 (21

CFR 60.30), any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period. To meet its burden, the petition must comply with all the requirements of § 60.30, including but not limited to: must be timely (see **DATES**), must be filed in accordance with § 10.20, must contain sufficient facts to merit an FDA investigation, and must certify that a true and complete copy of the petition has been served upon the patent applicant. (See H. Rept. 857, part 1, 98th Cong., 2d sess., pp. 41–42, 1984.) Petitions should be in the format specified in 21 CFR 10.30.

Submit petitions electronically to *https://www.regulations.gov* at Docket No. FDA–2013–S–0610. Submit written petitions (two copies are required) to the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

Dated: June 30, 2022.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2022–14430 Filed 7–6–22; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket Nos. FDA–2020–E–1911; FDA–2020–E–1912]

Determination of Regulatory Review Period for Purposes of Patent Extension; RINVOQ

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or the Agency) has determined the regulatory review period for RINVOQ and is publishing this notice of that determination as required by law. FDA has made the determination because of the submission of applications to the Director of the U.S. Patent and Trademark Office (USPTO), Department of Commerce, for the extension of patents which claims that human drug product.

DATES: Anyone with knowledge that any of the dates as published (see **SUPPLEMENTARY INFORMATION**) are incorrect may submit either electronic or written comments and ask for a redetermination by September 6, 2022. Furthermore, any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period by January 3, 2023. See ''Petitions'' in the **SUPPLEMENTARY INFORMATION** section for more information.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before September 6, 2022. The *https://www.regulations.gov* electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of September 6, 2022. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket Nos. FDA–2020–E–1911 and FDA–2020–E–1912 for ''Determination of Regulatory Review Period for Purposes of Patent Extension; RINVOQ.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with § 10.20 (21 CFR 10.20) and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Beverly Friedman, Office of Regulatory Policy, Food and Drug Administration,

10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993, 301–796–3600.

SUPPLEMENTARY INFORMATION:

I. Background

The Drug Price Competition and Patent Term Restoration Act of 1984 (Pub. L. 98–417) and the Generic Animal Drug and Patent Term Restoration Act (Pub. L. 100–670) generally provide that a patent may be extended for a period of up to 5 years so long as the patented item (human drug product, animal drug product, medical device, food additive, or color additive) was subject to regulatory review by FDA before the item was marketed. Under these acts, a product's regulatory review period forms the basis for determining the amount of extension an applicant may receive.

A regulatory review period consists of two periods of time: a testing phase and an approval phase. For human drug products, the testing phase begins when the exemption to permit the clinical investigations of the drug becomes effective and runs until the approval phase begins. The approval phase starts with the initial submission of an application to market the human drug product and continues until FDA grants permission to market the drug product. Although only a portion of a regulatory review period may count toward the actual amount of extension that the Director of USPTO may award (for example, half the testing phase must be subtracted as well as any time that may have occurred before the patent was issued), FDA's determination of the length of a regulatory review period for a human drug product will include all of the testing phase and approval phase as specified in 35 U.S.C. 156(g)(1)(B).

FDA has approved for marketing the human drug product, RINVOQ (upadacitinib) indicated for the treatment of adults with moderately to severely active rheumatoid arthritis who have had an inadequate response or intolerance to methotrexate. Subsequent to this approval, the USPTO received a patent term restoration application for RINVOQ (U.S. Patent Nos. 8,962,629; RE47221) from AbbVie and the USPTO requested FDA's assistance in determining the patents' eligibility for patent term restoration. In a letter dated April 5, 2021, FDA advised the USPTO that this human drug product had undergone a regulatory review period and that the approval of RINVOQ represented the first permitted commercial marketing or use of the product. Thereafter, the USPTO requested that FDA determine the product's regulatory review period.

II. Determination of Regulatory Review Period

FDA has determined that the applicable regulatory review period for RINVOQ is 2,604 days. Of this time, 2,365 days occurred during the testing phase of the regulatory review period, while 239 days occurred during the approval phase. These periods of time were derived from the following dates:

1. *The date an exemption under section 505(i) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 355(i)) became effective:* July 1, 2012. FDA has verified the applicant's claim that the date the investigational new drug application became effective was on July 1, 2012.

2. *The date the application was initially submitted with respect to the human drug product under section 505 of the FD&C Act:* December 21, 2018. FDA has verified the applicant's claim that new drug application (NDA) for RINVOQ (NDA 211675) was initially submitted on December 21, 2018.

3. *The date the application was approved:* August 16, 2019. FDA has verified the applicant's claim that NDA 211675 was approved on August 16, 2019.

This determination of the regulatory review period establishes the maximum potential length of a patent extension. However, the USPTO applies several statutory limitations in its calculations of the actual period for patent extension. In its applications for patent extension, this applicant seeks 939 days or 989 days of patent term extension.

III. Petitions

Anyone with knowledge that any of the dates as published are incorrect may submit either electronic or written comments and, under 21 CFR 60.24, ask for a redetermination (see **DATES**). Furthermore, as specified in § 60.30 (21 CFR 60.30), any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period. To meet its burden, the petition must comply with all the requirements of § 60.30, including but not limited to: must be timely (see **DATES**), must be filed in accordance with § 10.20, must contain sufficient facts to merit an FDA investigation, and must certify that a true and complete copy of the petition has been served upon the patent applicant. (See H. Rept. 857, part 1, 98th Cong., 2d sess., pp. 41–42, 1984.) Petitions should be in the format specified in 21 CFR 10.30.

Submit petitions electronically to *https://www.regulations.gov* at Docket No. FDA–2013–S–0610. Submit written petitions (two copies are required) to the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

Dated: June 30, 2022.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2022–14431 Filed 7–6–22; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2018–N–3728]

Agency Information Collection Activities; Proposed Collection; Comment Request; Collection of Conflict-of-Interest Information for Participation in Food and Drug Administration Non-Employee Fellowship and Traineeship Programs

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing an opportunity for public comment on the proposed collection of certain information by the Agency. Under the Paperwork Reduction Act of 1995 (PRA), Federal Agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment in response to the notice. This notice solicits comments on collection of conflict-of-interest information for participation in FDA employee fellowship and traineeship programs.

DATES: Submit either electronic or written comments on the collection of information by September 6, 2022.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before September 6, 2022. The *https://www.regulations.gov* electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of September 6, 2022. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

• *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*

• If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

• *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

• For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2018–N–3728 for ''Agency Information Collection Activities; Proposed Collection; Comment Request; Collection of Conflict-of-Interest Information for Participation in Food and Drug Administration Non-Employee Fellowship and Traineeship Programs.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

• Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

FOR FURTHER INFORMATION CONTACT: Amber Sanford, Office of Operations, Food and Drug Administration, Three White Flint North, 10A–12M, 11601 Landsdown St., North Bethesda, MD 20852, 301–796–8867, *PRAStaff@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501–3521), Federal Agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. ''Collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes Agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3506(c)(2)(A)) requires Federal Agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, FDA is publishing notice of the proposed collection of information set forth in this document.

With respect to the following collection of information, FDA invites comments on these topics: (1) whether the proposed collection of information is necessary for the proper performance of FDA's functions, including whether the information will have practical utility; (2) the accuracy of FDA's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Collection of Conflict-of-Interest Information for Participation in Food and Drug Administration Non-Employee Fellowship and Traineeship Programs

OMB Control Number 0910–0882—Extension

Section 742 (b) of the Food, Drug and Cosmetic Act (21 U.S.C. 379l) allows FDA to conduct and support intramural training programs through fellowship and traineeship programs. Prospective participants in these programs must complete financial disclosure forms to determine if there is a conflict of interest that would preclude participation. These new forms provide the FDA with information about financial investments and relationships from non-employee scientists who participate in FDA fellowship and traineeship programs. Participants in FDA fellowship and traineeship programs will be asked for certain information about financial interests and current relationships: (1) description of the financial interest; (2) the type of financial interest (*e.g.,* stocks, bonds, stock options); (3) if the financial interest is an employee benefit from prior employment; (4) value of financial interest; (5) who owns the financial interest (*e.g.,* self, spouse, minor children); (6) employment relationship with an FDA significantly regulated organization (SRO); and (7) service as a consultant to an FDA SRO, and/or proprietary interest(s) in one of more product(s) regulated by FDA, including a patent, trademark,

copyright, or licensing agreement. The purpose of the financial information is for FDA to determine if there is a conflict of interest between the Fellow's or Trainee's financial and relationship interests and their activities at FDA. The collection of information is mandatory to participate in FDA's fellowship and traineeship programs.

FDA estimates the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN [1]

Activity	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
Oak Ridge Institute for Science and Education Fellowship	500	500	500	1	500
Traineeship Program	500	500	500	1	500
Reagan Udall Fellowship at FDA	50	50	50	1	50
Total					1050

[1] There are no capital costs or operating and maintenance costs associated with this collection of information.

Based on a review of the information collection since our last request for OMB approval, we have made no adjustments to our burden estimate.

Dated: June 30, 2022.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2022–14439 Filed 7–6–22; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2021–N–1358]

Jhanna Novikov: Final Debarment Order

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is issuing an order under the Federal Food, Drug, and Cosmetic Act (FD&C Act) debarring Jhanna Novikov for a period of 5 years from importing or offering for import any drug into the United States. FDA bases this order on a finding that Ms. Novikov was convicted of one felony count under Federal law for smuggling goods into the United States. The factual basis supporting Ms. Novikov's conviction, as described below, is conduct relating to the importation into the United States of a drug or controlled substance. Ms. Novikov was given notice of the proposed debarment and was given an opportunity to request a hearing to show why she should not be debarred. As of April 8, 2022 (30 days after receipt of the notice), Ms. Novikov had not responded. Ms. Novikov's failure to respond and request a hearing within the prescribed timeframe constitutes a waiver of her right to a hearing concerning this matter.

DATES: This order is applicable July 7, 2022.

ADDRESSES: Submit applications for termination of debarment to the Dockets Management Staff, Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500, or at *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Jaime Espinosa, Division of Enforcement (ELEM–4029), Office of Strategic Planning and Operational Policy, Office of Regulatory Affairs, Food and Drug Administration, 12420 Parklawn Dr., Rockville, MD 20857, 240–402–8743, or at *debarments@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Section 306(b)(1)(D) of the FD&C Act (21 U.S.C. 335a(b)(1)(D)) permits debarment of an individual from importing or offering for import any drug into the United States if the FDA finds, as required by section 306(b)(3)(C) of the FD&C Act, that the individual has been convicted of a felony for conduct relating to the importation into the United States of any drug or controlled substance.

On December 9, 2021, Ms. Novikov was convicted, as defined in section 306(l)(1) of FD&C Act, in the U.S. District Court for the Southern District of Florida-West Palm Beach Division, when the court accepted her guilty plea and entered judgment against her for the offense of smuggling goods into the United States, in violation of 18 U.S.C. 545. FDA's finding that debarment is appropriate is based on the felony conviction referenced herein. The factual basis for this conviction is as follows: As contained in the indictment, filed on July 28, 2021, and the plea agreement, filed on September 30, 2021, both from Ms. Novikov's case, on July 25, 2018, Ms. Novikov agreed to treat the facial wrinkles of an individual who was an undercover investigator with the Florida Department of Health with ''fillers'' for $600 and ''BOTOX'' for $300. BOTOX, or botulinum neurotoxin Type A, is the most well-known neurotoxin approved by FDA to treat facial wrinkles. On August 10, 2018, the investigator returned to Ms. Novikov's residence for her ''BOTOX'' treatment, and as Ms. Novikov made preparations and drew a liquid into a syringe, agents from FDA's Office of Criminal Investigations (OCI) entered and took control of her residence. After obtaining a warrant, OCI agents searched Ms. Novikov's home. Agents seized various vials of white powder from Ms. Novikov's residence, including two labeled ''NEUROXIN Botulinum Toxin Type A,'' 14 labeled ''CASPIS,'' and one with no label. Analysis by the FDA Forensic Chemistry Center determined that the two Neuroxin vials, a sample of four of the Caspis vials, and the unlabeled vial all contained botulinum toxin, the active ingredient in BOTOX; however, a search of FDA records revealed that these drugs had not been approved by FDA and were unapproved new drugs as well as misbranded drugs. Agents did not find any BOTOX or other FDA-approved drugs containing botulinum toxin in Ms. Novikov's home. A subsequent forensic examination of Ms. Novikov's cell phone, which had been seized by OCI agents, revealed that she had imported these unapproved new drugs from Mexico, in violation of the FD&C Act, and Ms. Novikov had been importing such drugs since 2016.

As a result of this conviction, FDA sent Ms. Novikov, by certified mail, on March 1, 2022, a notice proposing to debar her for a 5-year period from importing or offering for import any drug into the United States. The proposal was based on a finding under section 306(b)(3)(C) of the FD&C Act that Ms. Novikov's felony conviction under Federal law for smuggling goods into the United States, in violation of 18

U.S.C. 545, was for conduct relating to the importation into the United States of any drug or controlled substance because she illegally imported unapproved new drugs containing botulinum toxin to use in treatments she conducted on individuals for money. In proposing a debarment period, FDA weighed the considerations set forth in section 306(c)(3) of the FD&C Act that it considered applicable to Ms. Novikov's offense and concluded that the offense warranted the imposition of a 5-year period of debarment.

The proposal informed Ms. Novikov of the proposed debarment, offered her an opportunity to request a hearing, providing her 30 days from the date of receipt of the letter in which to file the request, and advised her that failure to request a hearing constituted a waiver of the opportunity for a hearing and of any contentions concerning this action. Ms. Novikov received the proposal and notice of opportunity for a hearing at her residence on March 9, 2022. Ms. Novikov failed to request a hearing within the timeframe prescribed by regulation and has, therefore, waived her opportunity for a hearing and waived any contentions concerning her debarment (21 CFR part 12).

II. Findings and Order

Therefore, the Assistant Commissioner, Office of Human and Animal Food Operations, under section 306(b)(3)(C) of the FD&C Act, under authority delegated to the Assistant Commissioner, finds that Ms. Jhanna Novikov has been convicted of a felony under Federal law for conduct relating to the importation into the United States of any drug or controlled substance. FDA finds that the offense should be accorded a debarment period of 5 years as provided by section 306(c)(2)(A)(iii) of the FD&C Act.

As a result of the foregoing finding, Ms. Novikov is debarred for a period of 5 years from importing or offering for import any drug into the United States, effective (see **DATES**). Pursuant to section 301(cc) of the FD&C Act (21 U.S.C. 331(cc)), the importing or offering for import into the United States of any drug or controlled substance by, with the assistance of, or at the direction of Ms. Novikov is a prohibited act.

Any application by Ms. Novikov for termination of debarment under section 306(d)(1) of the FD&C Act should be identified with Docket No. FDA–2021–N–1358 and sent to the Dockets Management Staff (see **ADDRESSES**). The public availability of information in these submissions is governed by 21 CFR 10.20(j).

Publicly available submissions will be placed in the docket and will be viewable at *https://www.regulations.gov* or at the Dockets Management Staff (see **ADDRESSES**) between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

Dated: June 30, 2022.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2022–14433 Filed 7–6–22; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Lists of Designated Primary Medical Care, Mental Health, and Dental Health Professional Shortage Areas

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: This notice informs the public of the availability of the complete lists of all geographic areas, population groups, and facilities designated as primary medical care, dental health, and mental health professional shortage areas (HPSAs) in a designated status as of April 29, 2022. The lists are available on the shortage area topic page on HRSA's *data.hrsa.gov* website. Given the COVID–19 pandemic's impact on the health workforce and health care service delivery, HRSA is providing a longer transition time for jurisdictions and facilities to prepare for potential change of HPSA designations. HPSA designations that are currently proposed for withdrawal will remain in this status until they are re-evaluated in preparation for the publication of the 2023 HPSA **Federal Register** Notice. If these HPSAs do not meet the requirements for designation at the time of the publication of the July 2023 HPSA **Federal Register** Notice next year, they will be withdrawn. This additional time will allow jurisdictions to re-evaluate their HPSAs against the designation criteria, and plan for potential changes in staffing.

ADDRESSES: Complete lists of HPSAs designated as of April 29, 2022, and updated information on HPSAs are available on the website at *https://data.hrsa.gov/topics/health-workforce/shortage-areas.* Information on shortage designations is available at *https://bhw.hrsa.gov/workforce-shortage-areas/shortage-designation.*

FOR FURTHER INFORMATION CONTACT: For further information on the HPSA designations listed on the website or to request additional designation, withdrawal, or reapplication for designation, please contact Janelle D. McCutchen, DHEd, MPH, CHES, Chief, Shortage Designation Branch, Division of Policy and Shortage Designation, Bureau of Health Workforce (BHW), HRSA, 5600 Fishers Lane, Room 11W14, Rockville, Maryland 20857, *sdb@hrsa.gov.*

SUPPLEMENTARY INFORMATION:

Background

Section 332 of the Public Health Service (PHS) Act, 42 U.S.C. 254e, provides that the Secretary shall designate HPSAs based on criteria established by regulation. HPSAs are defined in section 332 to include (1) urban and rural geographic areas with shortages of health professionals, (2) population groups with such shortages, and (3) facilities with such shortages. Section 332 further requires that the Secretary annually publish lists of the designated geographic areas, population groups, and facilities. The lists of HPSAs are to be reviewed at least annually and revised as necessary.

Final regulations (42 CFR part 5) were published in 1980 that include the criteria for designating HPSAs. Criteria were defined for seven health professional types: primary medical care, dental, psychiatric, vision care, podiatric, pharmacy, and veterinary care. The criteria for correctional facility HPSAs were revised and published on March 2, 1989 (54 FR 8735). The criteria for psychiatric HPSAs were expanded to mental health HPSAs on January 22, 1992 (57 FR 2473). Currently funded PHS Act programs use only the primary medical care, mental health, or dental HPSA designations.

HPSA designation offers access to potential federal assistance. Public or private nonprofit entities are eligible to apply for assignment of National Health Service Corps personnel to provide primary medical care, mental health, or dental health services in or to these HPSAs. National Health Service Corps health professionals enter into service agreements to serve in federally designated HPSAs. Entities with clinical training sites located in HPSAs are eligible to receive priority for certain residency training program grants administered by HRSA's Bureau of Health Workforce (BHW). Other federal programs also utilize HPSA designations. For example, under authorities administered by the Centers for Medicare and Medicaid Services, certain qualified providers in geographic area HPSAs are eligible for

increased levels of Medicare reimbursement.

Content and Format of Lists

The three lists of designated HPSAs are available on the HRSA Data Warehouse shortage area topic web page and include a snapshot of all geographic areas, population groups, and facilities that were designated HPSAs as of April 29, 2022. This notice incorporates the most recent annual reviews of designated HPSAs and supersedes the HPSA lists published in the **Federal Register** on July 7, 2021 (**Federal Register**/Vol. 86, No. 127/Wednesday, July 7, 2021/Notices 35808). Note that HPSA designations that are currently proposed for withdrawal will remain in this status until they are re-evaluated in preparation for the publication of the 2023 HPSA **Federal Register** Notice.

In addition, all Indian Tribes that meet the definition of such Tribes in the Indian Health Care Improvement Act of 1976, 25 U.S.C. 1603, are automatically designated as population groups with primary medical care and dental health professional shortages. Further, the Health Care Safety Net Amendments of 2002 provides eligibility for automatic facility HPSA designations for all federally qualified health centers (FQHCs) and rural health clinics that offer services regardless of ability to pay. Specifically, these entities include FQHCs funded under section 330 of the PHS Act, FQHC Look-Alikes, and Tribal and urban Indian clinics operating under the Indian Self-Determination and Education Act of 1975 (25 U.S.C. 450) or the Indian Health Care Improvement Act. Many, but not all, of these entities are included on this listing. Absence from this list does not exclude them from HPSA designation; facilities eligible for automatic designation are included in the database when they are identified.

Each list of designated HPSAs is arranged by state. Within each state, the list is presented by county. If only a portion (or portions) of a county is (are) designated, a county is part of a larger designated service area, or a population group residing in a county or a facility located in the county has been designated, the name of the service area, population group, or facility involved is listed under the county name. A county that has a whole county geographic or population group HPSA is indicated by the phrase ''County'' following the county name.

Development of the Designation and Withdrawal Lists

Requests for designation or withdrawal of a particular geographic area, population group, or facility as a HPSA are received continuously by BHW. Under a Cooperative Agreement between HRSA and the 54 state and territorial Primary Care Offices (PCOs), PCOs conduct needs assessments and submit applications to HRSA to designate areas as HPSAs. BHW refers requests that come from other sources to PCOs for review. In addition, interested parties, including Governors, State Primary Care Associations, and state professional associations, are notified of requests so that they may submit their comments and recommendations.

BHW reviews each recommendation for possible addition, continuation, revision, or withdrawal. Following review, BHW notifies the appropriate agency, individuals, and interested organizations of each designation of a HPSA, rejection of recommendation for HPSA designation, revision of a HPSA designation, and/or advance notice of pending withdrawals from the HPSA list via the Shortage Designation Management System. Designations (or revisions of designations) are effective as of the date on the notification from BHW and are updated daily on the HRSA Data Warehouse website. While this list is a snapshot of HPSAs at a point in time, HPSA designations are regularly being updated so the best source of current designation status is the HRSA Data Warehouse website at (*https://data.hrsa.gov/tools/shortage-area*).

Designations proposed for withdrawal will remain in that status and not be withdrawn unless they do not meet the HPSA designation criteria at the time the Fiscal Year 2023 HPSA **Federal Register** Notice is developed and published.

Carole Johnson,

Administrator.

[FR Doc. 2022–14501 Filed 7–6–22; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Eunice Kennedy Shriver National Institute of Child Health and Human Development; Notice of Proposed Reorganization

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: The *Eunice Kennedy Shriver* National Institute of Child Health and Human Development (NICHD) will host a meeting to enable public discussion of the Institute's proposal to reorganize its Division of Extramural Research.

DATES: This virtual public meeting will take place on August 8 from 10:00–11:00 a.m. ET. Members of the public are welcome to attend and do not need to RSVP.

ADDRESSES: The meeting will take place at via webinar at *https://nih.zoomgov.com/j/1606532813.* American Sign Language interpreting services are available upon request. Individuals who need interpreting services and/or other reasonable accommodations to participate in this event, should contact Elizabeth Cushman at *Elizabeth.cushman@nih.gov.* Requests should be made at least five business days in advance in order to ensure interpreter availability.

FOR FURTHER INFORMATION CONTACT: Ms. Jessica Wu, Chief of the Management Analysis and Workforce Branch, *Eunice Kennedy Shriver* National Institute of Child Health and Human Development, 31 Center Drive, Bethesda, MD 20892, telephone: 301–443–3219, email: *wuj5@mail.nih.gov.*

SUPPLEMENTARY INFORMATION: In accordance with the NIH Reform Act of 2006 (42 U.S.C. Sec.281 (d)(4)), NICHD will have a public meeting to discuss the proposed reorganization plans. NICHD proposal would simplify the organizational structure of the NICHD, create new organizational components to reduce 'siloing', increase administrative efficiencies, facilitate transdisciplinary research and idea exchange, and benefit the institute's internal and external communities. The proposal seeks to capitalize on emerging scientific opportunities, while reducing barriers to scientific and interdisciplinary collaboration.

Dated: July 1, 2022.

Alison N. Cernich,

Deputy Director, Eunice Kennedy Shriver National Institute of Child Health and Human Development, National Institutes of Health.

[FR Doc. 2022–14432 Filed 7–6–22; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Library of Medicine; Notice of Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the Board of Regents of the National Library of Medicine.

The meeting will be open to the public as indicated below. Individuals who plan to attend and need special assistance, such as sign language interpretation or other reasonable accommodations should notify the Contact Person listed below in advance of the meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable materials, and personal information concerning individuals associated with thegrant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Board of Regents of the National Library of Medicine.

Date: September 13, 2022.

Open: September 13, 2022, 10:00 a.m. to 4:00 p.m.

Agenda: Program Discussion.

Place: Virtual Meeting.

Closed: September 13, 2022, 4:00 p.m. to 4:30 p.m.

Agenda: To review and evaluate grant applications.

Contact Person: Christine Ireland, Committee Management Officer, Division of Extramural Programs, National Library of Medicine, 6705 Rockledge Drive, Suite 500, Bethesda, MD 20892, 301–594–4929, *irelanc@mail.nih.gov*.

Any member of the public may submit written comments no later than 15 days in advance of the meeting. Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person.

Information is also available on the Institute's/Center's home page: *www.nlm.nih.gov/od/bor/bor.html* where an agenda and any additional information for the meeting will be posted when available. This meeting will be broadcast to the public, and available for viewing at *http://videocast.nih.gov* on September 13, 2022.

(Catalogue of Federal Domestic Assistance Program No. 93.879, Medical Library Assistance, National Institutes of Health, HHS).

Dated: July 1, 2022.

Miguelina Perez,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2022–14476 Filed 7–6–22; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Cancer Institute; Notice of Closed Meeting

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

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 purpose of this meeting is to evaluate requests for preclinical development resources for potential new therapeutics for the treatment of cancer. The outcome of the evaluation will provide information to internal NCI committees that will decide whether NCI should support requests and make available contract resources for development of the potential therapeutic to improve the treatment of various forms of cancer. The research proposals and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the proposed research projects, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Cancer Institute Special Emphasis Panel; JUN2022 Cycle 41 NExT SEP Committee Meeting.

Date: August 4, 2022.

Time: 9:00 a.m. to 3:00 p.m.

Agenda: To evaluate the NCI Experimental Therapeutics Program Portfolio.

Place: National Institutes of Health, 9000 Rockville Pike, Building 31, Room 3A44, Bethesda, Maryland 20892 (WebEx Meeting).

Contact Persons: Barbara Mroczkowski, Ph.D., Executive Secretary, Discovery Experimental Therapeutics Program, National Cancer Institute, NIH, 31 Center Drive, Room 3A44, Bethesda, Maryland 20817, 301–496–4291, *mroczkoskib@mail.nih.gov.*

Toby Hecht, Ph.D., Executive Secretary, Development Experimental Therapeutics Program, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 3W110, Rockville, Maryland 20850, 240–276–5683, *toby.hecht2@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.392, Cancer Construction; 93.393, Cancer Cause and Prevention Research; 93.394, Cancer Detection and Diagnosis Research; 93.395, Cancer Treatment Research; 93.396, Cancer Biology Research; 93.397, Cancer Centers Support; 93.398, Cancer Research Manpower; 93.399, Cancer Control, National Institutes of Health, HHS)

Dated: July 1, 2022.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2022–14440 Filed 7–6–22; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Diabetes and Digestive and Kidney Diseases; Notice of Closed Meeting

Pursuant to section 10(d) 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: National Institute of Diabetes and Digestive and Kidney Diseases Special Emphasis Panel; NIDDK SEP High Risk Multi-Center Clinical Study Cooperative Agreement U01 & U34.

Date: July 28, 2022.

Time: 2:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate cooperative agreement applications.

Place: National Institutes of Health, NIDDK, 6707 Democracy Boulevard, Bethesda, MD 20892 (Virtual Meeting).

Contact Person: Cheryl Nordstrom, Ph.D., MPH, Scientific Review Officer, NIDDK/Scientific Review Branch, National Institutes of Health, 6707 Democracy Blvd., Room 7013, Bethesda, MD 20892, 301–402–6711, *cheryl.nordstrom@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.847, Diabetes, Endocrinology and Metabolic Research; 93.848, Digestive Diseases and Nutrition Research; 93.849, Kidney Diseases, Urology and Hematology Research, National Institutes of Health, HHS)

Dated: July 1, 2022.

Miguelina Perez,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2022–14475 Filed 7–6–22; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG–2022–0204]

Certificate of Alternative Compliance for the M/V ST. JOHNS

AGENCY: Coast Guard, DHS.

ACTION: Notification of issuance of a certificate of alternative compliance.

SUMMARY: The Coast Guard announces that the Chief of Prevention Division, Seventh District has issued certificates of alternative compliance from the International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), for the M/V ST. JOHNS (O.N. 1063615). We are issuing this notice because its publication is required by statute. Due to the construction and placement of the masthead lights, stern light, and sidelights the M/V ST. JOHNS cannot fully comply with the light, shape, or sound signal provisions of the 72 COLREGS without interfering with the vessel's design and construction (towing operations). This notification of issuance of certificates of alternative compliance promotes the Coast Guard's marine safety mission.

DATES: The Certificate of Alternative Compliance for the M/V ST. JOHNS was issued on May 12, 2022.

FOR FURTHER INFORMATION CONTACT: For information or questions about this notice call or email LT Eugenia Leonard, D7 dpi, U.S. Coast Guard, 305–415–7149, *Eugenia.L.Leonard@uscg.mil.*

SUPPLEMENTARY INFORMATION: The United States is signatory to the International Maritime Organization's International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), as amended. The special construction or purpose of some vessels makes them unable to comply with the light, shape, or sound signal provisions of the 72 COLREGS. Under statutory law, however, specified 72 COLREGS provisions are not applicable to a vessel of special construction or purpose if the Coast Guard determines that the vessel cannot comply fully with those requirements without interfering with the special function of the vessel.[1]

The owner, builder, operator, or agent of a special construction or purpose vessel may apply to the Coast Guard District Office in which the vessel is being built or operated for a determination that compliance with alternative requirements is justified,[2] and the Chief of the Prevention Division then issues the applicant a certificate of alternative compliance (COAC) if he or she determines that the vessel cannot comply fully with 72 COLREGS light, shape, and sound signal provisions without interference with the vessel's special function.[3] If the Coast Guard issues a COAC, it must publish notice of this action in the **Federal Register**.[4]

The Chief of Prevention Division, Seventh District, U.S. Coast Guard, certifies that the M/V ST. JOHNS is a vessel of special construction or purpose, and that with respect to the positions of the masthead lights, stern lights, and sidelights it is not possible to fully comply with the requirements of the provisions enumerated in the 72 COLREGS, without interfering with the normal operation, construction, or design of the vessel while engaging in towing operations. The Chief of Prevention Division, Seventh District, U.S. Coast Guard, further finds and certifies that the lights are configured in the closest possible compliance with the applicable provisions of the 72 COLREGS.[5]

This notice is issued under authority of 33 U.S.C. 1605(c) and 33 CFR 81.18.

Dated: May 12, 2022.

J.D. Espino-Young,

Captain, U.S. Coast Guard, Chief, Prevention Division, Seventh Coast Guard District.

[FR Doc. 2022–14450 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–04–P

[1] 33 U.S.C. 1605.

[2] 33 CFR 81.5.

[3] 33 CFR 81.9.

[4] 33 U.S.C. 1605(c) and 33 CFR 81.18.

[5] 33 U.S.C. 1605(a) and 33 CFR 81.9.

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2014–0022]

Technical Mapping Advisory Council

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Request for applicants for appointment to the Federal Emergency Management Agency's Technical Mapping Advisory Council.

SUMMARY: The Federal Emergency Management Agency (FEMA) is requesting qualified individuals interested in serving on the Technical Mapping Advisory Council (TMAC) apply for appointment. As established in the Biggert-Waters Flood Insurance Reform Act of 2012, the TMAC makes recommendations to the FEMA Administrator on how to improve, in a cost-effective manner, the accuracy, general quality, ease of use, and distribution and dissemination of Flood Insurance Rate Maps (FIRMs) and risk data; and to define performance metrics and milestones required to effectively and efficiently map flood risk areas in the United States. The appointments are for 3 years each and applicants will be considered for four vacancies on the TMAC.

DATES: Applications will be accepted until 11:59 p.m. ET on August 8, 2022.

ADDRESSES: Applications for membership should be submitted by one of the following methods:

- *Email: FEMA-TMAC@fema.dhs.gov.*
- *Mail:* FEMA, Federal Insurance and Mitigation Administration, Risk Management Directorate, Attn: Brian Koper, 400 C Street SW, Suite 6NW–1412, Washington, DC 20472–3020.

FOR FURTHER INFORMATION CONTACT: Brian Koper, Designated Federal Officer for the TMAC, FEMA, Federal Insurance and Mitigation Administration, Risk Management Directorate, 400 C Street SW, Suite 6NW–1412, Washington, DC 20472–3020, (202) 733–7859, *FEMA-TMAC@fema.dhs.gov.* The TMAC website is: *http://www.fema.gov/TMAC.*

SUPPLEMENTARY INFORMATION: The TMAC is an advisory committee established by the Biggert-Waters Flood Insurance Reform Act of 2012, 42 U.S.C. 4101a, in accordance with provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. (Pub. L. 92–463). The TMAC makes recommendations to FEMA on mapping-related issues and activities, including mapping standards and guidelines, performance metrics and milestones, map maintenance, interagency and intergovernmental coordination, map accuracy, and funding strategies. In addition, the TMAC submits an annual report to the FEMA Administrator that contains: (1) a description of the activities of the Council; (2) an evaluation of the status and performance of FIRMs and mapping activities to revise and update FIRMs; and (3) a summary of recommendations made by the Council to the FEMA Administrator.

Members of the TMAC will be appointed based on their demonstrated knowledge and competence in areas such as surveying, cartography, remote sensing, geospatial information systems, or the technical aspects of preparing and using FIRMs. In order for FEMA to maximize the impact of the Council and the guidance it provides, the Council must be diverse with regard to professional and technical expertise. FEMA is committed to pursuing

opportunities, consistent with applicable law, to compose a committee that reflects the diversity of the nation's people.

FEMA is requesting qualified individuals who are interested in serving on the TMAC to apply for appointment. Applicants will be considered for appointment for four vacancies on the TMAC, the terms of which start in summer/fall 2022. Certain members of the TMAC, as described below, will be appointed to serve as Special Government Employees (SGE) as defined in title 18 U.S.C. 202(a), while other members of the TMAC will be appointed to serve as representative members. Representative members are appointed to provide the perspective of the organization that they represent. Candidates selected for appointment will be subject to the Federal conflict of interest laws and standard of conduct regulations and required to file a New Entrant Confidential Disclosure Report (OGE 450). This form can be obtained by visiting the website of the Office of Government Ethics (*http://www.oge.gov*); please do not submit this form with your application. Qualified applicants will be considered for one or more of the following membership categories with vacancies:

(a) One representative of a state government agency that has entered into a cooperating technical partnership with FEMA and has demonstrated the capability to produce FIRMs;

(b) One representative of a local government agency that has entered into cooperating technical partnerships with FEMA and has demonstrated the capability to produce FIRMs;

(c) One member (SGE) of a recognized regional flood and storm water management organization; and,

(d) One member (SGE) of a recognized risk management association or organization;

Members of the TMAC serve terms of three years. There is no application form. However, applications must include the following information:

- Applicant's full name;
- Home and business phone numbers;
- Preferred email address;
- Home and business mailing addresses;
- Current position title and organization;
- Resume or curriculum vitae; and
- The membership category of interest (*e.g.,* member of a recognized professional association or organization representing flood hazard determination firms).

The TMAC meets as often as needed to fulfill its mission, but not less than twice a year. Members may be reimbursed for travel and per diem incurred in the performance of their duties as members of the TMAC. All travel for TMAC business must be approved in advance by the Designated Federal Officer.

The Department of Homeland Security (DHS) does not discriminate in employment on the basis of race, color, religion, sex, national origin, political affiliation, sexual orientation, gender identity, marital status, disability and genetic information, age, membership in an employee organization, or other non-merit factor. DHS strives to achieve a widely diverse candidate pool for all its recruitment actions. Current DHS and FEMA employees will not be considered for membership. Federally registered lobbyists will not be considered for SGE appointments.

Paul Huang,

Assistant Administrator, Federal Insurance and Mitigation Administration.

[FR Doc. 2022–14493 Filed 7–6–22; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA–2022–0019; OMB No. 1660–NW151]

Agency Information Collection Activities: Proposed Collection; Comment Request; Survey Following the National Test of the Wireless Emergency Alert (WEA) System

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: 60-Day notice of new collection and request for comments.

SUMMARY: The Federal Emergency Management Agency (FEMA), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public to take this opportunity to comment on a new information collection. In accordance with the Paperwork Reduction Act of 1995, this notice seeks comments concerning a survey following the upcoming national test of the Wireless Emergency Alert (WEA) system.

DATES: Comments must be submitted on or before September 6, 2022.

ADDRESSES: Please submit comments at *www.regulations.gov* under Docket ID FEMA–2022–0019. Follow the instructions for submitting comments.

All submissions received must include the agency name and Docket ID. Regardless of the method used for submitting comments or material, all submissions will be posted, without change, to the Federal eRulemaking Portal at *http://www.regulations.gov,* and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to read the Privacy and Security Notice that is available via a link on the homepage of *www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Ward D. Hagood, IPAWS DS2 T&E Manager, FEMA HQ/PNP–NCP–CCD–IPAWS, phone: (202) 212–1478, email: *ward.hagood@fema.dhs.gov.* You may contact the Information Management Division for copies of the proposed collection of information at email address: *FEMA-Information-Collections-Management@fema.dhs.gov.*

SUPPLEMENTARY INFORMATION: Public Law 114–143, the *Integrated Public Alert and Warning System Modernization Act of 2015,* and Presidential Executive Order 13407, *Public Alert and Warning System,* require FEMA to implement the public alert and warning system to disseminate timely and effective warnings to people in situations of war, terrorist attack, natural disaster, or other hazards to public safety and wellbeing, and conduct tests of the public alert and warning system at least once every three years. The Act also requires public education efforts and a general market awareness campaign to ensure understanding of the functions of the public alert and warning system. The Integrated Public Alert and Warning System (IPAWS) is the Department of Homeland Security's (DHS) response to the Executive Order. The Stafford Act (U.S.C. title 42, Chapter 68, Subchapter II) requires that FEMA make IPAWS available to Federal, state, local, tribal, and territorial agencies for the purpose of providing warning to governmental authorities and the civilian population in areas endangered by disasters. FEMA is planning a national test of a key component of IPAWS, the Wireless Emergency Alert (WEA) system, to satisfy the testing and public education requirements of the IPAWS Modernization Act of 2015 (Pub. L. 114–143). The WEA system broadcasts alerts to cell phones configured to receive such alerts (which, at this point, is most phones sold in the United States). The WEA national test will be announced in advance by FEMA and widely publicized. The test will help FEMA assess WEA's geographic reach, along with additional key parameters outlined in the IPAWS Modernization Act of

2015. This will help FEMA and other WEA stakeholders, such as the Federal Communications Commission (FCC) and Congressional committees, enhance and expand WEA, and thus further improve emergency alerting capabilities, leading to a better prepared and more resilient nation. FEMA will implement a survey to capture key technical performance factors of WEA, such as geographic coverage and carrier-related issues, as well as non-technical aspects essential to WEA's role in national alerting, including alerting effectiveness in reaching diverse populations, including traditionally underserved populations. The survey will also assess public awareness of the WEA system.

Collection of Information

Title: Survey Following the National Test of the Wireless Emergency Alert (WEA) System.

Type of Information Collection: New information collection.

OMB Number: 1660–NW151.

FEMA Form: FEMA Form FF–302–FY–22–101, WEA National Test Survey.

Abstract: FEMA will field a survey following a national test of the WEA system. The survey will capture key technical performance factors, such as geographic coverage and carrier-related issues, and non-technical aspects essential to WEA's role in national alerting, including effectiveness in reaching diverse populations. FEMA will use this information to improve the performance of the WEA system and assess public awareness.

Affected Public: Individuals or households.

Estimated Number of Respondents: 82,586.

Estimated Number of Responses: 82,586.

Estimated Total Annual Burden Hours: 6,739.

Estimated Total Annual Respondent Cost: $273,671.

Estimated Respondents' Operation and Maintenance Costs: $0.

Estimated Respondents' Capital and Start-Up Costs: $0.

Estimated Total Annual Cost to the Federal Government: $2,080,008.

Comments

Comments may be submitted as indicated in the **ADDRESSES** caption above. Comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the agency, including whether the information shall have practical utility; (b) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) enhance the quality, utility and clarity of the information to be collected; and (d) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Millicent Brown Wilson,

Records Management Branch Chief, Office of the Chief Administrative Officer, Mission Support, Federal Emergency Management Agency, Department of Homeland Security.

[FR Doc. 2022–14498 Filed 7–6–22; 8:45 am]

BILLING CODE 9111–AB–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–7050–N–34]

30-Day Notice of Proposed Information Collection: Rural Capacity Building; OMB Control No.: 2506–0195

AGENCY: Office of Policy Development and Research, Chief Data Officer, HUD.

ACTION: Notice.

SUMMARY: The proposed information collection requirement described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

DATES: *Comments Due Date:* August 8, 2022.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202–395–5806. Email: *OIRA_Submission@omb.eop.gov.* Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877–8339.

FOR FURTHER INFORMATION CONTACT: Anna P. Guido, Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; email her at *Anna.P.Guido@hud.gov* or telephone 202–402–5535. This is not a toll-free number. Copies of available documents submitted to OMB may be obtained from Ms. Guido.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD has submitted to OMB a request for approval of the information collection described in Section A. The **Federal Register** notice that solicited public comment on the information collection for a period of 60 days was published on March 16, 2022, at 87 FR 14903.

A. Overview of Information Collection

Title of Information Collection: Rural Capacity Building.

OMB Approval Number: 2506–0195.

Type of Request: Revision of a currently approved collection.

Form Number: SF–424, SF–424B, SF–LLL, HUD 2880, HUD 4130.

Description of the need for the information and proposed use: The Rural Capacity Building for Community Development and Affordable Housing (RCB) program and the funding made available have been authorized by the Annual Appropriations Acts each year since FY 2012. The RCB program enhances the capacity and ability of rural housing development organizations, Community Development Corporations (CDCs), Community Housing Development Organizations (CHDOs), local governments, and Indian tribes (eligible beneficiaries) to carry out affordable housing and community development activities in rural areas for the benefit of low- and moderate-income families and persons. The RCB program achieves this by funding National Organizations with expertise in rural housing and rural community development who work directly to build the capacity of eligible beneficiaries. Applicants to the RCB program are required to submit certain information as part of their application for assistance, and as part of the requirements as a grantee.

Information collection	Number of respondents	Frequency of response	Responses per annum	Burden hour per response	Total annual burden hours	Hourly cost per response	Annual cost
Application							
SF 424	0	0	0	0	0	0	0
SF 424B	0	0	0	0	0	0	0
HUD 4130 Multi-Year Budget	20.00	1.00	20.00	3.00	60.00	$63.97	$3,838.20
SF LLL	0	0	0	0	0	0	0
HUD 2880	20.00	1.00	20.00	0.25	5.00	63.97	319,85
Rating Factor 1	20.00	1.00	20.00	8.00	160.00	63.97	10,235.20
Rating Factor 2	20.00	1.00	20.00	8.00	160.00	63.97	10,235.20
Rating Factor 3	20.00	1.00	20.00	12.00	240.00	63.97	15,352.80
Rating Factor 4	20.00	1.00	20.00	8.00	160.00	63.97	10,235.20
Rating Factor 5	20.00	1.00	20.00	5.00	100.00	63.97	6,397.00
Reporting							
SF–425	0	0	0	0	0	0	0
Totals	20.00			44.25	885.00		56,613.45

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) If the information will be processed and used in a timely manner;

(3) The accuracy of the agency's estimate of the burden of the proposed collection of information;

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

(5) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

C. Authority

Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Anna P. Guido,

Department Reports Management Officer, Office of the Chief Data Officer.

[FR Doc. 2022–14383 Filed 7–6–22; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[LLNV9120000.L18200000.XX0000. LXSS006F0000.223.241A. MO: 4500163077]

Notice of Public Meeting: Sierra Front-Northern Great Basin Resource Advisory Council, Nevada

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of public meeting.

SUMMARY: In accordance with the Federal Land Policy and Management Act and the Federal Advisory Committee Act of 1972, the U.S. Department of the Interior's Bureau of Land Management (BLM) Sierra Front-Northern Great Basin Resource Advisory Council (RAC) will meet as follows.

DATES: The RAC will hold an in-person meeting with a virtual participation option on Thursday, August 11, 2022. The RAC will also host a field tour on Friday, August 12. The meeting will be held from 8 a.m. to 5 p.m. and may end earlier or later depending on the needs of group members. The field tour will begin at 7 a.m. and conclude at 2 p.m.

ADDRESSES: The meeting will be held at Dalling Hall, 600 Commercial Street, Elko, Nevada 89801. Individuals who prefer to participate in the August 11 meeting virtually must register by visiting the RAC's web page no later than 1 week before the meeting at *https://www.blm.gov/get-involved/resource-advisory-council/near-me/nevada.* The final meeting agenda will be available two weeks in advance of the meeting on the RAC's web page.

The field tour will commence at the Elko District Office, 3900 Idaho St., Elko, Nevada 89801. Participants will travel to the Big Ledge Mine.

Written comments can be mailed to: BLM Carson City District Office, Attn: RAC Coordinator; 5665 Morgan Mill Road, Carson City, NV 89701. Comments can also be submitted by email to Lisa Ross at *lross@blm.gov* with the subject line: BLM Sierra Front-Northern Great Basin RAC.

FOR FURTHER INFORMATION CONTACT: Lisa Ross, RAC Coordinator, telephone: (775) 885–6107, email: *lross@blm.gov.*

SUPPLEMENTARY INFORMATION: The 15-member BLM Sierra Front-Northern Great Basin RAC serves in an advisory capacity concerning issues relating to land use planning and the management of the public land resources located within the BLM's Elko, Winnemucca, and Carson City Districts. Meetings are open to the public in their entirety and a public comment period will be held near the end of the meeting.

Agenda items for the August 11 meeting include District updates; a presentation on the Big Ledge Mine Closure; an overview of the Fire/Fuels Vegetation Program and Ranchers' Liaison Program; a review of the proposed BLM recreation fee plan; a briefing on recent efforts and proposed land sales; and a discussion on Infrastructure Investment and Jobs Act projects. The August 12 field tour is to the Big Ledge Mine in the northern Snake Mountain Range approximately 60 miles north of Wells, Nevada, in Elko County. The Big Ledge Mine began operations in 2007 and is now permanently closing. The field tour will offer participants the opportunity to see the on-the-ground remediation efforts that include backfilling the barium mining pit and eliminating the mining pit lake. Members of the public are welcome on field tours but must provide their own transportation and

meals. Individuals who plan to attend the field tour must RSVP with Lisa Ross in the BLM Carson City District Office at least 1 week in advance of the field tour (see **FOR FURTHER INFORMATION CONTACT**). The field tour will follow current Centers for Disease Control and Prevention COVID–19 guidance regarding social distancing and wearing of masks.

Please make requests in advance for sign language interpreter services, assistive listening devices, or other reasonable accommodations. We ask that you contact the person listed in the (see **FOR FURTHER INFORMATION CONTACT**) section of this notice at least seven (7) business days prior to the meeting to give the Department of the Interior sufficient time to process your request. All reasonable accommodation requests are managed on a case-by-case basis.

Individuals in the United States who are deaf, blind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. 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.

Interested persons may make oral presentations to the RAC during the meetings or file written statements. Such requests should be made to RAC Coordinator Ms. Ross prior to the public comment period. Depending on the number of people who wish to speak, the time for individual comments may be limited.

Before including your address, phone number, email address, or other personal identifying information in your comments, please 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.

(Authority: 43 CFR 1784.4–2)

Gerald Dixon,

Designated Federal Officer, BLM Elko District Manager.

[FR Doc. 2022–14438 Filed 7–6–22; 8:45 am]

BILLING CODE 4310–HC–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NRSS–NPS0033933; PPWONRADD3, PPMRSNR1Y.NM0000, 222P103601 (222); OMB Control Number 1024–0236]

Agency Information Collection Activities; Research Permit and Reporting System 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 to renew an information collection.

DATES: Interested persons are invited to submit comments on or before September 6, 2022.

ADDRESSES: Please provide a copy of your comments to the NPS Information Collection Clearance Officer (ADIR–ICCO), 12201 Sunrise Valley Drive, (MS–242) Reston, VA 20191 (mail); or *phadrea_ponds@nps.gov* (email). Please reference OMB Control Number ''1024–0236'' in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR by mail, contact Bill Commins, Natural Resource Stewardship and Science by email at *bill_commins@nps.gov;* or by telephone at 202–513–7166. Please reference OMB Control Number 1024–0236 in the subject line of your comments. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility.

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected.

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this 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: NPS policy requires that research studies and specimen collection conducted by researchers, other than NPS employees on official duty, require an NPS scientific research and collecting permit. The permitting process adheres to regulations codified in 36 CFR 2.1 which prohibit the disturbing, removing, or possessing of natural, cultural, and archeological resources. Additionally, regulations codified in 36 CFR 2.5 govern the collection of specimens in parks for the purpose of research, baseline inventories, monitoring, impact analysis, group study, or museum display.

As required by these regulations, a permitting system is managed for scientific research and collecting. NPS forms 10–741A, ''Application for a Scientific Research and Collecting Permit'' and 10–741B, ''Application for a Science Education Permit,'' are used to collect information from persons

seeking a permit to conduct natural or social science research and collection activities in individual units of the National Park System. Individuals who receive a permit must report annually on the activities conducted under the permit using form 10–226, ''Investigator's Annual Report.''

The NPS forms 10–741C ''Permittee Field Check-In Report'' and 10–741D ''Permittee Field Check-Out Report'' information requested will give parks real-time knowledge of what activities are taking place and where ensuring fieldwork conducted conforms with the permitted activity.

The information in this collection is used to manage the use and preservation of park resources, and to report on the status of permitted research and collecting activities. We encourage respondents to use RPRS to complete and submit applications and reports. Additional information about existing applications, reporting forms, guidance, and explanatory material can be found on the RPRS website (*https://irma.nps.gov/RPRS/*).

Title of Collection: Research Permit and Reporting System Applications and Reports, 36 CFR 2.1 and 2.5.

OMB Control Number: 1024–0236.

Form Number: NPS Forms 10–226, 10–741A, 10–741B, 10–741C and 10–741D.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals; businesses; academic and research institutions; and Federal, State, local, and tribal governments.

Total Estimated Number of Annual Respondents: 8,590.

Total Estimated Number of Annual Responses: 8,590.

Estimated Completion Time per Response: Varies from 15 minutes to 83 minutes, depending on activity.

Total Estimated Number of Annual Burden Hours: 5,684.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion for applications; annually for reports.

Total Estimated Annual Nonhour 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. 2022–14483 Filed 7–6–22; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1256]

Certain Portable Battery Jump Starters and Components Thereof; Notice of Commission Determination Not To Review a Final Initial Determination of Violation of Section 337 With Respect to Two Trademarks, and To Review and, on Review, Affirm a Finding of Violation With Respect to a Patent; Schedule for Filing Written Submissions on Remedy, the Public Interest, and Bonding

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review a final initial determination (''Final ID'') issued by the presiding administrative law judge (''ALJ'') finding a violation of section 337 of the Tariff Act of 1930, with respect to U.S. Trademark Registration Nos. 4,811,656 (''the '656 mark'') and 4,811,749 (''the '749 mark'') by defaulting respondent Zhejiang Quingyou Electronic Commerce Co., Ltd. (''Zhejiang Quingyou'') and with respect to the '749 mark by defaulting respondent Shenzhen Mediatek Tong Technology Co., Ltd. (''Mediatek''). The Commission has further determined to review in part and, on review, affirm a finding of no violation with respect to U.S. Patent No. 10,604,024 (''the '024 patent'') based on the complainant's failure to satisfy the technical prong of the domestic industry requirement. The Commission requests briefing from the parties, interested government agencies, and interested persons on the issues of remedy, the public interest, and bonding based on the schedule set forth below.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 708–5468. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.* For help accessing EDIS, please email *EDIS3Help@usitc.gov.* General information concerning the Commission may also be obtained by accessing its internet server at *https://www.usitc.gov.* Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810.

SUPPLEMENTARY INFORMATION: On March 23, 2021, the Commission instituted this investigation based on a complaint filed on behalf of The NOCO Company of Glenwillow, Ohio (''NOCO''). 86 FR 15496–98 (Mar. 23, 2021). The complaint, as supplemented and amended, alleges a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (''section 337''), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain portable battery jump starters and components thereof by reason of infringement of one or more of claims 1, 4, 11, 14, 18, 19, and 21 of U.S. Patent No. 9,007,015 (''the '015 patent'') and claims 1, 4–6, 16, 19, 23, 24, 26, 29, and 30 of the '024 patent, and infringement of the '656 and '749 marks. *Id.* at 15497.

The notice of investigation named the following respondents: (1) Advance Auto Parts, Inc. of Raleigh, North Carolina; (2) Anker Technology (UK) Ltd. of Birmingham, United Kingdom; (3) Antigravity Batteries LLC of Gardena, California; (4) Arteck Electronic Co., Ltd. of Shenzhen, China; (5) AutoZone, Inc. of Memphis, Tennessee; (6) Best Buy Co., Inc. of South Richfield, Minnesota; (7) Best Parts, Inc. of Memphis, Tennessee; (8) Clore Automotive, LLC of Lenexa, Kansas; (9) Deltran USA, LLC of DeLand, Florida; (10) Energen, Inc. of City of Industry, California; (11) FlyLink Tech Co., Ltd. of Shenzhen, China; (12) Gooloo Technologies LLC and Shenzhen Gooloo E-Commerce Co., Ltd of Shenzhen, China; (13) Great Neck Saw Manufacturers, Inc. of Mineola, New York; (14) Guangdong Boltpower Energy Co., Ltd of Shenzhen City, China; (15) Halo2Cloud, LLC of Hartford, Connecticut; (16) Horizon Tool, Inc. of Greensboro, North Carolina; (17) K-Tool International of Plymouth, Michigan; (18) Lowe's Companies, Inc. of Mooresville, North Carolina; (19) Matco Tools Corporation of Stow, Ohio; (20) MonoPrice, Inc. of Brea, California; (21) National Automotive Parts Association, LLC (d/b/a NAPA) of Atlanta, Georgia; (22) Nekteck, Inc. of Anaheim, California; (23) O'Reilly Automotive, Inc. of Springfield, Missouri; (24) Paris Corporation of Westampton, New Jersey; (25) PowerMax Battery (U.S.A.), Inc. of Ontario, California; (26) Prime Global Products, Inc. of Ball Ground, Georgia; (27) QVC, Inc. of West Chester, Pennsylvania; (28) Schumacher Power Technology Ltd. of Yancheng, China; (29) Schumacher Electric Corp. of Mount Prospect, Illinois; (30) Shenzhen Carku Technology Co., Ltd. of

Shenzhen, China; (31) Shenzhen Dingjiang Technology Co., Ltd. of Shenzhen, China; (32) Shenzhen Jieruijia Technology Co. Ltd. of Gong Ming, China; (33) Shenzhen Mediatek Tong Technology Co., Ltd. of Shenzhen, China; (34) Shenzhen Take Tools Co., Ltd. of Shenzhen, China; (35) Shenzhen Topdon Technology Co., Ltd. of Shenzhen, China; (36) Shenzhen Valuelink E-Commerce Co., Ltd. of Shenzhen, China; (37) Smartech Products, Inc. of Savage, Maryland; (38) ThiEYE Technologies Co., Ltd. of Longgang, China; (39) Tii Trading Inc. of Baldwin Park, California; (40) Walmart Inc. of Bentonville, Arkansas; (41) Winplus North America, Inc. of Costa Mesa, California; (42) Zagg Co. Rrd Gst of Plainfield, Indiana; (43) Zhejiang Quingyou Electronic Commerce Co., Ltd. of Hangzhou, China; and (44) 70mai Co., Ltd. of Shanghai, China. *Id.* at 15497–98. The Office of Unfair Import Investigations is a party to the investigation. *Id.* at 15498.

The Commission permitted NOCO to amend the amended complaint and notice of investigation to make the following changes: (1) to substitute Lowe's Home Centers, LLC, for Lowe's Companies, Inc.; (2) to substitute O'Reilly Automotive Stores, Inc., O'Reilly Auto Enterprises, LLC, and Ozark Purchasing, LLC, for O'Reilly Automotive, Inc.; (3) to substitute Anker Innovations Ltd. (HK) for Anker Technology (UK) Ltd.; (4) to substitute ZAGG Inc. for Zagg Co. Rrd; (5) to substitute Shenzhen Dingjiang Technology Co., Ltd. (d/b/a Shenzhen Topdon Technology Co., Ltd. and Topdon Technology Co., Ltd.) for Shenzhen Dingjiang Technology Co., Ltd., and Shenzhen Topdon Technology Co., Ltd.; and (6) to add additional respondents related to Winplus North America, Inc.—ADC Solutions Auto, LLC d/b/a/Type-S and Winplus NA, LLC. Order No. 13 (Apr. 23, 2021), *unreviewed by* Comm'n Notice (May 18, 2021).

The Commission subsequently terminated the investigation with respect to National Automotive Parts Association, LLC (d/b/a NAPA), Shenzhen Jieruijia Technology Co., Ltd., and Shenzhen Take Tools Co., Ltd. based on a voluntary withdrawal of the complaint. Order No. 9 (Apr. 13, 2021), *unreviewed by* Comm'n Notice (May 12, 2021); Order No. 47 (Dec. 6, 2021), *unreviewed by* Comm'n Notice (Jan. 4, 2022). The Commission also subsequently terminated the investigation based on a settlement agreement with respect to the following respondents: Advance Auto Parts, Inc.; Lowe's Home Centers, LLC; Ozark Purchasing, LLC; O'Reilly Automotive Stores, Inc.; O'Reilly Auto Enterprises, LLC; Shenzhen Dingjiang Technology Co., Ltd. (d/b/a Shenzhen Topdon Technology Co., Ltd. and Topdon Technology Co., Ltd.); Walmart, Inc.; QVC, Inc.; AutoZone, Inc.; and Best Parts, Inc. Order No. 11 (Apr. 19, 2021), *unreviewed by* Comm'n Notice (May 4, 2021); Order No. 14 (Apr. 23, 2021), *unreviewed by* Comm'n Notice (May 18, 2021); Order No. 21 (Jul. 7, 2021), *unreviewed by* Comm'n Notice (Jul. 26, 2021); Order No. 31 (Sept. 20, 2021), *unreviewed by* Comm'n Notice (Oct. 12, 2021); Order No. 35 (Oct. 20, 2021), *unreviewed by* Comm'n Notice (Nov. 22, 2021); Order No. 44 (Nov. 15, 2021), *unreviewed by* Comm'n Notice (Dec. 6, 2021). Finally, the Commission terminated the investigation with respect to Schumacher Electric Corp. and Schumacher Power Technology Ltd. based on a consent order stipulation and entry of a consent order. Order No. 52 (Jan. 12, 2022), *unreviewed by* Comm'n Notice (Feb. 4, 2022).

The Commission found several respondents in default for failing to respond to the complaint, notice of investigation, and order to show cause why they should not be found in default. The defaulting respondents include the following: Energen, Inc.; FlyLink Tech Co., Ltd.; K-Tool International; MonoPrice, Inc.; Prime Global Products, Inc.; Mediatek; Shenzhen Valuelink E-Commerce Co., Ltd.; ThiEYE Technologies Co., Ltd; Tii Trading Inc.; Zhejiang Quingyou; and Arteck Electronics Co., Ltd. Order No. 23 (Jul. 13, 2021), *unreviewed by* Comm'n Notice (Jul. 30, 2021); Order No. 45 (Nov. 16, 2021), *unreviewed by* Comm'n Notice (Dec. 10, 2021). The Commission also found Smartech Products, Inc. in default based on its voluntary default. Order No. 28 (Aug. 9, 2021), *unreviewed by* Comm'n Notice (Aug. 20, 2021).

Accordingly, at the time of the evidentiary hearing, the following respondents remained active in the investigation: Antigravity Batteries LLC, Gooloo Technology LLC and Shenzhen Gooloo E-Commerce Co., Ltd., Horizon Tool, Inc., Nekteck, Inc., PowerMax Battery (U.S.A.), Inc., Shenzhen Carku Technology Co., Ltd., 70mai Co., Ltd., Matco Tools Corporation, Paris Corporation, and Great Neck Saw Manufacturers, Inc. (collectively, the ''Carku respondents''); Guangdong Boltpower Energy Co., Ltd. and Best Buy Co., Inc. (collectively, the ''Boltpower respondents''); and Winplus North America, Inc., Winplus NA, LLC, and ADC Solutions Auto, LLC d/b/a Type S (collectively, the ''Winplus respondents'').

The Commission also subsequently terminated the investigation with respect to claims 4, 14, 18, and 21 of the '015 patent and claims 4, 5, 6, 19, 23, and 26 of the '024 patent based on NOCO's partial withdrawal of the complaint. Order No. 27 (Aug. 6, 2021), *unreviewed by* Comm'n Notice (Aug. 18, 2021). The Commission later terminated the investigation with respect to the '015 patent in its entirety. Order No. 46 (Dec. 6, 2021), *unreviewed by* Comm'n Notice (Jan. 4, 2022).

Accordingly, at the time of the evidentiary hearing, the '656 mark, the '749 mark, and claims 1, 16, 24, 29, and 30 of the '024 patent remained asserted in the investigation. Specifically, NOCO asserted the following: claims 1, 16, 24, 29, and 30 of the '024 patent against the Carku respondents; claims 1, 16, 24, 29, and 30 against the Boltpower respondents; claims 1, 16, 29, and 30 against the Winplus respondents; and claims 1, 29, and 30 against ten of the twelve defaulting respondents. Final ID at 8–9. NOCO also accused defaulting respondent Mediatek of infringing the '749 mark and defaulting respondent Zhejiang Quingyou of infringing the '749 mark and the '656 mark. *Id.* at 338. NOCO's post-hearing brief omits infringement allegations against defaulting respondents FlyLink Tech Co., Ltd. and Arteck Electronics Co., Ltd. *See* CIB at 71–72, 183; Final ID at 8–9, 338.

The ALJ issued a *Markman* Order on November 5, 2021. Order No. 41 (Nov. 5, 2021) (''*Markman* Order''). The ALJ held an evidentiary hearing on January 11–14, 2022.

On April 29, 2022, the ALJ issued the Final ID finding a violation with respect to the '749 mark by defaulting respondent Mediatek and with respect to the '656 and '749 marks by defaulting respondent Zhejiang Quingyou, and finding no violation with respect to the '024 patent. Specifically, with respect to the '024 patent, the ID finds that NOCO showed that the products of the Boltpower respondents and the ten defaulting respondents infringe the asserted claims of the '024 patent, but that NOCO failed to show that the products of the Carku respondents and Winplus respondents infringe the asserted claims. The ID further finds that no asserted claim of the '024 patent was shown to be invalid or unenforceable. Additionally, the ID finds that NOCO satisfied the economic prong of the domestic industry requirement but failed to satisfy the technical prong of the domestic industry requirement as to the '024 patent.

The ALJ's recommended determination on remedy and bonding recommended that if the Commission finds a violation of section 337 with respect to the '024 patent, then the Commission should issue a GEO with respect to the '024 patent and CDOs against all respondents shown to maintain commercially significant amounts of domestic inventory—Winplus, Carku, Antigravity, the Gooloo respondents, Great Neck, Matco Tools, Nekteck, PowerMax, 70Mai, Horizon Tool, Paris Corporation, Boltpower, and BestBuy. The ALJ also recommends that the Commission issue an LEO against Mediatek regarding the '749 mark, and against Zhejiang Quingyou regarding the '749 mark and the '656 mark. The ALJ finally recommends that the Commission set the bond rate at 100 percent of entered value based on the difficulty of setting the bond based on a price differential due to the large number of respondents and the lack of evidence of a reasonably royalty rate.

The Commission did not receive any submissions regarding the ALJ's recommended determination pursuant to the Commission's post RD-notice (87 FR 29177–78 (May 12, 2022)) or Commission Rule 210.50(a)(4) (19 CFR 210.50(a)(4)).

On May 13, 2022, NOCO filed a petition with respect to the '024 patent, seeking review of certain of the Final ID's findings on the technical prong of the domestic industry requirement and infringement and seeking contingent review of certain of the Final ID's findings on invalidity. That same day, Boltpower filed a petition seeking review of certain of the ALJ's and ID's findings on claim construction and infringement with respect to the '024 patent. Also on May 13, 2022, the Carku and Winplus respondents filed a joint contingent petition with respect to the '024 patent, seeking review of the Final ID on numerous issues related to infringement, invalidity, the technical prong of the domestic industry requirement, and the economic prong of the domestic industry requirement. No petitions were filed concerning the Final ID's findings with respect to the asserted trademarks. On May 23, 2022, the parties and OUII filed responses to each other's petitions.

Having examined the record of this investigation, including the ALJ's Final ID, the petitions for review, and the responses thereto, the Commission determined not to review the Final ID's finding of a violation of section 337 respect to the '656 mark and the '749 mark by defaulting respondent Zhejiang Quingyou and with respect to the '749 mark by defaulting respondent Mediatek. The Commission presumes that the allegations in the second amended complaint against Zhejiang Quingyou and Mediatek are true with respect to the '656 and '749 marks based on those respondents' defaults, including the allegations regarding the satisfaction of the economic prong of the domestic industry requirement against those respondents. 19 U.S.C. 1337(g)(1).

The Commission has determined to review in part the Final ID's finding of no violation of section 337 with respect to the '024 patent and, on review to affirm the Final ID's finding of no violation due to NOCO's failure to satisfy the technical prong of the domestic industry requirement. The Commission further has determined to take no position on the Final ID's findings that: (1) the accused Boltpower Schumacher SL1315 satisfies the limitation ''the reverse polarity sensor configured . . . to provide an output signal indicating that the positive and negative polarity terminals of the vehicle battery are properly connected to the positive and negative polarity vehicle battery connectors'' recited in the asserted claims of the '024 patent; (2) any accused product or domestic industry product satisfies the limitation ''a power switch connected between the power supply and the positive and negative polarity vehicle battery terminal connectors'' recited in the asserted claims of the '024 patent; (3) the Winplus products satisfy the ''turn off'' limitation recited in the asserted claims of the '024 patent; (4) claims 1 and 29 of the '024 patent are not invalid for a lack of written description; (5) claims 1, 24, 29, and 30 of the '024 patent are not rendered invalid as obvious by U.S. Patent Application Publication No. US 2013–0154543 (''Richardson'') (RX–0049); (6) claim 16 of the '024 patent is not rendered obvious by Richardson in view of Chinese Pat. App. No. TW M417714U1 (''Luo'') (RX–0048); (7) claim 16 of the '024 patent is not rendered obvious by Richardson in view of the asserted prior art E-Power 10 device (RPX–0047); (8) U.S. Patent No. 7,345,450 (''Krieger'') (RX–0047) does not anticipate claims 1, 29, and 30 of the '024 patent; does not render obvious claim 16; (9) claim 16 of the '024 patent is not rendered obvious by Krieger in view of Luo or the E-power 10 device; (10) claim 16 of the '024 patent is not rendered obvious by Krieger in view of Richardson; (11) the asserted domestic industry products satisfy the ''power switch'' limitation recited in the asserted claims of the '024 patent; and (12) NOCO has satisfied the economic prong of the domestic industry requirement. *Beloit Corp.* v. *Valmet Oy,* 742 F.2d 1421, 1423 (Fed. Cir. 1984). The Commission has determined not to review the remainder of the Final ID with respect to the '024 patent.

In connection with the final disposition of this investigation, the statute authorizes issuance of, *inter alia* (1) an exclusion order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) cease and desist orders that could result in the respondents being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines,* Inv. No. 337–TA–360, USITC Pub. No. 2843, Comm'n Op. at 7–10 (December 1994).

The statute requires the Commission to consider the effects of that remedy upon the public interest. The public interest factors the Commission will consider include the effect that an exclusion order and/or a cease and desist order would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve, disapprove, or take no action on the Commission's determination. *See* Presidential Memorandum of July 21, 2005, 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

Written Submissions: Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such initial submissions should include views on the recommended determination by the ALJ on remedy and bonding, which issued on April 29, 2022.

The Commission further requests that NOCO submit proposed remedial orders, provide the HTSUS numbers under which the subject articles are imported, and supply a list of known importers of the subject article with its initial written submission. The written submissions, exclusive of any exhibits, must not exceed 10 pages, and must be filed no later than close of business on July 14, 2022. Reply submissions must not exceed 10 pages and must be filed no later than the close of business on July 21, 2021. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above. The Commission's paper filing requirements in 19 CFR 210.4(f) are currently waived. 85 FR 15798 (March 19, 2020). Submissions should refer to the investigation number (Inv. No. 337–TA–1256) in a prominent place on the cover page and/or the first page. (*See* Handbook for Electronic Filing Procedures, *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*). Persons with questions regarding filing should contact the Secretary, (202) 205–2000.

Any person desiring to submit a document to the Commission in confidence must request confidential treatment by marking each document with a header indicating that the document contains confidential information. This marking will be deemed to satisfy the request procedure set forth in Rules 201.6(b) and 210.5(e)(2) (19 CFR 201.6(b) & 210.5(e)(2)). Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with any confidential filing. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements. All nonconfidential written submissions will be available for public inspection on EDIS.

The Commission vote for this determination took place on June 30, 2022.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: June 30, 2022.

Katherine Hiner,

Acting Secretary to the Commission.

[FR Doc. 2022–14407 Filed 7–6–22; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

[OMB Number: 1121–0352]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Reinstatement Without Change, of a Previously Approved Collection

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Bureau of Justice Assistance, Office of Justice Programs, Department of Justice, is submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: The Department of Justice encourages public comment and will accept input until August 8, 2022.

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.

SUPPLEMENTARY INFORMATION: Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Bureau of Justice Assistance, including whether the information will have practical utility;

—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

—Evaluate whether and if so how the quality, utility, and clarity of the information to be collected can be enhanced; and

—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

1. *Type of Information Collection:* Reinstatement without change, of a previously approved collection.

2. *The Title of the Form/Collection:* National Standards to Prevent, Detect, and Respond to Prison Rape (28 CFR part 115).

3. *The agency form number:* There is no form number associated with this information collection. The applicable component within the Department of Justice is the Bureau of Justice Assistance, in the Office of Justice Programs.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* On June 20, 2012, the Department of Justice published a Final Rule to adopt national standards to prevent, detect, and respond to sexual abuse in confinement settings pursuant to the Prison Rape Elimination Act of 2003 (PREA), 34 U.S.C. 30305. These national standards, which went into effect on August 20, 2012, require covered facilities to retain certain specified information relating to sexual abuse prevention planning, responsive planning, education and training, investigations and to collect and retain certain specified information relating to allegations of sexual abuse within the facility. Covered facilities include: federal, state, and local jails, prisons, lockups, community correction facilities, and juvenile facilities, whether administered by such

government or by a private organization on behalf of such government. As the agency responsible for PREA implementation on behalf of the U.S. Department of Justice, the Bureau of Justice Assistance within the Office of Justice Programs is submitting this request to extend a currently approved collection.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* The recordkeeping and reporting requirements established by the PREA standards are based on incidents of sexual abuse. An estimated 13,119 covered facilities nationwide are required to comply with the PREA standards. If all covered facilities were to fully comply with all of the PREA standards, the new burden hours associated with the staff time that would be required to collect and maintain the information and records required by the standards would be approximately 1.16 million in the first year of full compliance, or about 89 hours per facility.

6. *An estimate of the total public burden (in hours) associated with the collection:* The estimated public burden hours associated with this collection is 1.16 million in the first year of full compliance, or about 89 hours per facility.

If additional information is required contact: Robert Houser, Assistant Director, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 3E.405A, Washington, DC 20530.

Dated: June 30, 2022.

Robert Houser,

Assistant Director, Policy and Planning Staff, U.S. Department of Justice.

[FR Doc. 2022–14399 Filed 7–6–22; 8:45 am]

BILLING CODE 4410–18–P

DEPARTMENT OF JUSTICE

[OMB Number 1121–0346]

Agency Information Collection Activities; Proposed eCollection of eComments Requested; Reinstatement, With Change, of a Previously Approved Collection for Which Approval Has Expired: 2022 Census of State and Local Law Enforcement Agencies (CSLLEA)

AGENCY: Bureau of Justice Statistics, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Office of Justice Programs, Bureau of Justice Statistics, will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for an additional 30 days until August 8, 2022.

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.

SUPPLEMENTARY INFORMATION: Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Bureau of Justice Statistics, including whether the information will have practical utility;

—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

—Evaluate whether, and if so, how the quality, utility, and clarity of the information to be collected can be enhanced; and

—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

1. *Type of Information Collection:* Reinstatement, with change, of a previously approved collection for which approval has expired.

2. *Title of the Form/Collection:* 2022 Census of State and Local Law Enforcement Agencies (CSLLEA).

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* The form number is CJ–38. The applicable component within the Department of Justice is the Bureau of Justice Statistics (BJS), in the Office of Justice Programs.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* Respondents will include all publicly funded state, county, and local law enforcement agencies in the United States that employ the equivalent of at least one full-time sworn officer with general arrest powers. Both general purpose agencies (*i.e.,* any public agency with sworn officers whose patrol and enforcement responsibilities are primarily delimited by the boundaries of a municipal, county, or state government) and special purpose agencies (*e.g.,* campus law enforcement, transportation, natural resources, etc.) meeting the above description will be asked to respond.

Abstract: BJS has conducted the CSLLEA regularly since 1992. The 2022 CSLLEA will be the eighth administration. Historically, the CSLLEA generates an enumeration of all publicly funded state, county, and local law enforcement agencies operating in the United States. The CSLLEA provides complete personnel counts and an overview of the functions performed for approximately 20,000 law enforcement agencies operating nationally. The survey asks about the level of government that operates the agency; oversight of any agency sub-components; total operating budget; full-time and part-time personnel counts for sworn, limited sworn, and non-sworn employees; sex of full-time sworn, limited sworn, and non-sworn personnel; race and Hispanic origin of full-time sworn officers; and the functions the agency performs on a regular or primary basis. Upon completion, the 2022 CSLLEA will serve as the sampling frame for future law enforcement surveys administered by BJS.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* BJS estimates a maximum of 20,000 state, county, and local law enforcement agencies with a respondent burden of about 32 minutes per agency to complete the survey form and about 15 minutes per agency of follow-up time. A random sample of 1,000 agencies will be selected to receive a pre-notification letter to inform the agency head of the upcoming survey and provide an opportunity to update the agency's contact information, which is estimated to add 2 minutes per sampled agency.

6. *An estimate of the total public burden (in hours) associated with the collection:* There are an estimated 15,700 total burden hours associated with this information collection.

If additional information is required contact: Robert Houser, Assistant Director, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 3E.405A, Washington, DC 20530.

Dated: July 1, 2022.

Robert Houser,

Assistant Director, Policy and Planning Staff, U.S. Department of Justice.

[FR Doc. 2022–14468 Filed 7–6–22; 8:45 am]

BILLING CODE 4410–18–P

DEPARTMENT OF JUSTICE

[OMB Number: 1121–0335]

Agency Information Collection Activities; Proposed eCollection of eComments Requested; Extension Without Change, of a Previously Approved Collection

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice, Office of Justice Programs, Bureau of Justice Assistance is submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: The Department of Justice encourages public comment and will accept input until August 8, 2022.

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.

SUPPLEMENTARY INFORMATION: Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Bureau of Justice Assistance, including whether the information will have practical utility;

—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

—Evaluate whether and if so how the quality, utility, and clarity of the information to be collected can be enhanced; and

—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

1. *Type of Information Collection:* Reinstatement without change of a previously approved collection.

2. *The Title of the Form/Collection:* National Motor Vehicle Title Information System (NMVTIS).

3. *The agency form number:* There is no form number associated with this information collection. Bureau of Justice Assistance, Office of Justice Programs, United States Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* Auto recyclers, junk yards and salvage yards are required to report information into NMVTIS. The Anti-Car Theft Act, defines junk and salvage yards ''as individuals or entities engaged in the business of acquiring or owning junk or salvage automobiles for resale in their entirety or as spare parts or for rebuilding, restoration, or crushing.'' Included in this definition are scrap-vehicle shredders and scrap-metal processors, as well as ''pull- or pick-apart yards,'' salvage pools, salvage auctions, and other types of auctions, businesses, and individuals that handle salvage vehicles (including vehicles declared a ''total loss'').

Abstract: Reporting information on junk and salvage vehicles to the National Motor Vehicle Title Information System (NMVTIS)—supported by the U.S. Department of Justice (DOJ)—is required by federal law. Under federal law, junk and salvage yards must report certain information to NMVTIS on a monthly basis. This legal requirement has been in place since March 2009, following the promulgation of regulations (28 CFR part 25) to implement the junk- and salvage-yard reporting provisions of the Anti-Car Theft Act (codified at 49 U.S.C. 30501–30505). Accordingly, a junk or salvage yard within the United States must, on a monthly basis, provide an inventory to NMVTIS of the junk or salvage automobiles that it obtained (in whole or in part) in the prior month. 28 CFR 25.56(a).

An NMVTIS Reporting Entity includes any individual or entity that meets the federal definition, found in the NMVTIS regulations at 28 CFR 25.52, for a ''junk yard'' or ''salvage yard.'' According to those regulations, a junk yard is defined as ''an individual or entity engaged in the business of acquiring or owning junk automobiles for—(1) Resale in their entirety or as spare parts; or (2) Rebuilding, restoration, or crushing.'' The regulations define a salvage yard as ''an individual or entity engaged in the business of acquiring or owning salvage automobiles for—(1) Resale in their entirety or as spare parts; or (2) Rebuilding, restoration, or crushing.'' These definitions include vehicle remarketers and vehicle recyclers, including scrap vehicle shredders and scrap metal processors as well as ''pull- or pick-apart yards,'' salvage pools, salvage auctions, used automobile dealers, and other types of auctions handling salvage or junk vehicles (including vehicles declared by any insurance company to be a ''total loss'' regardless of any damage assessment). Businesses that operate on behalf of these entities or individual domestic or international salvage vehicle buyers, sometimes known as ''brokers'' may also meet these regulatory definitions of salvage and junk yards. It is important to note that industries not specifically listed in the junk yard or salvage yard definition may still meet one of the definitions and, therefore, be subject to the NMVTIS reporting requirements.

An individual or entity meeting the junk yard or salvage yard definition is subject to the NMVTIS reporting requirements if that individual or entity handles 5 or more junk or salvage motor vehicles per year and is engaged in the business of acquiring or owning a junk automobile or a salvage automobile for—''(1) Resale in their entirety or as spare parts; or (2) Rebuilding, restoration, or crushing.'' Reporting entities can determine whether a vehicle is junk or salvage by referring to the definitions provided in the NMVTIS regulations at 28 CFR 25.52. An NMVTIS Reporting Entity is required to report specific information to NMVTIS within one month of receiving such a vehicle, and failure to report may result in assessment of a civil penalty of $1,000 per violation.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* There are 50,383 in JSI (meaning entities issued a reporting ID number), of which 21,612 have submitted at least one report. The estimate for the average amount of time

for each business to report varies: 30–60 minutes (estimated). The states and insurance companies already are capturing most of the data needed to be reported, and the reporting consists of electronic, batch uploaded information. So, for those automated companies the reporting time is negligible. For smaller junk and salvage yard operators who would enter the data manually, it is estimated that it will take respondents an average of 30–60 minutes per month to respond.

6. *An estimate of the total public burden (in hours) associated with the collection:* An estimate of the total public burden (in hours) associated with the collection is approximately 129,000 to 259,000 hours.

Total Annual Reporting Burden

21,612 × 30 minutes per month (12 times per year) = 648,360
21,612 × 60 minutes per month (12 times per year) = 1,296,720

If additional information is required contact: Robert Houser, Assistant Director, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 3E.405A, Washington, DC 20530.

Dated: July 1, 2022.

Robert Houser,

Assistant Director, Policy and Planning Staff, U.S. Department of Justice.

[FR Doc. 2022–14466 Filed 7–6–22; 8:45 am]

BILLING CODE 4410–18–P

DEPARTMENT OF JUSTICE

[OMB Number: 1121–0259]

Agency Information Collection Activities; Proposed eCollection of eComments Requested; Reinstatement Without Change of a Previously Approved Collection

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Bureau of Justice Assistance, Office of Justice Programs, Department of Justice is submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: The Department of Justice encourages public comment and will accept input until August 8, 2022.

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 information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.

SUPPLEMENTARY INFORMATION: Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Bureau of Justice Assistance, including whether the information will have practical utility;
—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
—Evaluate whether and if so how the quality, utility, and clarity of the information to be collected can be enhanced; and
—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

1. *Type of Information Collection:* reinstatement without change of a previously approved collection.

2. *The Title of the Form/Collection:* Public Safety Officer Medal of Valor (Pub. L. 107–12).

3. *The agency form number:* There is no form number associated with this information collection. The nomination process is managed through the internet, using the Office of Justice Programs' (OJP) Public Safety Officer Medal of Valor (MOV) online nomination system at: *https://bja.ojp.gov/program/medalofvalor.*

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* The information that is being collected is solicited from federal, state, local and tribal public safety agencies, who wish to nominate their personnel to receive the Public Safety Officer Medal of Valor (MOV). This information is provided on a voluntary basis, includes agency and nominee information along with details about the events for which the nominees are to be consider when determining who will be recommended to receive the MOV.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* The recordkeeping and reporting requirements established by the PREA standards are based on incidents of sexual abuse. An estimated 13,119 covered facilities nationwide are required to comply with the PREA standards. If all covered facilities were to fully comply with all of the PREA standards, the new burden hours associated with the staff time that would be required to collect and maintain the information and records required by the standards would be approximately 1.16 million in the first year of full compliance, or about 89 hours per facility.

6. *An estimate of the total public burden (in hours) associated with the collection:* Base upon the average number of submissions over the referenced two-year period, and the estimated time required to complete each submission, the estimated annual public burden would be 56.45 hours.

a. 135.5 × 25 minutes = 3,387.5 minutes/60 = 56.45 hours.

If additional information is required contact: Robert Houser, Assistant Director, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 3E.405A, Washington, DC 20530.

Dated: June 30, 2022.

Robert Houser,

Assistant Director, Policy and Planning Staff, U.S. Department of Justice.

[FR Doc. 2022–14405 Filed 7–6–22; 8:45 am]

BILLING CODE 4410–18–P

DEPARTMENT OF JUSTICE

[OMB Number: 1121–0235]

Agency Information Collection Activities; Proposed eCollection of eComments Requested; Extension With Change, of a Currently Approved Collection

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: 60-Day notice.

SUMMARY: The Bureau of Justice Assistance, Office of Justice Programs, Department of Justice is submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: The Department of Justice encourages public comment and will accept input until September 6, 2022.

FOR FURTHER INFORMATION CONTACT: If you have additional comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact Joseph Husted, State Policy Advisor, Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice, 810 7th Street NW, Washington, DC 20531 by email at *Joseph.Husted@usdoj.gov* or 202–616–6500. Written comments and/or suggestions can also be sent to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention Department of Justice Desk Officer, Washington, DC 20503 or sent to *OIRA_submissions@omb.eop.gov.*

SUPPLEMENTARY INFORMATION: Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Bureau of Justice Assistance, including whether the information will have practical utility;
—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
—Evaluate whether and if so how the quality, utility, and clarity of the information to be collected can be enhanced; and
—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

1. *Type of Information Collection:* Extension with change of a currently approved collection.
2. *The Title of the Form/Collection:* Patrick Leahy Bulletproof Vest Program Application.
3. *The agency form number:* None. The program application can be found at the Bureau of Justice Assistance, United States Department of Justice's website at *https://grants.ojp.usdoj.gov/bvp/login/externalAccess.jsp.*
4. *Affected public who will be asked or required to respond, as well as a brief abstract:* Jurisdictions and law enforcement agencies with armor vest needs.
5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* It is estimated that no more than 4,500 respondents will apply each year. Each application takes approximately 1 hour to complete.
6. *An estimate of the total public burden (in hours) associated with the collection:* Approximately 4,500 hours.

If additional information is required contact: Robert Houser, Assistant Director, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 3E.405A, Washington, DC 20530.

Dated: June 30, 2022.

Robert Houser,

Assistant Director, Policy and Planning Staff, U.S. Department of Justice.

[FR Doc. 2022–14393 Filed 7–6–22; 8:45 am]

BILLING CODE 4410–18–P

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Arts

Subject 30-Day Notice for the "Participant Outcomes Survey for the Creative Forces®: NEA Military Healing Arts Network Community Arts Engagement Subgranting Program"; Proposed Collection; Comment Request

AGENCY: National Endowment for the Arts; National Foundation on the Arts and the Humanities.

ACTION: Notice.

SUMMARY: The National Endowment for the Arts (NEA), as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public and federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995. This program helps to ensure that requested data is provided in the desired format; reporting burden (time and financial resources) is minimized; collection instruments are clearly understood; and the impact of collection requirements on respondents is properly assessed. Currently, the NEA is soliciting comments concerning the proposed information collection through the Participant Outcomes Survey for individuals who participate in community arts programs funded by the Creative Forces®: NEA Military Healing Arts Network Community Arts Engagement Subgranting Program. Copies of this ICR, with applicable supporting documentation, may be obtained by visiting *www.Reginfo.gov.*

DATES: Written comments must be submitted to the office listed in the address section below within 30 days from the date of this publication in the **Federal Register**.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be sent within 30 days of publication of this Notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection request by selecting "National Endowment for the Arts" under "Currently Under Review;" then check "Only Show ICR for Public Comment" checkbox. Once you have found this information collection request, select "Comment," and enter or upload your comment and information. Alternatively, comments should be sent to the Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for the National Endowment for the Arts, Office of Management and Budget, Room 10235, Washington, DC 20503, 202/395–7316, within 30 days from the date of this publication in the **Federal Register**.

SUPPLEMENTARY INFORMATION: The NEA is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Title: Participant Outcomes Survey for the Creative Forces®: NEA Military Healing Arts Network Community Arts Engagement Subgranting Program.

OMB Number: New.

Frequency: One-time pilot test of survey.

Affected Public: Participants of Creative Forces Community Engagement Programs/Events.

Estimated Number of Respondents: 360 (350 program participants, 10 project directors).

Total Burden Hours: 199.3 annually.

Total annualized capital/startup costs: 0.

Total annual costs (operating/maintaining systems or purchasing services): The total one-time contracted cost to the Federal Government for survey development, cognitive testing, and pilot testing is $75,000.

Description: This is a request for clearance for the NEA to conduct a pilot test of the Participant Outcomes Survey to assess individual-level outcomes associated with the Creative Forces®: NEA Military Healing Arts Network Community Engagement Grant Program (*http://www.maaa.org/creativeforces/*). This is a new data collection request, and the data to be collected are not available elsewhere unless collected through this information collection. The pilot study will enable the NEA to test and refine the survey's methodology for assessing outcomes and the administration process.

The Creative Forces®: NEA Military Healing Arts Network seeks to improve the health, well-being, and quality of life for military and veteran populations exposed to trauma, and for their families and caregivers through clinical and non-clinical programs (*https://www.arts.gov/initiatives/creative-forces*). Creative Forces is funded through Congressional appropriation. The Congressional Committee on Appropriation ''supports the NEA's continued efforts to expand upon this successful program to embed Creative Arts Therapies at the core of integrative care efforts in clinical settings, advance collaboration among clinical and community arts providers to support wellness and reintegration efforts for affected families, and advance research to improve our understanding of impacts of these interventions in both clinical and community settings.''

According to the National Endowment for the Arts 2018–2022 Strategic Plan (page 20), evidence building for Strategic Objective 2.4, Support Access to Creative Arts Therapies and Evidence-Based Programs in the Arts and Health, involves ''the development of a community engagement research agenda and framework for defining indicators and developing metrics for measuring the impact and benefits from participation in therapeutic arts interventions and community-based arts engagement programs aligned with, or complementary to, Creative Forces clinical program outcomes.''

Beginning in 2022, Creative Forces will award Community Engagement Grants to support non-clinical arts engagement programming for military-connected populations through matching grants of $10,000 to $50,000 for emerging (''Emerging'') and established (''Advanced'') community-based arts engagement projects to serve military-connected populations. The NEA anticipates awarding approximately 30 awards annually, with the first round of grant-funded projects taking place after July 1, 2022. The grant program will support a range of program models (*e.g.,* ongoing class, drop-in studio, single event) designed to meet local needs. The grant program will be the largest coordinated effort in the U.S. to provide community arts engagement programming for military and veteran populations exposed to trauma, and for their families and caregivers. The Creative Forces Community Engagement Grant Program is conducted in partnership with Mid-America Arts Alliance (M–AAA).

During development of the Community Engagement Grant program, the NEA (1) documented the needs of military and veteran populations exposed to trauma, and of their families and caregivers, (2) identified goals for community arts engagement programming and four outcomes for participants, (3) produced logic models and measurement frameworks for the grantee and national program levels, (4) contributed to grant guidelines, and (5) evaluated methodologies and instruments for data collection. The Participant Outcomes Survey assesses four participant outcome areas identified during development of the grant program: Creative Expression, Social Connectedness, Resilience, and Independence and Successful Adaptation to Civilian Life. Participants of the programs supported by a Creative Forces Community Engagement grant will complete the survey at the beginning (pre) and end (post) of participation in the program. Program participants will be asked to complete an enrollment form. Project directors will be asked to participate in an interview following the end of the survey administration period.

The purpose of the Participant Outcomes Survey is to determine the impact of the Community Engagement Grant Program by measuring the extent of change over time (pre-to-post) in the four participant outcomes and to inform ongoing program improvement. Through this pilot test of the survey, the NEA will evaluate the effectiveness of the survey instrument and the administration process during the first cycle of the grant program. The data collection activities are planned for January through June 2023. A regular PRA clearance package will be submitted in FY 2023 for a Creative Forces Community Engagement Grant Program evaluation study that utilizes this survey instrument.

Dated: July 1, 2022.

Meghan Jugder,

Support Services Specialist, Office of Administrative Services & Contracts, National Endowment for the Arts.

[FR Doc. 2022–14462 Filed 7–6–22; 8:45 am]

BILLING CODE 7537–01–P

NATIONAL SCIENCE FOUNDATION

Proposal Review Panel for Materials Research; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92–463, as amended), the National Science Foundation (NSF) announces the following meeting:

Name and Committee Code: Site visit review of Platform for the Two-Dimensional Crystal Consortium, a Materials Innovation Platform (2DCC–MIP), at Pennsylvania State University by the NSF Division of Materials Research (DMR) (#1203).

Date and Time: August 4, 2022; 8:30 a.m.–6:00 p.m.; August 5, 2022; 8:30 a.m.–2:30 p.m.

Place: Millennium Science Complex, Pennsylvania State University, Pollock Road, University Park, PA 16802.

Type of Meeting: Part-open.

Contact Person: Charles Ying, Program Director, Division of Materials Research, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, VA 22314; Telephone (703) 292–8428.

Purpose of Meeting: Site visit to provide advice and recommendations concerning further support of the 2DCC–MIP at Pennsylvania State University.

Agenda

Thursday, August 4, 2022

8:30 a.m.–9:00 a.m. Executive Session (Closed)

9:00 a.m.–11:45 a.m. Review of PARADIM MIP

11:45 a.m.–6:00 p.m. Executive Session (Closed)

Friday, August 5, 2022

8:30 a.m.–2:30 p.m. Executive Session (Closed)

Reason for Closing: Topics to be discussed and evaluated during closed

portions of the site review will include information of a proprietary or confidential nature, including technical information; and information on personnel. These matters are exempt under 5 U.S.C. 552b(c), (4) and (6) of the Government in the Sunshine Act.

Dated: July 1, 2022.

Crystal Robinson,

Committee Management Officer.

[FR Doc. 2022–14411 Filed 7–6–22; 8:45 am]

BILLING CODE 7555–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–456 and 50–457; NRC–2022–0134]

Constellation Energy Generation, LLC; Braidwood Station, Unit Nos. 1 and 2

AGENCY: Nuclear Regulatory Commission.

ACTION: License amendment application; opportunity to comment, request a hearing, and petition for leave to intervene.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an amendment to Facility Operating License No. NPF–72 and NPF–77, issued to Constellation Energy Generation, LLC, for operation of the Braidwood Station, Unit Nos. 1 and 2. The proposed amendments would change Technical Specifications (TS) Surveillance Requirement (SR) 3.7.9.2 to allow an ultimate heat sink (UHS) temperature of ≤ 102.8 °F (degree Fahrenheit) through September 30, 2022.

DATES: Submit comments by August 8, 2022. Requests for a hearing or petition for leave to intervene must be filed by September 6, 2022.

ADDRESSES: You may submit comments by any of the following methods; however, the NRC encourages electronic comment submission through the Federal rulemaking website:

- *Federal rulemaking website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2022–0134. Address questions about Docket IDs in *Regulations.gov* to Stacy Schumann; telephone: 301–415–0624; email: *Stacy.Schumann@nrc.gov.* For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *Mail comments to:* Office of Administration, Mail Stop: TWFN–7–A60M, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, ATTN: Program Management, Announcements and Editing Staff.

For additional direction on obtaining information and submitting comments, see ''Obtaining Information and Submitting Comments'' in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Joel S. Wiebe, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, telephone: 301–415–6606, email: *Joel.Wiebe@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2022–0134 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2022–0134.
- *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 Web-based ADAMS Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, 301–415–4737, or by email to *PDR.Resource@nrc.gov.* The LAR is available under ADAMS ML22154A203.
- **NRC'S PDR:** You may examine and purchase copies of public documents, by appointment, at the NRC's PDR, Room P1 B35, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. 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 8:00 a.m. and 4:00 p.m. Eastern Time (ET), Monday through Friday, except Federal holidays.

B. Submitting Comments

The NRC encourages electronic comment submission through the Federal rulemaking website (*https://www.regulations.gov*). Please include Docket ID NRC–2022–0134 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at *https://www.regulations.gov* as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Introduction

The NRC is considering issuance of an amendment to Facility Operating Licenses No. NPF–72 and NPF–77, issued to Constellation Energy Generation, LLC, for operation of the Braidwood Station, Unit Nos. 1 and 2, located in Will County, Illinois.

The proposed amendments would change TS SR 3.7.9.2 to allow a UHS temperature of less than or equal to 102.8 °F through September 30, 2022.

Before any issuance of the proposed license amendment, the NRC will need to make the findings required by the Atomic Energy Act of 1954, as amended (the Act), and NRC's regulations.

The NRC has made a proposed determination that the LAR involves no significant hazards consideration (NSHC). Under the NRC's regulations in § 50.92 of title 10 of the *Code of Federal Regulations* (10 CFR), this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its NSHC analysis, which is presented below:

1. Does the proposed change involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No.

The likelihood of a malfunction of any systems, structures, or components (SSCs) supported by the Ultimate Heat Sink (UHS) is not significantly increased by increasing the allowable UHS temperature from ≤102°F to ≤102.8°F. The UHS provides a heat sink for process and operating heat from safety related components during a transient or accident, as well as during normal operation. The proposed change

does not make any physical changes to any plant SSCs, nor does it alter any of the assumptions or conditions upon which the UHS is designed. The UHS is not an initiator of any analyzed accident. All equipment supported by the UHS has been evaluated to demonstrate that their performance and operation remains as described in the UFSAR [updated final safety analysis report] with no increase in probability of failure or malfunction. The SSCs credited to mitigate the consequences of postulated design basis accidents remain capable of performing their design basis function. The change in maximum UHS temperature has been evaluated using the UFSAR described methods to demonstrate that the UHS remains capable of removing normal operating and post-accident heat. The change in UHS temperature and resulting containment response following a postulated design basis accident has been demonstrated to not be impacted. Additionally, all the UHS supported equipment, credited in the accident analysis to mitigate an accident, has been shown to continue to perform their design function as described in the UFSAR. Therefore, the proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed change create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No.

The proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated. The proposed change does not introduce any new modes of plant operation, change the design function of any SSC, or change the mode of operation of any SSC. There are no new equipment failure modes or malfunctions created as affected SSCs continue to operate in the same manner as previously evaluated and have been evaluated to perform as designed at the increased UHS temperature and as assumed in the accident analysis. Additionally, accident initiators remain as described in the UFSAR and no new accident initiators are postulated as a result of the increase in UHS temperature. Therefore, the proposed change does not create the possibility of a new or different kind of accident from any previously evaluated.

3. Does the proposed change involve a significant reduction in a margin of safety?

Response: No.

The proposed change continues to ensure that the maximum temperature of the cooling water supplied to the plant SSCs during a UHS design basis event remains within the evaluated equipment limits and capabilities assumed in the accident analysis. The proposed change does not result in any changes to plant equipment function, including setpoints and actuations. All equipment will function as designed in the plant safety analysis without any physical modifications. The proposed change does not alter a limiting condition for operation, limiting safety system setting, or safety limit specified in the Technical Specifications. The proposed change does not adversely impact the UHS inventory required to be available for the UFSAR described design basis accident involving the worst case 30-day period including losses for evaporation and seepage to support safe shutdown and cooldown of both Braidwood Station units. Additionally, the structural integrity of the UHS is not impacted and remains acceptable following the change, thereby ensuring that the assumptions for both UHS temperature and inventory remain valid. Therefore, since there is no adverse impact of this proposed change on the Braidwood Station safety analysis, there is no reduction in the margin of safety of the plant.

The NRC staff has reviewed the licensee's analysis and based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the license amendment request involves a NSHC.

The NRC is seeking public comments on this proposed determination that the license amendment request involves a NSHC. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 60-day notice period. However, if circumstances change during the notice period, such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the notice period, provided that its final determination is that the amendment involves NSHC. The final determination will consider all public and State comments received. If the Commission takes action prior to the expiration of either the comment period or the notice period, it will publish in the **Federal Register** a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

III. Opportunity To Request a Hearing and Petition for Leave To Intervene

Within 60 days after the date of publication of this notice, any person (petitioner) whose interest may be affected by this action may file a request for a hearing and petition for leave to intervene (petition) with respect to the action. Petitions shall be filed in accordance with the Commission's ''Agency Rules of Practice and Procedure'' in 10 CFR part 2. Interested persons should consult 10 CFR 2.309. If a petition is filed, the presiding officer will rule on the petition and, if appropriate, a notice of a hearing will be issued.

Petitions must be filed no later than 60 days from the date of publication of this notice in accordance with the filing instructions in the ''Electronic Submissions (E-Filing)'' section of this document. Petitions and motions for leave to file new or amended contentions that are filed after the deadline will not be entertained absent a determination by the presiding officer that the filing demonstrates good cause by satisfying the three factors in 10 CFR 2.309(c)(1)(i) through (iii).

If a hearing is requested and the Commission has not made a final determination on the issue of NSHC, the Commission will make a final determination on the issue of no significant hazards consideration, which will serve to establish when the hearing is held. If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing would take place after issuance of the amendment. If the final determination is that the amendment request involves a significant hazards consideration, then any hearing held would take place before the issuance of the amendment unless the Commission finds an imminent danger to the health or safety of the public, in which case it will issue an appropriate order or rule under 10 CFR part 2.

A State, local governmental body, Federally recognized Indian Tribe, or designated agency thereof, may submit a petition to the Commission to participate as a party under 10 CFR 2.309(h) no later than 60 days from the date of publication of this notice. Alternatively, a State, local governmental body, Federally recognized Indian Tribe, or agency thereof may participate as a non-party under 10 CFR 2.315(c).

For information about filing a petition and about participation by a person not a party under 10 CFR 2.315, see ADAMS ML20340A053 and on the NRC's public website at *https://www.nrc.gov/about-nrc/regulatory/adjudicatory/hearing.html#participate.*

IV. Electronic Submissions (E-Filing)

All documents filed in NRC adjudicatory proceedings including documents filed by an interested State, local governmental body, Federally recognized Indian Tribe, or designated agency thereof that requests to participate under 10 CFR 2.315(c), must be filed in accordance with 10 CFR 2.302. The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases, to mail copies on electronic storage media, unless an exemption permitting an alternative filing method, as further discussed, is granted. Detailed guidance on electronic submissions is located in the ''Guidance for Electronic Submissions to the NRC'' (ADAMS Accession No. ML13031A056) and on the NRC's public website at *https://www.nrc.gov/site-help/e-submittals.html.*

To comply with the procedural requirements of E-Filing, at least 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by email at *Hearing.Docket@nrc.gov,* or by telephone at 301–415–1677, to (1) request a digital identification (ID) certificate, which allows the participant (or its counsel or representative) to digitally sign submissions and access the E-Filing system for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a petition or other adjudicatory document (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on the NRC's public website at *https://www.nrc.gov/site-help/e-submittals/getting-started.html.* After a digital ID certificate is obtained and a docket created, the participant must submit adjudicatory documents in Portable Document Format. Guidance on submissions is available on the NRC's public website at *https://www.nrc.gov/site-help/electronic-sub-ref-mat.html.* A filing is considered complete at the time the document is submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. ET on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an email confirming receipt of the document. The E-Filing system also distributes an email that provides access to the document to the NRC's Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the document on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before adjudicatory documents are filed to obtain access to the documents via the E-Filing system.

A person filing electronically using the NRC's adjudicatory E-Filing system may seek assistance by contacting the NRC's Electronic Filing Help Desk through the ''Contact Us'' link located on the NRC's public website at *https://www.nrc.gov/site-help/e-submittals.html,* by email to *MSHD.Resource@nrc.gov,* or by a toll-free call at 1–866–672–7640. The NRC Electronic Filing Help Desk is available between 9:00 a.m. and 6:00 p.m., ET, Monday through Friday, except Federal holidays.

Participants who believe that they have good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing stating why there is good cause for not filing electronically and requesting authorization to continue to submit documents in paper format. Such filings must be submitted in accordance with 10 CFR 2.302(b)-(d). Participants filing adjudicatory documents in this manner are responsible for serving their documents on all other participants. Participants granted an exemption under 10 CFR 2.302(g)(2) must still meet the electronic formatting requirement in 10 CFR 2.302(g)(1), unless the participant also seeks and is granted an exemption from 10 CFR 2.302(g)(1).

Documents submitted in adjudicatory proceedings will appear in the NRC's electronic hearing docket, which is publicly available at *https://adams.nrc.gov/ehd,* unless excluded pursuant to an order of the presiding officer. If you do not have an NRC-issued digital ID certificate as previously described, click ''cancel'' when the link requests certificates and you will be automatically directed to the NRC's electronic hearing dockets where you will be able to access any publicly available documents in a particular hearing docket. Participants are requested not to include personal privacy information such as social security numbers, home addresses, or personal phone numbers in their filings unless an NRC regulation or other law requires submission of such information. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants should not include copyrighted materials in their submission.

For further details with respect to this action, see the application for license amendment dated June 3, 2022 (ADAMS ML22154A203).

Attorney for licensee: Jason Zorn, Associate General Counsel Constellation Energy Generation, LLC 101 Constitution Ave NW, Suite 400E, Washington, DC 20001.

NRC Branch Chief: Nancy Salgado.

Dated: June 30, 2022.

For the Nuclear Regulatory Commission.

Joel S. Wiebe,

Senior Project Manager, Licensing Projects Branch III, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. 2022–14427 Filed 7–6–22; 8:45 am]

BILLING CODE 7590–01–P

POSTAL SERVICE

Product Change—Priority Mail Negotiated 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 domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

DATES: *Date of required notice:* July 7, 2022.

FOR FURTHER INFORMATION CONTACT: Sean Robinson, 202–268–8405.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on July 1, 2022, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Contract 751 to Competitive Product List.* Documents

are available at *www.prc.gov,* Docket Nos. MC2022–77, CP2022–83.

Sean Robinson,

Attorney, Corporate and Postal Business Law.

[FR Doc. 2022–14477 Filed 7–6–22; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95190; File No. SR–PEARL–2022–25]

Self-Regulatory Organizations: MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 3100, Registration Requirements, Exchange Rule 3103, Continuing Education Requirements, and Exchange Rule 3104, Electronic Filing Requirements for Uniform Forms

June 30, 2022.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 28, 2022, MIAX PEARL, LLC (''MIAX Pearl'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule 3103, Continuing Education Requirements. The proposed rule change also makes conforming amendments to Exchange Rule 3100, Registration Requirements. Among other changes, the proposed rule change requires that the Regulatory Element of continuing education be completed annually rather than every three years and provide a path through continuing education for individuals to maintain their qualification following the termination of a registration. The Exchange also proposes to amend its manual signature requirements in Exchange Rule 3104, Electronic Filing Requirements for Uniform Forms.

The text of the proposed rule change is available on the Exchange's website at *http://www.miaxoptions.com/rule-filings/pearl,* at MIAX Pearl's principal office, and at the Commission's Public Reference Room.

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 Exchange Rules 3100 and 3103. This proposed rule change is based on a filing recently submitted by the Financial Industry Regulatory Authority, Inc. (''FINRA'') [3] and is intended to harmonize the Exchange's registration rules with those of FINRA so as to promote uniform standards across the securities industry.[4] The Exchange also proposes to amend its manual signature requirements in Exchange Rule 3104, Electronic Filing Requirements for Uniform Forms, to align with changes FINRA has made to similar rules.[5] Each change is discussed in detail below.

The proposed changes are based on the changes filed with the Commission in SR–FINRA–2021–003 and SR–FINRA–2021–015.[6] The Exchange proposes to adopt such changes substantially in the same form as proposed by FINRA, with only minor changes necessary to conform to the Exchange's existing rules such as to remove cross-references and rules that are applicable to FINRA members but not to Exchange Members.[7]

Continuing Education Rules

i. Background

The continuing education program for registered persons of broker-dealers (''CE Program'') currently requires registered persons to complete continuing education consisting of a Regulatory Element and a Firm Element. The Regulatory Element, which is administered by FINRA on behalf of the Exchange, focuses on regulatory requirements and industry standards, while the Firm Element is provided by each firm and focuses on securities products, services, and strategies the firm offers, firm policies, and industry trends. The CE Program is codified under the rules of the self-regulatory organizations (''SROs''). The CE Program for registered persons of Exchange Members is codified under Exchange Rules 3100 and 3103.[8]

a. Regulatory Element

Exchange Rule 3103(a), Regulatory Element, currently requires a registered person to complete the applicable Regulatory Element initially within 120 days after the person's second registration anniversary date, and thereafter, within 120 days after every third registration anniversary date.[9] The

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release Nos. 92183 (June 15, 2021), 86 FR 33427 (June 24, 2021) (SR–FINRA–2021–15); *and* 93097 (September 21, 2021), 86 FR 53358 (September 27, 2021) (SR–FINRA–2021–15).

[4] *See, e.g.,* Securities Exchange Act Release Nos. 94400 (March 11, 2022), 87 FR 15286 (March 17, 2022) (SR–NASDAQ–2022–021); 92562 (August 4, 2021), 86 FR 143701 (August 10, 2021) (SR–CBOE–2021–043); 94794 (April 26, 2022), 87 FR 25683 (May 2, 2022) (SR–BOX–2022–016); 94429 (March 16, 2022), 87 FR 16268 (March 22, 2022) (SR–MEMX–2022–05); *and* 95140 (June 22, 2022) (SR–MIAX–2022–23).

[5] *See* Securities Exchange Act Release No. 91262 (March 5, 2021), 86 FR 13935 (March 11, 2021) (SR–FINRA–2021–003).

[6] *See supra* notes 3 and 5.

[7] The term ''Member'' means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed ''members'' under the Exchange Act. *See* Exchange Rule 100.

[8] *See* Exchange Rules 3100 and 3103.

[9] *See* Exchange Rule 3103(a)(1). An individual's registration anniversary date is generally the date they initially registered with the Exchange in the Central Registration Depository (''CRD®'') system. However, an individual's registration anniversary date would be reset if the individual has been out of the industry for two or more years and is required to requalify by examination, or obtain an examination waiver, in order to reregister. An individual's registration anniversary date would also be reset if the individual obtains a conditional examination waiver that requires them to complete the Regulatory Element by a specified date. Non-registered individuals who are participating in the waiver program under Exchange Rule 3100, Interpretation and Policy .09, Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Member, (''FSAWP participants'') are also subject to the Regulatory Element. *See also* Exchange Rule 3103(a)(5), Definition of Covered Person. The Regulatory Element for FSAWP participants correlates to their most recent registration(s), and it must be completed based on the same cycle had they remained registered. FSAWP participants are eligible for a single, fixed seven-year waiver period from the date of their initial designation, subject to specified conditions. Registered persons who become subject to a significant disciplinary action, as specified in Exchange Rule 3103(a)(3), Disciplinary Actions, may be required to retake the Regulatory Element within 120 days of the effective date of the disciplinary action, if they remain registered. Further, their cycle for participation in

Exchange may extend these time frames for good cause shown.[10] Registered persons who have not completed the Regulatory Element within the prescribed time frames will have their Exchange registrations deemed inactive and will be designated as ''CE inactive'' in the CRD system until the requirements of the Regulatory Element have been satisfied.[11] A CE inactive person is prohibited from performing, or being compensated for, any activities requiring Exchange registration, including supervision. Moreover, if registered persons remain CE inactive for two consecutive years, they must requalify by retaking required examinations (or obtain a waiver of the applicable qualification examinations).[12]

The Regulatory Element consists of a subprogram for registered persons generally, and a subprogram for principals and supervisors.[13] While some of the current Regulatory Element content is unique to particular registration categories, most of the content has broad application to both representatives and principals.[14]

The Regulatory Element was originally designed at a time when most individuals had to complete the Regulatory Element at a test center, and its design was shaped by the limitations of the test center-based delivery model. In 2015, FINRA transitioned the delivery of the Regulatory Element to an online platform (''CE Online''), which allows individuals to complete the content online at a location of their choosing, including their private residence. This online delivery provides FINRA with much greater flexibility in updating content in a timelier fashion, developing content tailored to each registration category and presenting the material in an optimal learning format.

b. Firm Element

Exchange Rule 3103(b), Firm Element, currently requires each firm to develop and administer an annual Firm Element training program for covered registered persons.[15] The rule requires firms to conduct an annual needs analysis to determine the appropriate training.[16] Currently, at a minimum, the Firm Element must cover training in ethics and professional responsibility as well as the following items concerning securities products, services, and strategies offered by the Member: (1) general investment features and associated risk factors; (2) suitability and sales practices considerations; and (3) applicable regulatory requirements.[17]

A firm, consistent with its needs analysis, may determine to apply toward the Firm Element other required training. The current rule does not expressly recognize other required training, such as training relating to the anti-money laundering (''AML'') compliance program,[18] for purposes of satisfying Firm Element training.

c. Termination of a Registration

Currently, individuals whose registrations as representatives or principals have been terminated for two or more years may reregister as representatives or principals only if they requalify by retaking and passing the applicable representative- or principal-level examination or if they obtain a waiver of such examination(s) (the ''two-year qualification period'').[19] The two-year qualification period was adopted prior to the creation of the CE Program and was intended to ensure that individuals who reregister are relatively currently on their regulatory and securities knowledge.

ii. Proposed Rule Change

After extensive work with the Securities Industry/Regulatory Council on Continuing Education (''CE Council'') and discussions with stakeholders, including industry participants and the North American Securities Administrators Association (''NASAA''), FINRA adopted the following changes to the CE Program under its rules.[20] In order to promote uniform standards across the securities industry, the Exchange now proposes to adopt the same changes to its continuing education rules.

a. Transition to Annual Regulatory Element for Each Registration Category

As noted above, currently, the Regulatory Element generally must be completed every three years, and the content is broad in nature. Based on changes in technology and learning theory, the Regulatory Element content can be updated and delivered in a timelier fashion and tailored to each

the Regulatory Element may be adjusted to reflect the effective date of the disciplinary action rather than their registration anniversary date.

[10] *See* Exchange Rule 3103(a)(2).

[11] *See id.* Individuals must complete the entire Regulatory Element session to be considered to have ''completed'' the Regulatory Element; partial completion is the same as non-completion.

[12] This CE inactive two-year period is calculated from the date such persons become CE inactive, and it continues to run regardless of whether they terminate their registrations before the end of the two-year period. Therefore, if registered persons terminate their registrations while in a CE inactive status, they must satisfy all outstanding Regulatory Element prior to the end of the CE inactive two-year period in order to reregister with a Member without having to requalify by examination or having to obtain an examination waiver.

[13] The S101 (General Program for Registered Persons) and the S201 (Registered Principals and Supervisors). For more information on both subprograms, *see* Content Outline for the S101 Regulatory Element Program, available at *https://www.finra.org/sites/default/files/S101P_Outline.pdf and* Content Outline for the S201 Regulatory Element Program, available at *https://www.finra.org/sites/default/files/2020-11/s201.pdf.*

[14] The current content is presented in a single format leading individuals through a case that provides a story depicting situations that they may encounter in the course of their work.

[15] ''Covered registered persons'' means any person registered with the Exchange pursuant to Rule 3100, including any person who is permissively registered pursuant to Exchange Rule 3100, Interpretation and Policy .02, and any person who is designated as eligible for a waiver pursuant to Exchange Rule 3100, Interpretation and Policy .09. *See* Exchange Rule 3103(a)(5).

[16] *See* Exchange Rule 3103(b)(2), Standards for the Firm Element.

[17] *Id.*

[18] *See* MIAX Rule 315(e) (applicable to the Exchange by being incorporated into the Exchange Rules by reference).

[19] *See* Exchange Rule 3100, Interpretation and Policy .08. The two-year qualification period is calculated from the date individuals terminate their registration and the date the Exchange receives a new application for registration. The two-year qualification period does not apply to individuals who terminate a limited registration category that is a subset of a broader registration category for which they remain qualified. For instance, it would not apply to an individual who maintains his registration as a General Securities Representative but who terminates his registration as an Investment Company and Variable Contracts Products Representative. Such individuals have the option of reregistering in the more limited registration category without having to requalify by examination or obtain an examination waiver so long as they continue to remain qualified for the broader registration category. Further, the two-year qualification period only applies to the representative- and principal-level examinations; it does not extend to the Securities Industry Essentials (''SIE'') examination. The SIE examination is valid for four years, but having a valid SIE examination alone does not qualify an individual for registration as a representative or principal. Individuals whose registrations as representatives or principals have been revoked pursuant to Exchange Rule 1011, Judgment and Sanction, may only requalify by retaking the applicable representative- or principal-level examination in order to reregister as representatives or principals, in addition to satisfying the eligibility conditions for association with a firm. Waivers are granted either on a case-by-case basis under Exchange Rule 3100, Interpretation and Policy .03, Qualification Examinations and Waivers of Examinations, or as part of the waiver program under Exchange Rule 3100, Interpretation and Policy .09.

[20] *See supra* note 3. FINRA's changes are based on the CE Council's September 2019 recommendations to enhance the CE Program. *See* Recommended Enhancements for the Securities Industry Continuing Education Program, available at *http://cecouncil.org/media/266634/council-recommendations-final-.pdf.* The CE Council is composed of securities industry representatives and representatives of SROs. The CE Council was formed in 1995 upon a recommendation from the Securities Industry Task Force on Continuing Education and was tasked with facilitating the development of uniform continuing education requirements for registered persons of broker-dealers.

registration category, which would further the goals of the Regulatory Element.[21] Therefore, to provide registered persons with more timely and relevant training on significant regulatory developments, the Exchange proposes to amend Exchange Rule 3103(a) to require registered persons to complete the Regulatory Element annually by December 31.[22] The proposed amendment would also require registered persons to complete the Regulatory Element content for each representative or principal registration category that they hold, which would also further the goals of the Regulatory Element.[23]

Under the proposed rule change, firms would have the flexibility to require their registered persons to complete the Regulatory Element sooner than December 31, which would allow firms to coordinate the timing of the Regulatory Element with other training requirements, including the Firm Element.[24] For example, a firm could require its registered persons to complete both their Regulatory Element and Firm Element by October 1 of each year.

Individuals who would be registering as a representative or principal for the first time on or after the implementation date of the proposed rule change would be required to complete their initial Regulatory Element for that registration category in the next calendar year following their registration.[25] In addition, subject to specified conditions, individuals who would be reregistering as a representative or principal on or after the implementation date of the proposed rule change would also be required to complete their initial Regulatory Element for that registration category in the next calendar year following their reregistration.[26]

Consistent with current requirements, individuals who fail to complete their Regulatory Element within the prescribed period would be automatically designated as CE inactive.[27] However, the proposed rule change preserves the Exchange's ability to extend the time by which a registered person must complete the Regulatory Element for good cause shown.[28]

The Exchange also proposes to amend Exchange Rule 3103(a) to clarify that: (1) individuals who are designated as CE inactive would be required to complete all of their pending and upcoming annual Regulatory Element, including any annual Regulatory Element that becomes due during their CE inactive period, to return to active status;[29] (2) the two-year CE inactive period is calculated from the date individuals become CE inactive, and it continues to run regardless of whether individuals terminate their registrations;[30] (3) individuals who become subject to a significant disciplinary action may be required to complete assigned continuing education content as prescribed by the Exchange;[31] (4) individuals who have not completed any Regulatory Element content for a registration category in the calendar year(s) prior to reregistering would not be approved for registration for that category until they complete that Regulatory Element content, pass an examination for that registration category or obtain an unconditional examination waiver for that registration category, whichever is applicable;[32] and (5) the Regulatory Element requirements apply to individuals who are registered, or in the process of registering, as a representative or principal.[33] In addition, the Exchange proposed making conforming amendments to Exchange Rule 3100, Interpretation and Policy .07.

Under the proposed rule change, the amount of content that registered persons would be required to complete in a three-year, annual cycle for a particular registration category is expected to be comparable to what most registered persons are currently completing every three years. In some years, there may be more required content for some registration categories depending on the volume of rule changes and regulatory issues. In addition, an individual who holds multiple registrations may be required to complete additional content compared to an individual who holds a single registration because, as noted above, individuals would be required to complete content specific to each registration category that they hold.[34] However, individuals with multiple registrations would not be subject to duplicative regulatory content in any given year. The more common registration combinations would likely share much of their relevant regulatory content each year. For example, individuals registered as General Securities Representatives and General Securities Principals would receive the same content as individuals solely registered as General Securities Representatives, supplemented with a likely smaller amount of supervisory-specific content on the same topics. The less common registration combinations may result in less topic overlap and more content overall.

b. Recognition of Other Training Requirements for Firm Element and Extension of Firm Element to All Registered Persons

To better align the Exchange's Rulebook with FINRA's Rulebook, and, in addition, to better align the Firm Element requirement with other required training, the Exchange proposes amending Rule 3103(b) to expressly allow firms to consider training relating to the AML compliance program and the annual compliance meeting toward satisfying an individual's annual Firm Element requirement.[35] The Exchange also proposes to amend the rule to extend the Firm Element requirement to all registered persons, including individuals who maintain solely a permissive registration consistent with Exchange Rule 3100, Interpretation and Policy .02, Permissive Registrations, thereby further aligning the Firm Element requirement with other

[21] When the CE Program was originally adopted in 1995, registered persons were required to complete the Regulatory Element on their second, fifth and tenth registration anniversary dates. *See* Securities Exchange Act Release No. 35341 (February 8, 1995), 60 FR 8426 (February 14, 1995) (Order Approving File Nos. SR–AMEX–94–59; SR–CBOE–94–49; SR–CHX–94–27; SR–MSRB–94–17; SR–NASD–94–72; SR–NYSE–94–43; SR–PSE–94–35; and SR–PHLX–94–52). The change to the current three-year cycle was made in 1998 to provide registered persons more timely and effective training, consistent with the overall purpose of the Regulatory Element. *See* Securities Exchange Act Release No. 39712 (March 3, 1998), 63 FR 11939 (March 11, 1998) (Order Approving File Nos. SR–CBOE–97–68; SR–MSRB–98–02; SR–NASD–98–03; and SR–NYSE–97–33).

[22] *See* proposed changes to Exchange Rules 3103(a)(1) and (a)(4).

[23] *See* proposed changes to Exchange Rules 3100, Interpretation and Policy .07, *and* 3103(a)(1).

[24] *See* proposed changes to Exchange Rules 3103(a)(1) and (a)(4).

[25] *See* proposed changes to Exchange Rule 3103(a)(1).

[26] *See* proposed changes to Exchange Rule 3103(a)(4).

[27] *See* proposed changes to Exchange Rule 3103(a)(2).

[28] *See id.* The proposed rule change clarifies that the request for an extension of time must be in writing and include supporting documentation, which is consistent with current practice.

[29] *Id.*

[30] *Id.*

[31] *See* proposed changes to Exchange Rule 3103(a)(3). As previously noted, Exchange Rule 3103(a)(3) currently provides that such individuals may be required to retake the Regulatory Element. *See supra* note 9.

[32] *See* proposed changes to Exchange Rule 3103(a)(4).

[33] *See* proposed changes to Exchange Rule 3103(a)(5).

[34] As discussed in the Economic Impact Assessment section in the FINRA Rule Change, *supra* note 3, individuals with multiple registrations represent a small percentage of the population of registered persons.

[35] *See* proposed Exchange Rule 3103(b)(2)(iv).

broadly-based training requirements.[36] In conjunction with this proposed change, the Exchange proposes modifying the current minimum training criteria under Exchange Rule 3103(b) to instead provide that the training must cover topics related to the role, activities, or responsibilities of the registered person and to professional responsibility.[37]

c. Maintenance of Qualification After Termination of Registration

The Exchange proposes adopting paragraph (c) under Exchange Rule 3103 and Interpretation and Policies .01 and .02 to Exchange Rule 3103 to provide eligible individuals who terminate any of their representative or principal registrations the option of maintaining their qualification for any of the terminated registrations by completing continuing education.[38] The proposed rule change would not eliminate the two-year qualification period. Rather, it would provide such individuals as alternative means of staying current on their regulatory and securities knowledge following the termination of a registration(s). Eligible individuals who elect not to participate in the proposed continuing education program would continue to be subject to the current two-year qualification period. The proposed rule change is generally aligned with other professional continuing education programs that allow individuals to maintain their qualification to work in their respective fields during a period of absence from their careers (including an absence of more than two years) by satisfying continuing education requirements for their credential.

The proposed rule change would impose the following conditions and limitations:

- Individuals would be required to be registered in the terminated registration category for at least one year immediately prior to the termination of that category;[39]
- Individuals could elect to participate when they terminate a registration or within two years from the termination of a registration;[40]
- Individuals would be required to complete annually all prescribed continuing education;[41]
- Individuals would have a maximum of five years in which to reregister;[42]
- Individuals who have been CE inactive for two consecutive years, or who become CE inactive for two consecutive years during their participation, would not be eligible to participate or continue;[43] and
- Individuals who are subject to a statutory disqualification, or who become subject to a statutory disqualification following the termination of their registration or during their participation, would not be eligible to participate or continue.[44]

The proposed rule change also includes a look-back provision that would, subject to specified conditions, extend the proposed option to individuals who have been registered as a representative or principal within two years immediately prior to the implementation date of the proposed rule change and individuals who have been FSAWP participants immediately prior to the implementation date of the proposed rule change.[45]

[36] *See* proposed changes to Exchange Rule 3103(b)(1). As noted earlier, the current requirement only applies to ''covered registered persons'' and not all registered persons.

[37] *See* proposed changes to Exchange Rule 3103(b)(2)(ii).

[38] The proposed option would also be available to individuals who terminate any permissive registrations as provided under Exchange Rule 3100, Interpretation and Policy .02. However, the proposed option would not be available to individuals who terminate a limited registration category that is a subset of a broader registration category for which they remain qualified. As previously noted, such individuals currently have the option of reregistering in the more limited registration category without having to requalify by examination or obtain an examination waiver so long as they continue to remain qualified for the broader registration category. In addition, the proposed option would not be available to individuals who are maintaining an eliminated registration category, such as the category for Corporate Securities Representative, or individuals who have solely passed the Securities Industry Essentials examination, which does not, in and of itself, confer registration.

[39] *See* proposed Exchange Rule 3103(c)(1).

[40] *See* proposed Exchange Rule 3103(c)(2). Individuals who elect to participate at the later date would be required to complete, within two years from the termination of their registration, any continuing education that becomes due between the time of their Form U5 (Uniform Termination Notice for Securities Industry Registration) submission and the date that they commence their participation. In addition, FINRA would enhance its systems to notify individuals of their eligibility to participate, enable them to affirmatively opt in, and notify them of their annual continuing education requirement if they opt in.

[41] *See* proposed Exchange Rule 3103(c)(3). However, upon a participant's request and for good cause shown, the Exchange would have the ability to grant an extension of time for the participant to complete the prescribed continuing education. A participant who is also a registered person must directly request an extension of the prescribed continuing education from the Exchange. The continuing education content for participants would consist of a combination of Regulatory Element content and content selected by FINRA and the CE Council from the Firm Element content catalog. The content would correspond to the registration category for which individuals wish to maintain their qualifications. Participants who are maintaining their qualification status for a principal registration category that includes one or more co-requisite representative registrations must also complete required annual continuing education for the co-requisite registrations in order to maintain their qualification status for the principal registration category. The proposed rule change clarifies that the prescribed continuing education must be completed by December 31 of the calendar year, which is consistent with the timing for the proposed annual Regulatory Element.

[42] *See* proposed Exchange Rule 3103(c). In addition, individuals applying for reregistration must satisfy all other requirements relating to the registration process (*e.g.,* submit a Form U4 (Uniform Application for Securities Industry Registration or Transfer) and undergo a background check).

[43] *See* proposed Exchange Rules 3103(c)(4) *and* (c)(5).

[44] *See* proposed Exchange Rules 3103(c)(1) *and* (c)(6). Further, any content completed by participants would be retroactively nullified upon disclosure of the statutory disqualification. The following example illustrates the application of the proposed rule change to individuals who become subject to a statutory disqualification while participating in the proposed continuing education program. Individual A participates in the proposed continuing education program for four years and completes the prescribed content for each of those years. During year five of his participation, he becomes subject to a statutory disqualification resulting from a foreign regulatory action. In that same year, the Exchange receives a Form U4 submitted by a Member on behalf of Individual A requesting registration with the Exchange. The Form U4 discloses the statutory disqualification event. The Exchange would then retroactively nullify any content that Individual A completed while participating in the proposed continuing education program. Therefore, in this example, in order to become registered with the Exchange, he would be required to requalify by examination. This would be in addition to satisfying the eligibility conditions for association with an Exchange Member firm. *See* Exchange Act Sections 3(a)(39) and 15(b)(4).

[45] *See* proposed Exchange Rule 3103, Interpretation and Policy .01. Such individuals would be required to elect whether to participate by the implementation date of the proposed rule change. If such individuals elect to participate, they would be required to complete their initial annual content by the end of the calendar year in which the proposed rule change is implemented. In addition, if such individuals elect to participate, their initial participation period would be adjusted based on the date that their registration was terminated. The current waiver program for FSAWP participants would not be available to new participants upon implementation of the proposed rule change. *See* proposed Exchange Rule 3100, Interpretation and Policy .09. However, individuals who are FSAWP participants immediately prior to the implementation date of the proposed rule change could elect to continue in that waiver program until the program has been retired. As noted above, FSAWP participants may participate for up to seven years in that waiver program, subject to specified conditions. *See supra* note 9. As discussed above, the proposed rule change provides a five-year participation period for participants in the proposed continuing education program. So as not to disadvantage FSAWP participants, the Exchange has determined to preserve that waiver program for individuals who are participating in the FSAWP immediately prior to the implementation date of the proposed rule change. Because the proposed rule change transitions the Regulatory Element to an annual cycle, FSAWP participants who remain in that waiver program following the implementation of the proposed rule change would be subject to an annual Regulatory Element requirement. *See* proposed changes to Exchange Rule 3103(a)(1). Finally, the proposed rule change

Continued

In addition, the proposed rule change includes a re-eligibility provision that would allow individuals to regain eligibility to participate each time they reregister with a firm for a period of at least one year and subsequently terminate their registration, provided that they satisfy the other participation conditions and limitations.[46] Finally, the Exchange proposes making conforming amendments to Exchange Rule 3100, including adding references to proposed Exchange Rule 3103(c) and Interpretation and Policy .08 to Exchange Rule 3100.

The proposed rule change will have several important benefits. It will provide individuals with flexibility to address life and career events and necessary absences from registered functions without having to requalify each time. It will also incentivize them to stay current on their respective securities industry knowledge following the termination of any of their registrations. The continuing education under the proposed option will be as rigorous as the continuing education of registered persons, which promotes investor protection. Further, the proposed rule change will enhance diversity and inclusion in the securities industry by attracting and retaining a broader and diverse group of professionals.

Significantly, the proposed rule change will be of particular value to women, who continue to be the primary caregivers for children and aging family members and, as a result, are likely to be absent from the industry for longer periods.[47] In addition, the proposed rule change will provide longer-term relief for women, individuals with low incomes and other populations, including older workers, who are at a higher risk of a job loss during certain economic downturns and who are likely to remain unemployed for longer periods.[48]

d. CE Program Implementation

As stated in the FINRA Rule Change, FINRA and the CE Council also plan to enhance the CE Program in other ways, and these additional enhancements do not require any changes to the FINRA rules.[49] As it relates to the rule changes themselves, the changes relating to the Maintaining Qualifications Program (proposed paragraph (c) of Exchange Rule 3103, and Interpretations and Policies .01 and .02) and the Financial Services Affiliate Waiver Program (FSAWP) (Interpretation and Policy .09 to Exchange Rule 3100) will be implemented July 1, 2022. All other changes related to the FINRA Rule Change, including the changes relating to the Regulatory Element, Firm Element and the two-year qualification period, will be implemented January 1, 2023.[50]

Manual Signature

Exchange Rule 3104(c) currently provides that every initial and transfer electronic Form U4 filing and any amendments to the disclosure information on Form U4 must be based on a manually signed Form U4 provided to the Member or applicant for membership by the person on whose behalf the Form U4 is being filed, consistent with FINRA Rule 1010(c). Similarly, Exchange Rule 3104, Interpretation and Policy .03, currently provides that in the event a Member is not able to obtain an associated person's manual signature or written acknowledgement of amended disclosure information on that person's Form U4 prior to filing on such amendment reflecting the information pursuant to proposed Exchange Rule 3103(c)(3), the Member must enter ''Representative Refused to Sign/Acknowledge'' or ''Representative Not Available'' or a substantially similar entry in the electronic Form U4 field for the associated person's signature. However, FINRA has since amended their Rule 1010(c) to permit firms to choose to rely on electronic signatures to satisfy the signature requirements when filing Form U4.[51] Several other exchanges have also updated their rules to reflect FINRA's updated Rule 1010(c).[52]

The Exchange proposes to amend Exchange Rule 3104(c) and Interpretation and Policy .03 to similarly allow firms to rely on electronic signatures when filing Form U4, consistent with FINRA Rule 1010(c). Specifically, the Exchange proposes to remove the term ''manual'' from ''manual signature'' and the term ''manually'' from ''manually signed.'' The proposed rule change provides Members, and applicants for membership, with an opportunity to better manage operational challenges. Particularly, the COVID–19 pandemic amplified the need to better manage operational challenges like those that arose during the pandemic and that may continue to arise in the future. Additionally, the proposed rule change would not require the use of a particular type of technology to obtain a valid electronic signature from the associated person. The Exchange believes that some firms may be unable to obtain the manual signature of applicants for registration resulting in a significant operational backlog. By permitting these firms to rely on electronic signatures to satisfy the signature requirements of Exchange Rule 3104(c) and Interpretation and Policy .03, the proposed rule change may reduce or eliminate this backlog. For purposes of the proposed rule change, a valid electronic signature would be any electronic mark that clearly identifies the signatory and is otherwise in compliance with the Electronic Signatures in Global and National Commerce Act (''E-Sign Act'') and the guidance issued by the Commission relating to the E-Sign Act.[53]

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[54] in general, and furthers the objectives of Section 6(b)(5) of the Act,[55] in particular, in that it is designed to prevent fraudulent and manipulative 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

preserves the Exchange's ability to extend the time by which FSAWP participants must complete the Regulatory Element for good cause shown. *See* proposed changes to Exchange Rule 3103(a)(2).

[46] *See* proposed Exchange Rule 3103, Interpretation and Policy .02.

[47] *See* The Female Face of Family Caregiving (November 2018), available at *https://www.nationalpartnership.org/our-work/resources/economic-justice/female-face-family-caregiving.pdf.*

[48] The COVID–19 Recession Is the Most Unequal in Modern U.S. History (September 30, 2020), available at *https://www.washingtonpost.com/graphics/2020/business/coronavirus-recession-equality/* and Unemployment's Toll on Older Workers Is Worst in Half a Century (October 21, 2020), available at *https://www.aarp.org/work/working-at-50-plus/info-2020/pandemic-unemployement-older-workers.*

[49] *See supra* note 3. Similar to FINRA, these additional enhances do not require any changes to Exchange Rules.

[50] *See* FINRA Regulatory Notice 21–41 at *https://www.finra.org/rules-guidance/notices/21-41.*

[51] *See supra* note 5.

[52] *See e.g.,* Securities Exchange Act Release Nos. 94400 (March 11, 2022), 87 FR 15286 (March 17, 2022) (SR–NASDAQ–2022–021); 92562 (August 4, 2021), 86 FR 143701 (August 10, 2021) (SR–CBOE–2021–043); *and* 94794 (April 26, 2022), 87 FR 25683 (May 2, 2022) (SR–BOX–2022–016).

[53] *See accord* Securities Exchange Act Release No. 85282 (March 11, 2019), 84 FR 9573 (March 15, 2019) (Order Approving File No. SR–FINRA–2018–040) (discussing valid electronic signatures under existing guidance).

[54] 15 U.S.C. 78f(b).

[55] 15 U.S.C. 78f(b)(5).

system, and, in general to protect investors and the public interest.

As noted above, the proposed rule changes seek to align the Exchange Rules with recent changes to FINRA rules.[56] The Exchange believes the proposed rule changes are consistent with the provisions of Section 6(b)(5) of the Act,[57] which requires, among other things, that Exchange Rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 6(c)(3) of the Act,[58] which authorizes the Exchange to prescribe standards of training, experience, and competence for persons associated with the Exchange. The Exchange is proposing to adopt such changes substantially in the same form proposed by FINRA with only minor changes necessary to conform to the Exchange's existing rules, such as removal of cross-references to rules that are applicable to FINRA members but not Members of the Exchange.[59] The Exchange believes the proposal is consistent with the Act for the reasons described above.

The Exchange believes the proposed changes to the Regulatory Element will ensure that all Registered Representatives receive timely and relevant training, which will, in turn, enhance compliance and investor protection. The Exchange believes that establishing a path for individuals to maintain their qualification following the termination of a registration will reduce unnecessary impediments to requalification and promote greater diversity and inclusion in the securities industry without diminishing investor protection.

As it relates to the proposed changes to Exchange Rule 3104(c), the Exchange believes the proposed rule change provides firms with the flexibility to rely on electronic signatures to satisfy the signature requirements of Exchange Rule 3104(c). Specifically, the Exchange proposes to amend Exchange Rule 3104(c) and Interpretation and Policy .03, similar to the amendments made by FINRA, to provide the option of filing an initial or a transfer Form U4 based on a manually or an electronically signed copy of the form provided to the Member, or applicant for membership, by the individual on whose behalf the form is being filed. Considering the technological advancements that provide for enhanced authentication and security of electronic signatures, the Exchange believes that it is appropriate to amend Exchange Rule 3104(c) and Interpretation and Policy .03 to provide such flexibility. The proposed rule change also addresses the ongoing public health risks stemming from the outbreak of COVID–19 and the operational challenges that firms continue to face as a result of pandemic repercussions. By permitting these firms to rely on electronic signatures to satisfy the signature requirements of Exchange Rule 3104(c) and Interpretation and Policy .03, the proposed rule change may reduce or eliminate an operational backlog due to the difficulty firms may have faced in obtaining the manual signature of applicants for registration as a result of the impact of the pandemic on daily work environments. The Exchange believes the proposal is consistent with the Act for the reasons described above and for the reasons outlined in the recent filings SR–FINRA–2021–003 and SR–FINRA–2021–015.[60]

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. All Members would be subject to the proposed rule change. The proposed rule change relating to the Exchange's CE Program, which is materially identical to the FINRA Rule Change, is designed to result in a more efficient CE Program that addresses relevant regulatory requirements and provides individuals with improved tools and resources to understand and comply with such requirements, enhancing investor protection. Moreover, the proposed rule change would provide new channels for individuals to maintain their qualification status for a terminated registration category and, in so doing, could increase the likelihood that professionals who need to step away from the industry for a period could return, subject to satisfying all other requirements relating to the registration process.

As it relates to the proposed amendments to Exchange Rule 3104(c), the proposed rule change relating to manual signatures is, in all material respects, substantively identical to a recent rule change adopted by FINRA. The Exchange believes the proposed change will reduce a regulatory filing burden for Members by allowing them to rely on Form U4 copies with an electronic signature. All Members will have the option to rely on such forms with an electronic signature (or continue to rely on forms with a manual signature).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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) of the Act[61] and Rule 19b–4(f)(6) thereunder.[62]

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b–4(f)(6)(iii), 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 this proposed rule change may become operative immediately upon filing. In addition, Rule 19b–4(f)(6)(iii)[63] requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

Waiver of the 30-day operative delay would allow the Exchange to implement proposed changes in a more timely fashion. First, the proposed rule changes regarding manual signatures address operational challenges facing firms due to the ongoing public health risks

[56] *See supra* note 3.

[57] 15 U.S.C. 78f(b)(5).

[58] 15 U.S.C. 78f(c)(3).

[59] Proposed changes to Interpretation and Policy .08 of Exchange Rule 3100 is based on and substantially similar to FINRA Rule 1210.08. The proposed changes to Exchange Rule 3103(a)(1)–(4), proposed changes to Exchange Rule 3103(b), proposed Exchange Rule 3103(c), and proposed Interpretations and Policies .01–.02 to Exchange Rule 3103(c) are based on and substantially similar to FINRA Rules 1240(a)(1)–(4), FINRA Rule 1240(b), FINRA Rule 1240(c) and Supplementary Materials .01 and .02 to FINRA Rule 1240. The Exchange does not currently have a provision analogous to FINRA Rule 3110 and thus has omitted language referring to such provision in its proposed Rules.

[60] *See supra* notes 3 and 5.

[61] 15 U.S.C. 78s(b)(3)(A)(iii).

[62] 17 CFR 240.19b–4(f)(6).

[63] 17 CFR 240.19b–4(f)(6)(iii).

stemming from the outbreak of COVID–19 and permit firms to rely on electronic signatures to satisfy the signature requirements of Exchange Rule 3104(c) and Interpretation and Policy .03, which may reduce or eliminate an operational backlog, ultimately benefiting the investing public. Moreover, the proposed rule changes do not impose any significant burden on competition because they will apply uniformly to all similarly situated members and associated persons of members. Also, as stated above, the proposed rule changes are substantively the same as changes made by FINRA. Second, waiver of the 30-day operative delay would also allow the Exchange to implement the proposed continuing education changes noted above thereby reducing the possibility of a significant regulatory gap between the FINRA and Exchange Rules. This is consistent with the protection of investors and the public interest by providing more uniform standards across the securities industry and helping to avoid confusion for members of the Exchange that are also FINRA members. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[64]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–PEARL–2022–25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–PEARL–2022–25. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR–PEARL–2022–25 and should be submitted on or before July 28, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[65]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2022–14397 Filed 7–6–22; 8:45 am]

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[64] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[65] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–359, OMB Control No. 3235–0410]

Proposed Collection; Comment Request; Extension: Rules 17h–1T and 17h–2T

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 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') is soliciting comments on the existing collection of information provided for in Rules 17h–1T and 17h–2T (17 CFR 240.17h–1T and 17 CFR 240.17h–2T), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Rule 17h–1T requires a covered broker-dealer to maintain and preserve records and other information concerning certain entities that are associated with the broker-dealer. This requirement extends to the financial and securities activities of the holding company, affiliates and subsidiaries of the broker-dealer that are reasonably likely to have a material impact on the financial or operational condition of the broker-dealer. Rule 17h–2T requires a covered broker-dealer to file with the Commission quarterly reports and a cumulative year-end report concerning the information required to be maintained and preserved under Rule 17h–1T.

The collection of information required by Rules 17h–1T and 17h–2T, collectively referred to as the ''risk assessment rules'', is necessary to enable the Commission to monitor the activities of a broker-dealer affiliate whose business activities are reasonably likely to have a material impact on the financial and operational condition of the broker-dealer. Without this information, the Commission would be unable to assess the potentially damaging impact of the affiliate's activities on the broker-dealer.

There are currently 235 respondents that must comply with Rules 17h–1T and 17h–2T. Each of these 235 respondents are estimated to require 10 hours per year to maintain the records required under Rule 17h–1T, for an aggregate estimated annual burden of 2,350 hours (235 respondents × 10 hours). In addition, each of these 235 respondents must make five annual responses under Rule 17h–2T. These five responses are estimated to require 14 hours per respondent per year for an aggregate estimated annual burden of 3,290 hours (235 respondents × 14 hours).

In addition, new respondents must draft an organizational chart required under Rule 17h–1T and establish a system for complying with the risk

assessment rules. The staff estimates that drafting the required organizational chart requires one hour and establishing a system for complying with the risk assessment rules requires three hours. Based on the reduction in the number of filers in recent years, the staff estimates there will be zero new respondents, and thus, a corresponding estimated burden of zero hours for new respondents. Thus, the total compliance burden per year is approximately 5,640 burden hours (2,350 hours + 3,290 hours).

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication by September 6, 2022.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549, or send an email to: *PRA_Mailbox@sec.gov.*

Dated: June 30, 2022.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2022–14392 Filed 7–6–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95188; File No. SR–NSCC–2022–008]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Decommission the Insurance Profile Service, Adjust Fees for Insurance Information Exchange Service and Make Certain Other Corrections in the Rules

June 30, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 23, 2022, National Securities Clearing Corporation (''NSCC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[3] and subparagraphs (f)(2)[4] and (f)(4)[5] of Rule 19b–4 thereunder. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

(a) The proposed rule change of NSCC is annexed [sic] hereto as Exhibit 5 and consists of modifications to Rule 57 and Addendum A of NSCC's Rules & Procedures (''Rules'') in order to (i) decommission the Insurance Profile service, (ii) adjust the fees for the Insurance Information Exchange service (''IIEX'') to (a) provide for fees for product data that is being moved from Insurance Profile to IIEX and (b) adjust certain fees for service providers and (iii) make certain other corrections to the Rules, as described below.[6]

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NSCC is proposing to move the processing of certain product data that is currently being processed through Insurance Profile to IIEX and decommission Insurance Profile. Following the proposed changes, product data that is currently being processed through Insurance Profile will be processed through IIEX. The fees for the use of IIEX for processing of such product data will be moved to IIEX in Addendum A of the Rules but will remain the same as the fees currently charged for the processing of such product data through Insurance Profile.

NSCC is also proposing to remove fees for service providers using IIEX for policy data and proposing to add fees for service providers using IIEX for product data.

Finally, NSCC is proposing to correct incorrect references to ''IPS'' and ''IPS Data'' in the Rules.

The proposed changes would not have a substantial impact on I&RS Members (as defined below). I&RS Members would use IIEX rather than Insurance Profile to process product data, but the fees for processing such product data would not change. Following the proposed changes, service providers would be charged for processing product data using IIEX but would not be charged for processing policy data through IIEX.

(a) Background

Insurance and Retirement Processing Services (''I&RS'') provides for transmission of I&RS Data,[7] including annuity and life insurance policy applications and premiums, licensing and appointments, fees and expenses, commission payments, reporting of client positions and valuations, asset pricing, financial activity reporting and annuity customer account transfers. Entities that use I&RS services include

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(2).

[5] 17 CFR 240.19b–4(f)(4).

[6] Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, *available at http://dtcc.com/~/media/Files/Downloads/legal/rules/nscc_rules.pdf.*

[7] I&RS Data is data and information relating to I&RS Eligible Products. Section 1.(a) of Rule 57, *supra* note 6. An ''I&RS Eligible Product'' means insurance products, retirement or other benefit plans or programs that are identified by NSCC as eligible for processing through its I&RS. *See* Definition of I&RS Eligible Product, Rule 1 and Section 1.(d) of Rule 3, *id.*

(i) insurance companies that are Insurance Carrier/Retirement Services Members (''Carriers''); and (ii) Carriers' intermediaries, such as broker-dealers, banks and insurance agencies, that are Members, Mutual Fund/Insurance Services Members and Data Services Only Members that distribute participating Carriers' insurance products (collectively, ''Distributors,'' and, together with ''Carriers,'' collectively referred to herein as ''I&RS Members''). The aim of I&RS is to automate and provide seamless end-to-end communication between Carriers, Distributors and their service providers for the sale, processing and money settlement of insurance and annuity products nationwide.

I&RS Data can be categorized generally into three types of data: product data, policy data and producer data. Product data is general public data relating to products that are being issued by Carriers, such as fees and expenses for specific policies and commission schedule data [8] relating to the products. Policy data is data relating to specific insurance and annuity policies that have been issued to clients based on those products, such as the names and identifying information of the parties to the contract (*i.e.,* owner, insured, beneficiary), policy value, certain features of the policies that were issued, the names of the licensed agents that are authorized to sell such policies (*i.e.,* the ''producers'') and the type of policy (*e.g.,* annuity, life insurance policy, etc.). Producer data is information relating to the producers that are authorized to sell the products such as which producers have been appointed to sell particular products and where the producers are licensed to sell the products.

(b) Insurance Profile/IIEX

Insurance Profile was launched in 2017 to enable annuities Distributors to access fee, expense and commission schedule data (''Fee Data'') from Carriers which is product data.[9] The service is a data repository that allows I&RS Members to access and exchange Fee Data.

IIEX was launched in 2020 to enable I&RS Members and service providers to access and exchange I&RS Data.[10] IIEX is also a data repository but was built on a different platform than Insurance Profile and was not limited to processing Fee Data.[11] In addition, IIEX was built to be accessible by an Application Programming Interface (''API'') specifically for use with IIEX and is available to service providers.[12] Although the Rules provide that IIEX is available to transmit, view and retrieve I&RS Data, currently IIEX has been used only to process I&RS Data that is policy data.

NSCC would like to use the IIEX platform to process the Fee Data that is currently being processed through Insurance Profile because it is inefficient to continue to have two data repositories. IIEX is a newer platform that is API-enabled. NSCC believes that consolidating the data repository services onto one platform will be more efficient because I&RS Members will only need to sign into one platform rather than two. Using IIEX alone rather than continuing to use Insurance Profile would create a better user experience, take advantage of newer and better technology, such as the API-enabled platform and updated user interfaces that enhance the user experience by, among other things, offering a single-entry point into upgraded, standardized data screens and client flexibility in determining level of authorization to access. In addition, IIEX has been designed to include an architecture modernization by developing reusable components to be used across I&RS applications. Discontinuing Insurance Profile would also eliminate unnecessary regression and other system testing that is required if Insurance Profile maintained as a separate platform.

Once the Fee Data is processed through IIEX, the Insurance Profile platform would no longer be used to process data. Therefore, NSCC is proposing to decommission Insurance Profile. NSCC would process all Fee Data on the IIEX platform beginning on June 30, 2022. NSCC would not change the fees that it is currently charging I&RS Members to access and exchange the Fee Data through Insurance Profile once such data is moved to the IIEX platform. NSCC would provide updates to I&RS Members on the timing of the proposed changes by Important Notice.

(c) IIEX and Service Providers

IIEX was developed to allow service providers that were authorized by I&RS Members to access IIEX through APIs.[13] Addendum A provides a fee schedule for service providers that use IIEX and Rule 57 provides that service providers that gain access to IIEX will be required to enter into an agreement which will include an agreement to pay the fees set forth in the Rules.[14] Since the inception of IIEX, however, no services providers have agreed to sign up for IIEX and pay the fees. NSCC would like to encourage service providers to access IIEX because NSCC believes that when service providers use this IIEX, more I&RS Members would also use the service as counterparties to those service providers. Therefore, NSCC is proposing to remove the fees for service providers to use IIEX for transmitting policy data that is currently processed through IIEX.

Currently, the Fee Data that is accessible through Insurance Profile is only available to I&RS Members and not to service providers. NSCC would like to also provide service providers with access to IIEX to process this Fee Data as well. Product data is more general than policy data, which is limited to specific clients, and NSCC believes that service providers would be more likely to pay for the use of IIEX for such product data. Therefore, NSCC is proposing to require that service providers that use IIEX for product data pay the current fees for such service, including for the Fee Data that will be moved from Insurance Profile to be processed through IIEX.

(d) IIEX Product Data

NSCC is proposing to identify the different categories for policy data and product data in the fee schedule in Addendum A of the Rules. Fees for processing the Fee Data, which is being moved from Insurance Profile to be processed through IIEX, would be placed under the product data category and fees for processing the existing policy data that is currently being processed through IIEX would be placed under the policy data category.

(e) I&RS and I&RS Data

In the IIEX Filing, NSCC also amended the Rules to change the name of I&RS from Insurance and Retirement Processing Services to Insurance & Retirement Services in order to reflect the conventional use of the name of the service.[15] To reflect the name change, NSCC also changed defined terms relating to the service from ''IPS'' to ''I&RS'' and from ''IPS Data'' to ''I&RS

[8] Carriers disclose commissions that are paid to producers for sales of particular products. The commissions are disclosed in commission schedules that list the particular products and commissions that are associated with the products.

[9] *See* Securities Exchange Act Release No. 80404 (April 7, 2017), 82 FR 17916 (April 13, 2017) (SR–NSCC–2017–003) (''Insurance Profile Filing''). *See also* Rule 57, Section 10, *supra* note 6.

[10] *See* Securities Exchange Act Release No. 90092 (October 5, 2020), 85 FR 64182 (October 9, 2020) (SR–NSCC–2020–017) (''IIEX Filing''). *See also* Rule 57, Section 11, *supra* note 6.

[11] *Id.*

[12] *Id.*

[13] *Id.*

[14] *See* Section IV.H.2.j of Addendum A of the Rules and Rule 57, Section 11, *supra* note 6.

[15] *See* IIEX Filing, *supra* note 10.

Data''.[16] Rule 58 still contains an incorrect use of the defined terms IPS and IPS Data.[17] Therefore, NSCC is proposing to correct the use of the defined terms ''IPS'' and ''IPS Data'' in Rule 58 to ''I&RS'' and ''I&RS Data'', respectively.

(f) Proposed Rule Changes

(1) Remove Insurance Profile

NSCC is proposing to remove Insurance Profile from Section 10 of Rule 57 and remove references to the fees for Insurance Profile from Section IV.H.2.i of Addendum A. NSCC would renumber Section 11 of Rule 57 and Section IV.H.2.j of Addendum A to reflect the deletion of Section 10 of Rule 57 and Section IV.H.2.i of Addendum A.

(2) Adjust Fees for IIEX

NSCC is proposing to move the fees for processing Fee Data currently in Insurance Profile to IIEX in proposed Section IV.H.2.i of Addendum A. NSCC would also add different categories of data in proposed Section IV.H.2.i of Addendum A with separate fees for policy data which would include the current IIEX fees, and product data which would include the fees currently in Insurance Profile with respect to Fee Data that would be moved to IIEX. With respect to the product data, NSCC would also add service providers to the list of entities that would have access in the proposed Section IV.H.2.i of Addendum A.

To reflect that NSCC would stop charging fees for service providers to access policy data, as described above, but provide fees for service providers to access product data, NSCC would change proposed Section 10 of Rule 57 to provide that the agreements with the service providers will include an agreement to pay the fees set forth in the Rules for product data for which service providers are required to pay a fee as set forth in the Rules. NSCC would also remove the fees for policy data for service providers in new proposed Section IV.H.2.i of Addendum A.

(3) Correct Defined Terms

NSCC is proposing to correct two references of ''IPS Data'' to ''I&RS Data'' and one reference of ''IPS'' to ''I&RS'' in Section 2.(f) of Rule 58 to reflect the correct defined terms.

(g) Expected Member/NSCC Impact

The proposed changes would not have a substantial impact on I&RS Members. I&RS Members would use IIEX rather than Insurance Profile to process product data. IIEX would include the IIEX API which is not currently available for Insurance Profile. The fees for processing such product data would not change. Following the changes, service providers would be charged the same fees as I&RS Members for processing product data using IIEX but would not be charged for processing policy data through IIEX.

The changes to use the correct terms ''I&RS'' and ''I&RS Data'' would have no impact on the I&RS Members except to enhance clarity and transparency of the Rules.

(h) Implementation Timeline

NSCC would implement the removal of the fees for service providers for policy data in IIEX and the corrections to the defined terms in Rule 58 upon filing of the proposed rule changes.

NSCC would implement the removal of Insurance Profile and movement of the fees from Insurance Profile to IIEX on June 30, 2022. As proposed, a legend would be added to Rule 57 and Addendum A stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include June 30, 2022, as the date on which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed from Rule 57 and Addendum A.

2. Statutory Basis

NSCC believes that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, NSCC believes that the proposed rule changes are consistent with Sections 17A(b)(3)(F) and (D) of the Act[18] and Rule 17Ad–22(e)(21) promulgated under the Act.[19]

Section 17A(b)(3)(F) of the Act,[20] requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions. The proposed changes to move the Fee Data from Insurance Profile to IIEX is consistent with this provision because such changes would enhance the ability of NSCC Members to access such data by using a more effective and user-friendly platform and by having access to APIs. In addition, NSCC believes that consolidating the data repository services onto one platform will be more efficient because I&RS Members will only need to sign into one platform rather than two. Also, removing the fees for service providers to access policy data and providing access to service providers for product data is expected to incentivize the use of IIEX by service providers which would have the effect of increasing the use by I&RS Members that are counterparties to the service providers. Providing a more efficient and streamlined process with respect to accessing such Fee Data and incentivizing the use of IIEX by service providers would promote the prompt and accurate clearance and settlement of securities transactions by NSCC, consistent with Section 17A(b)(3)(F) of the Act.[21]

Removing Insurance Profile from the Rules, adding the categories for policy data and product data and correcting the defined terms ''IPS'' and ''IPS Data'' to ''I&RS'' and ''I&RS Data'', respectively, are also consistent with 17A(b)(3)(F) of the Act.[22] Each of the proposed changes would enhance clarity and transparency for participants with respect to services offered by NSCC allowing I&RS Members to have a better understanding of the Rules relating to I&RS. Having clear and accurate Rules would help I&RS Members to better understand their rights and obligations regarding NSCC's services. NSCC believes that when I&RS Members better understand their rights and obligations regarding NSCC's services, they can act in accordance with the Rules. NSCC believes that better enabling I&RS Members to comply with the Rules would promote the prompt and accurate clearance and settlement of securities transactions by NSCC consistent with Section 17A(b)(3)(F) of the Act.[23]

Section 17A(b)(3)(D) of the Act[24] requires that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. NSCC believes that the proposed rule change to remove the fees for service providers to access policy data and to provide access to service providers to product data, and to add fees for such access, are consistent with this provision of the Act. NSCC believes the removal of fees for policy data would incentivize use of I&RS by services providers for policy data, which is not currently being utilized by service providers, and encourage use by I&RS Members. NSCC also believes that service providers are more likely access product data and to pay for such

[16] *Id.*

[17] *See* Section 2.(f) of Rule 58, *supra* note 6.

[18] 15 U.S.C. 78q–1(b)(3)(F) and (D).

[19] 17 CFR 240.17Ad–22(e)(21).

[20] 15 U.S.C. 78q–1(b)(3)(F).

[21] *Id.*

[22] *Id.*

[23] *Id.*

[24] 15 U.S.C. 78q–1(b)(3)(D).

product data, which is more general than policy data and could be used by service providers across multiple I&RS Member counterparties.

NSCC believes the proposed changes to the fees are equitable because they would apply uniformly to all service providers that utilize the services and would not impact the fees being paid by I&RS Members. NSCC believes the proposed changes are reasonable because the fees that would be charged to service providers for product data would be the same fees that are being charged to I&RS Members that access such product data through I&RS, which are designed to align with the cost of delivering the feature.[25] NSCC believes that removing fees for access to policy data is reasonable because it would incentivize the use of I&RS by service providers for such policy data which would be beneficial to the I&RS Members that are counterparties of such service providers. Therefore, by establishing fees that align with the cost of delivery of this feature and allocating those fees equitably among the subscribing users, including service providers, the proposed rule change would provide for the equitable allocation of reasonable dues, fees and other charges among its participants consistent with the requirements of Section 17A(b)(3)(D) of the Act.[26]

In addition, the proposed rule change is designed to comply with Rule 17Ad–22(e)(21) promulgated under the Act.[27] Rule 17Ad–22(e)(21) under the Act requires NSCC to, inter alia, establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves. The proposed rule change would enhance the ability of I&RS Members to access Fee Data by removing the Insurance Profile platform and providing a more efficient and streamlined platform with access to an API specifically for IIEX. In addition, removing the fees for service providers to access policy data and providing access to service providers for product data would incentivize the use of IIEX by service providers which NSCC believes will have the effect of increasing the use by I&RS Members that are counterparties to the service providers. Therefore, by establishing a more efficient and effective process for I&RS Members and their service providers to process I&RS Data, NSCC believes that the proposed changes are consistent with the requirements of Rule 17Ad–22(e)(21), promulgated under the Act.[28]

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe that the proposed rule changes would have an impact on competition. The proposed changes would merely facilitate I&RS Members access to Fee Data through the IIEX platform rather than the Insurance Profile platform. The fees for I&RS Members to access such information would not change. NSCC also does not believe that the removal of fees for service providers for policy information would burden competition because service providers are not currently using the service or paying fees. NSCC believes that removing the fees for service providers to access policy data and providing that service providers may have access to product data by paying the same fees as I&RS Members may promote competition by incentivizing service providers to use IIEX which NSCC believes would result in more I&RS Members using IIEX.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC has not received or solicited any written comments relating to this proposal. If any written comments are received by NSCC, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at *https://www.sec.gov/regulatory-actions/how-to-submit-comments.* General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at *tradingandmarkets@sec.gov* or 202–551–5777.

NSCC reserves the right not to respond to any comments 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)[29] of the Act and paragraph (f)[30] of Rule 19b–4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 formv(*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–NSCC–2022–008 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–NSCC–2022–008. 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 (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the

[25] *See* Insurance Profile Filing, *supra* note 9.

[26] 15 U.S.C. 78q–1(b)(3)(D).

[27] 17 CFR 240.17Ad–22(e)(21).

[28] *Id.*

[29] 15 U.S.C. 78s(b)(3)(A).

[30] 17 CFR 240.19b–4(f).

filing also will be available for inspection and copying at the principal office of NSCC and on DTCC's website (*https://dtcc.com/legal/sec-rule-filings.aspx*). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NSCC–2022–008 and should be submitted on or before July 28, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[31]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2022–14396 Filed 7–6–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95191; File No. SR–FINRA–2022–016]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend FINRA Rule 6120 (Trading Halts) To Conform to Recent Amendments to the SIP Plans and To Make Technical and Clarifying Changes to the Rule

June 30, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 22, 2022, the Financial Industry Regulatory Authority, Inc. (''FINRA'') 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 FINRA. FINRA has designated the proposed rule change as constituting a ''non-controversial'' rule change under paragraph (f)(6) of Rule 19b–4 under the Act,[3] which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to amend FINRA Rule 6120 (Trading Halts) to conform to recent amendments to the NMS plans governing the collection, consolidation and dissemination of quotation and transaction information for NMS stocks and to make technical and clarifying changes to the rule.[4]

The text of the proposed rule change is available on FINRA's website at *http://www.finra.org,* at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA 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. FINRA 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

Background

FINRA Rule 6120 provides FINRA with the authority to halt trading otherwise than on an exchange in NMS stocks under the circumstances specified in Rule 6120(a) and pursuant to the procedures set forth in Rule 6120(b). Rule 6120(a)(1) provides that FINRA shall halt trading otherwise than on an exchange in any NMS stock whenever any market that has the authority to call a regulatory halt in the security imposes a trading halt, or suspends a listing, to: (a) permit dissemination of material news; (b) obtain information from the issuer relating to material news; (c) obtain information relating to the issuer's ability to meet listing qualification requirements; or (d) obtain any other information that is necessary to protect investors and the public interest.

In addition, Rule 6120(a)(2) provides that FINRA shall halt trading otherwise than on an exchange in any NMS stock when extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the national best bid or offer. To halt trading under this provision, FINRA must determine that such extraordinary market activity is likely to have a material effect on the market for the security and either (i) FINRA determines that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, FINRA, or (ii) after consultation with a national securities exchange trading the security, FINRA determines that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, such other national securities exchange. Rule 6120(a)(3) addresses FINRA's authority to close its quotation display and trade reporting facilities for NMS stocks under specified circumstances. Specifically, Rule 6120(a)(3) provides that FINRA shall close the Alternative Display Facility (''ADF'')[5] or any Trade Reporting Facility (''TRF'')[6] to quotation or trade reporting activity, as applicable, whenever the ADF or TRF is unable to transmit real-time trade reporting information to the applicable Securities Information Processor (SIP'').[7] If the ADF or any TRF closes pursuant to this provision, members are not prohibited from trading through other markets for which trading is not halted.[8]

[31] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 17 CFR 240.19b–4(f)(6).

[4] *See* CTA/CQ Approval Order and UTP Approval Order, *infra* note 10.

[5] The ADF is a display-only facility operated by FINRA that provides FINRA members with a mechanism to display quotations and report over-the-counter (''OTC'') transactions in NMS stocks.

[6] The TRFs provide FINRA members with a mechanism to report OTC transactions in NMS stocks. There are currently three active TRFs: (1) FINRA/Nasdaq TRF Carteret, (2) FINRA/Nasdaq TRF Chicago and (3) FINRA/NYSE TRF. While each TRF is operated by an affiliate of a registered national securities exchange, each TRF is a FINRA facility and subject to FINRA's oversight.

[7] Currently, there are two SIPs that are responsible for collecting, consolidating and disseminating quotation and transaction information in NMS stocks that is collected pursuant to the following three NMS plans: (1) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (the ''UTP Plan''), (2) the Second Restatement of the CTA Plan (the ''CTA Plan''), and (3) the Restated CQ Plan (the ''CQ Plan'' and, collectively with the UTP Plan and the CTA Plan, the ''SIP Plans''). FINRA and the national securities exchanges are participants of the SIP Plans (collectively, the ''Participants'').

[8] Rule 6120(a) also requires members to promptly notify FINRA whenever they have knowledge of any matter related to an NMS stock or the issuer thereof that has not been adequately disclosed to

Continued

Rule 6120(b) sets forth the procedures for commencement and termination of trading halts and closures declared under Rule 6120(a). Rule 6120(b)(1) provides that the commencement of a trading halt or closure, as applicable, will be effective simultaneously with appropriate notice. Rule 6120(b)(2) provides that trading shall resume upon appropriate notice that a trading halt or closure is no longer in effect.

In February 2021, the Participants filed proposed amendments to the provisions of the SIP Plans governing regulatory and operational halts (the ''SIP Plan Amendments'').[9] The Commission approved the SIP Plan Amendments on May 28, 2021.[10] Among other things, the SIP Plan Amendments updated and clarified the process for Regulatory Halts under the SIP Plans. Under the SIP Plan Amendments, the Primary Listing Market may also declare a Regulatory Halt in any security for which it is the Primary Listing Market,[11] as provided for in the rules of the Primary Listing Market, if it determines that there is a SIP Outage,[12] Material SIP Latency,[13] Extraordinary Market Activity,[14] or in the event of national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market.[15] The SIP Plan Amendments also clarified that the start time of a Regulatory Halt is when the Primary Listing Market declares the halt, regardless of whether an issue with communications impacts the dissemination of the notice.[16] For Regulatory Halts other than SIP Halts, the Primary Listing Market will declare the resumption of trading when it determines that trading may resume in a fair and orderly manner and in accordance with its rules.[17] Where such a Regulatory Halt is initiated by another Participant that is a Primary Listing Market, a Participant may resume trading after the Participant receives notification from the Primary Listing Market that the Regulatory Halt has been terminated.[18] For SIP Halts, the Primary Listing Market will terminate the halt with a notification that specifies a SIP Halt Resume Time.[19]

FINRA is proposing to amend FINRA Rule 6120 to conform to the updated Regulatory Halt provisions for NMS stocks as set forth in the SIP Plan Amendments. Under the proposed rule change, Rule 6120 would be amended as described below to incorporate the definitions, notice and timing requirements for Regulatory Halts under the SIP Plan Amendments, as well as to make related organizational, clarifying, and technical changes.

Authority To Initiate Halts and Facility Closures

The purpose of Rule 6120(a)(1) is to provide authority for FINRA to halt OTC trading in an NMS stock when a Primary Listing Market declares a Regulatory Halt in that NMS stock, so that trading is halted both on the equity exchanges and in the OTC market. FINRA is proposing amendments to simplify the text of Rule 6120(a) to delete the list of specific types of Regulatory Halts and instead provide FINRA with authority to declare a halt in trading otherwise than on an exchange in an NMS stock whenever a Primary Listing Market declares any type of halt that meets the definition of a ''Regulatory Halt'' under the SIP Plans.[20] Thus, for example, instead of explicitly adding ''SIP Halt'' to Rule 6120(a)(1), FINRA is amending the rule to tie FINRA's authority for declaring OTC halts in any NMS stock to the declaration of any ''Regulatory Halt,'' as that term is defined in the SIP Plans, by a Primary Listing Market.[21] FINRA believes that using the same terms (and cross-referencing the definitions) used in the SIP Plan Amendments would simplify and streamline the rule, as well as avoid any potential confusion about differences between FINRA's authority under Rule 6120(a)(1) and Regulatory

the public or where they have knowledge of a regulatory problem relating to such security. FINRA is not proposing any changes to this requirement.

[9] *See* Securities Exchange Act Release No. 91189 (February 23, 2021), 86 FR 12038 (March 1, 2021) (''CTA/CQ Amendments Release''); Securities Exchange Act Release No. 91190 (February 23, 2021), 86 FR 12045 (March 1, 2021) (''UTP Amendments Release'').

[10] *See* Securities Exchange Act Release No. 92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (''CTA/CQ Approval Order''); Securities Exchange Act Release No. 92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (''UTP Approval Order'').

[11] *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046. ''Regulatory Halt'' is defined in the SIP Plan Amendments as ''a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.'' *See id.* at 12046 n.8. The ''Primary Listing Market'' is defined as ''the national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest.'' *See id.* at 12046 n.9. All capitalized terms not otherwise defined herein have the meaning given to them in the SIP Plans, as amended by the SIP Plan Amendments.

[12] ''SIP Outage'' is defined as ''a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future.'' *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046 n.10.

[13] ''Material SIP Latency'' is defined as ''a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the high speed line or over the 'high speed line' under the CQ Plan, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future.'' *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046 n.11. A ''SIP Halt'' includes any Regulatory Halt in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.

[14] ''Extraordinary Market Activity'' is defined as ''a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.'' *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046 n.12.

[15] *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046.

[16] *See, e.g.,* UTP Plan, Section X.D.1.

[17] *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046.

[18] *See, e.g.,* UTP Plan, Section X.E.2.

[19] *See, e.g.,* UTP Amendments Release, *supra* note 9, at 12046.

[20] The proposed rule change would also update the citation in Rule 6120(a)(1) for the definition of ''NMS stock'' under Regulation NMS from Rule 600(b)(47) to Rule 600(b)(55) to reflect recent reorganization of the defined terms in Rule 600 of Regulation NMS.

[21] The proposed rule change would also add new paragraph (c) to Rule 6120 providing that, for purposes of Rule 6120, the following terms have the meanings set forth in the applicable SIP Plan: ''Primary Listing Market,'' ''Processor,'' ''Regulatory Halt,'' ''SIP Halt Resume Time,'' and ''Trading Center.''

Halts that are declared by a Primary Listing Market.[22]

In addition, Rule 6120(a)(2) would be updated to align FINRA's authority to declare an OTC trading halt in an NMS stock due to ''extraordinary market activity'' with the scope of that term as provided for in the SIP Plan Amendments. As described above, Rule 6120(a)(2) provides that FINRA shall halt OTC trading in an NMS stock when extraordinary market activity is occurring, FINRA determines that such activity is likely to have a material effect on the market for the security, and FINRA determines that the activity is caused by the misuse or malfunction of a system operated by, or linked to, FINRA or a national securities exchange. Under the proposed rule change, FINRA is amending this provision to incorporate the elements of the definition of Extraordinary Market Activity under the SIP Plan Amendments.[23] Specifically, Rule 6120(a)(2)(A) would be revised to provide halt authority where extraordinary market activity in a security is occurring that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. Consistent with the SIP Plan Amendments, Rule 6120(a)(2)(A) would further provide that, for purposes of FINRA Rule 6120(a)(2), a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period. Rules 6120(a)(2)(C)(i) and (ii) (to be redesignated as Rules 6120(a)(2)(B)(i) and (ii)) would also be adjusted in two ways to further align FINRA's authority with the authority for a Primary Listing Market to declare a Regulatory Halt in an NMS stock due to Extraordinary Market Activity under the SIP Plan Amendments. First, both provisions would be amended to refer to the ''disruption'' or malfunction of an applicable system, rather than the ''misuse'' or malfunction of such system. Second, Rule 6120(a)(2)(B)(i) would be amended to refer to a system operated by, or linked to, a FINRA member (in addition to a system operated by, or linked to, FINRA itself), and Rule 6120(a)(2)(B)(ii) would be similarly amended to refer to a system operated by, or linked to, a member of the exchange trading the security with which FINRA has consulted (in addition to a system operated by, or linked to, the exchange itself). FINRA believes that these proposed conforming amendments would enhance consistency between FINRA's authority to halt trading in the OTC market for NMS stocks due to extraordinary market activity with the exchanges' authority to halt trading due to extraordinary market activity, as set forth in the SIP Plan Amendments.

FINRA is also proposing several clarifying changes to Rule 6120(a)(3), which provides FINRA with authority to close the ADF or a TRF to quotation or trade reporting activity in certain circumstances.[24] Rule 6120(a)(3) would be amended in several instances to refer to both quoting and trading, rather than just trading, since, among other things, the ADF provides FINRA members with a facility for the display of quotations.[25] Finally, the proposed rule change would add a clause to the first sentence of Rule 6120(a)(3) to further clarify that in addition to circumstances where the ADF or a TRF is unable to accept quotes or trade reports from participants or transmit real-time quotation or trade reporting information to the Processor,[26] FINRA has the authority to close the relevant facility in the event of other internal or external systems issues that cause a severe and continuing negative impact on the functioning of the facility. For example, a system linked to the ADF or a TRF may cause a severe and continuing negative impact on the facility. This proposed additional language would clarify that FINRA's authority to close the ADF or a TRF extends to instances where a facility's ability to properly function is impacted by a system linked to the facility (*e.g.,* a member's execution or reporting system), as well as malfunctions or disruptions originating within the facility itself.[27]

Commencement and Termination of Halts or Facility Closures

With respect to the process for initiating and terminating halts or facility closures, the proposed rule change would amend Rule 6120(b) to align FINRA's process related to Regulatory Halts declared under Rule 6120(a)(1) with the process specified in the SIP Plan Amendments. Existing Rule 6120(b) would be reorganized to address Regulatory Halts initiated under Rule 6120(a)(1) under paragraph (b)(1), and separately address FINRA halts and facility closures initiated under Rules 6120(a)(2) or (3), respectively, under paragraph (b)(2).[28] Consistent with the SIP Plan Amendments, proposed Rule 6120(b)(1) would provide that, in the case of a Regulatory Halt, the start time of the trading halt shall be when the Primary Listing Market declares the Regulatory Halt, regardless of whether an issue with communications impacts the dissemination of the notice. Further, unless otherwise specified in Rule 6121,[29] trading following a Regulatory

[22] The proposed updates should ensure that Rule 6120(a)(1) remains consistent with the SIP Plans and avoid the need to update the FINRA rule to account for any changes in the types of Regulatory Halts covered under the SIP Plans.

[23] To reflect these changes and incorporate the new definition of ''extraordinary market activity'' within paragraph (a)(2)(A), paragraph (a)(2)(B) would be deleted and current paragraph (a)(2)(C) would be redesignated as paragraph (a)(2)(B).

[24] As described above, Rule 6120(a) provides authority with respect to both trading halts and facility closures. Therefore, as an additional clarifying change, FINRA is also proposing to add a reference to facility closures in the title of paragraph (a).

[25] Specifically, clause (i) in the first sentence would be amended to provide that FINRA may close a facility when it is unable to ''accept quotes or trade reports from participants or transmit real-time quotation or trade reporting information to the applicable Processor'' and the last sentence would be revised to provide that if a facility closes ''to quoting or trading . . . members would not be prohibited from quoting or trading through other markets for which quoting or trading is not halted.'' In addition, the rule would be amended to clarify that FINRA shall, ''in its discretion,'' close the ADF or any TRF in such circumstances. This change is a non-substantive clarification, as FINRA is already responsible for determining whether circumstances exist that would merit closing the ADF or a TRF.

[26] The existing reference to the applicable ''Securities Information Processor'' would be amended to refer to the ''Processor'' as defined in the SIP Plan Amendments. *See supra* note 21.

[27] FINRA reminds members that firms must establish, maintain and enforce written policies and procedures that include a pre-determined response addressing OTC trading and reporting in the event of a systems issue during the trading day that prevents the firm from reporting OTC trades within the timeframe prescribed by FINRA rules. A firm's procedures should address the firm's response to a FINRA facility systems issue, as well as an issue with its own or its vendor's systems. In the event of a widespread FINRA facility systems issue, firms may only continue to directly execute OTC trades in NMS stocks if they have connectivity and the ability to report to another FINRA facility. *See Trade Reporting Notice,* January 20, 2016 (OTC Equity Trading and Reporting in the Event of Systems Issues (''Systems Issues Notice'')). The proposed rule change would not affect these obligations.

[28] In connection with this reorganization, the title of Rule 6120(b) would be updated to include a reference to facility closures, Rule 6120(b)(1) would be titled ''Regulatory Halts'' and Rule 6120(b)(2) would be titled ''FINRA Halts and Closures.''

[29] Rule 6121 (Trading Halts Due to Extraordinary Market Activity) sets forth requirements specifically relating to the resumption of trading following a trading pause pursuant to the Regulation NMS Plan to Address Extraordinary Market Volatility (the ''Limit Up Limit Down'' Plan). Under the SIP Plan

Continued

Halt shall resume upon notice from the Primary Listing Market that the Regulatory Halt has been terminated or at the SIP Halt Resume Time specified in such notice, as applicable. These changes would conform FINRA's language regarding the commencement and termination of Regulatory Halts with the language specified in the SIP Plan Amendments.[30]

Proposed Rule 6120(b)(2) would incorporate the existing commencement and termination language under current Rules 6120(b)(1) and (2), and specify that such provisions apply to trading halts and facility closures initiated by FINRA under Rule 6120(a)(2) and (a)(3).[31] The proposed rule change would also make non-substantive, clarifying edits to the language of Rule 6120(b)(2).[32]

FINRA has filed the proposed rule change for immediate effectiveness. The operative date of the proposed rule change will be 30 days from the date of filing.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[33] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. FINRA believes that conforming its trading halt authority under Rule 6120 with the updated provisions of the SIP Plans will promote consistency between the treatment of off-exchange and on-exchange trading in NMS stocks, thereby enhancing coordination among FINRA and the national securities exchanges. FINRA further believes that the other proposed technical, clarifying, and organizational updates to Rule 6120 are in furtherance of the objectives of the Act by clarifying the scope and operation of the rule.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Further, the proposed rule change is expected to have little impact on how FINRA executes trading halts. Thus, FINRA does not expect the proposed rule change to impose any additional costs on member firms or the investing public, or to convey material benefits beyond providing additional clarity and avoiding potential confusion about differences between FINRA's authority under Rule 6120 and Regulatory Halts that are declared by a Primary Listing Market.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act[34] and Rule 19b–4(f)(6) thereunder.[35]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include File Number SR–FINRA–2022–016 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–FINRA–2022–016. 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 (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only

Amendments, a Limit Up Limit Down trading pause is a type of Regulatory Halt.

[30] *See supra* note 19 and accompanying text.

[31] As noted above, firms must establish, maintain and enforce written policies and procedures that include a pre-determined response addressing OTC trading and reporting in the event that a FINRA facility experiences a widespread systems issue during the trading day. FINRA has provided guidance regarding how it will announce when it believes that firms should invoke such procedures. *See* Systems Issues Notice, *supra* note 27, at 2. The proposed rule change would not affect such guidance.

[32] Specifically, Rule 6120(b)(2) would be amended to provide that ''the commencement of the trading halt or closure will be effective simultaneously with appropriate notice from FINRA, and the halt or closure will terminate upon appropriate notice from FINRA that the trading halt or closure is no longer in effect,'' rather than ''the commencement of the trading halt or closure will be effective simultaneously with appropriate notice'' and ''[t]rading shall resume upon appropriate notice that a trading halt or closure is no longer in effect.''

[33] 15 U.S.C. 78*o*–3(b)(6).

[34] 15 U.S.C. 78s(b)(3)(A).

[35] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, 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. FINRA has satisfied this requirement.

information that you wish to make available publicly. All submissions should refer to File Number SR–FINRA–2022–016 and should be submitted on or before July 28, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[36]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2022–14398 Filed 7–6–22; 8:45 am]

BILLING CODE 8011–01–P

[36] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #17440 and #17441; NEW MEXICO Disaster Number NM–00080]

Presidential Declaration Amendment of a Major Disaster for the State of New Mexico

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of NEW MEXICO (FEMA–4652–DR), dated 05/04/2022.

Incident: Wildfires and Straight-line Winds.

Incident Period: 04/05/2022 and continuing.

DATES: Issued on 06/30/2022.

Physical Loan Application Deadline Date: 08/04/2022.

Economic Injury (EIDL) Loan Application Deadline Date: 02/06/2023.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, 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 NEW MEXICO, dated 05/04/2022, is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to 08/04/2022.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

Joshua Barnes,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2022–14408 Filed 7–6–22; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #17497 and #17498; MONTANA Disaster Number MT–00159]

Presidential Declaration of a Major Disaster for the State of Montana

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for the State of MONTANA (FEMA–4655–DR), dated 06/30/2022.

Incident: Severe Storm and Flooding.

Incident Period: 06/10/2022 and continuing.

DATES: Issued on 06/30/2022.

Physical Loan Application Deadline Date: 08/29/2022.

Economic Injury (EIDL) Loan Application Deadline Date: 03/30/2023.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 06/30/2022, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties (Physical Damage and Economic Injury Loans): Carbon, Park, Stillwater.

Contiguous Counties (Economic Injury Loans Only):

Montana: Big Horn, Gallatin, Golden Valley, Meagher, Sweet Grass, Yellowstone.

Wyoming: Big Horn, Park.

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	3.375
Homeowners without Credit Available Elsewhere	1.688
Businesses with Credit Available Elsewhere	5.870
Businesses without Credit Available Elsewhere	2.935
Non-Profit Organizations with Credit Available Elsewhere	1.875
Non-Profit Organizations without Credit Available Elsewhere	1.875
For Economic Injury:	
Businesses & Small Agricultural Cooperatives without Credit Available Elsewhere	2.935
Non-Profit Organizations without Credit Available Elsewhere	1.875

The number assigned to this disaster for physical damage is 17497 6 and for economic injury is 17498 0.

(Catalog of Federal Domestic Assistance Number 59008)

Joshua Barnes,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2022–14409 Filed 7–6–22; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration

ACTION: 30-Day notice.

SUMMARY: The Small Business Administration (SBA) is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act and OMB procedures, SBA is publishing this notice to allow all interested members of the public an additional 30 days to provide comments on the proposed collection of information.

DATES: Submit comments on or before August 8, 2022.

ADDRESSES: Written comments and recommendations for this information collection request should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection request by selecting ''Small Business Administration''; ''Currently Under Review,'' then select the ''Only Show ICR for Public Comment'' checkbox. This information collection can be identified by title and/or OMB Control Number.

FOR FURTHER INFORMATION CONTACT: You may obtain a copy of the information collection and supporting documents from the Agency Clearance Office at *Curtis.Rich@sba.gov;* (202) 205–7030, or from *www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: The servicing agent agreement is executed by the borrower, and the certified development company as the loan

servicing agent. The agreement is primarily used by the certified development company as the loan servicing agent and acknowledges the imposition of various fees allowed in SBA's 504 loan program.

Solicitation of Public Comments

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

Summary of Information Collection

OMB Control Number: 3245–0193.
Title: Servicing Agent Agreement.
Description of Respondents: SBA Borrowers.
Form Number: SBA Form 1506.
Total Estimated Annual Responses: 7,631.
Total Estimated Annual Hour Burden: 7,631.

Curtis Rich,

Agency Clearance Officer.

[FR Doc. 2022–14410 Filed 7–6–22; 8:45 am]

BILLING CODE 8026–09–P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36500]

Canadian Pacific Railway Limited, Canadian Pacific Railway Company; Soo Line Railroad Company; Central Maine & Quebec Railway US INC.; Dakota, Minnesota & Eastern Railroad Corporation; and Delaware & Hudson Railway Company, Inc.—Control—Kansas City Southern; The Kansas City Southern Railway Company; Gateway Eastern Railway Company; and The Texas Mexican Railway Company

AGENCY: Surface Transportation Board.

ACTION: Decision No. FD 36500; notice of acceptance of responsive applications.

SUMMARY: The Surface Transportation Board (Board) is accepting for consideration the responsive applications filed by Canadian National Railway Company (CNR) and its rail carrier affiliate, Illinois Central Railroad Company (ICRR) (collectively, CN), on February 28, 2022, and amended on June 9, 2022, in Docket Nos. FD 36500 (Sub-No. 1), FD 36500 (Sub-No. 2), FD 36500 (Sub-No. 3), and FD 36500 (Sub-No. 4); and by Norfolk Southern Railway Company (NSR), on February 28, 2022, and amended on June 9, 2022, in Docket No. FD 36500 (Sub-No. 5). The responsive applications relate to the primary application filed October 29, 2021, by Canadian Pacific Railway Limited (Canadian Pacific), Canadian Pacific Railway Company, and their U.S. rail carrier subsidiaries, Soo Line Railroad Company, Central Maine & Quebec Railway US Inc., Dakota, Minnesota & Eastern Railroad Corporation, and Delaware & Hudson Railway Company, Inc. (collectively, CP) and Kansas City Southern and its U.S. rail carrier subsidiaries, The Kansas City Southern Railway Company (KCSR), Gateway Eastern Railway Company, and The Texas Mexican Railway Company (collectively, KCS) (CP and KCS collectively, Applicants).

DATES: The effective date of this decision is July 1, 2022. Comments regarding the responsive filings must be filed with the Board by July 12, 2022. Rebuttal in support of the responsive filings must be filed with the Board by August 11, 2022. Briefs must be filed with the Board by September 20, 2022.

ADDRESSES: Any filing submitted in this proceeding must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street SW, Washington, DC 20423–0001. In addition, one copy of each filing must be sent (and may be sent by email only if service by email is acceptable to the recipient) to each of the following: (1) Secretary of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) Attorney General of the United States, c/o Assistant Attorney General, Antitrust Division, Room 3109, Department of Justice, Washington, DC 20530; (3) CP's representative, David L. Meyer, Law Office of David L. Meyer, 1105 S Street NW, Washington, DC 20009; (4) KCS's representative, William A. Mullins, Baker & Miller PLLC, Suite 300, 2401 Pennsylvania Avenue NW, Washington, DC 20037; (5) any other person designated as a Party of Record on the service list in the primary Docket No. FD 36500 [1]; and (6) the administrative law judge assigned in this proceeding, the Hon. Thomas McCarthy, 1331 Pennsylvania Avenue NW, Washington, DC 20004–1710, and at *ctolbert@fmshrc.gov* and *zbyers@fmshrc.gov.*

In addition, one copy of all comments filed in these proceedings must be served on the responsive applicants' representatives: Raymond A. Atkins, Sidley Austin LLP, 1501 K Street NW, Washington, DC 20005 (representing CN); and Carrie Mahan, Weil, Gotshal & Manges LLP, 2001 M Street NW, Suite 600, Washington, DC 20036 (representing NSR).

FOR FURTHER INFORMATION CONTACT: Valerie Quinn at (202) 245–0283. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION: By application filed with the Board on October 29, 2021, the primary applicants seek approval and authorization under 49 U.S.C. 11321–26 for a proposed transaction that involves the acquisition of control by Canadian Pacific, through its indirect, wholly owned subsidiary Cygnus Merger Sub 2 Corp., of Kansas City Southern, and through it, of KCSR and its railroad affiliates, and for the resulting common control by Canadian Pacific of its U.S. railroad subsidiaries, and KCSR and its railroad affiliates (Transaction). In *Decision No. 11,* served November 23, 2021, and published in the **Federal Register** on November 26, 2021 (86 FR 67,571), the Board accepted for consideration the control application (Application) filed in this docket and established a procedural schedule for the proceeding. *Canadian Pac. Ry.—Control—Kan. City S.,* FD 36500 (STB served Nov. 23, 2021).

CN and NSR filed their respective responsive applications on February 28, 2022. On March 16, 2022, the Board suspended the procedural schedule and directed Applicants to address an apparent inconsistency in certain data they had submitted. *Canadian Pac. Ry.—Control—Kan. City S.,* FD 36500 et al., slip op. at 3 (STB served Mar. 16, 2022). Thereafter, on April 27, 2022, the Board directed Applicants to amend their Application to further explain and support the analysis underlying the Application's Operating Plan, as well as address technical issues with the workpapers associated with the Operating Plan. *Canadian Pac. Ry.—Control—Kan. City S.* (*Decision No. 17*), FD 36500 et al., slip op. at 5–6 (STB

[1] This decision embraces: Docket No. FD 36500 (Sub-No. 1), *Illinois Central Railroad—Acquisition of a Line of Railroad Between Kansas City, Mo., & Springfield & East St. Louis, Ill.—Kansas City Southern Railway;* Docket No. FD 36500 (Sub-No. 2), *Illinois Central Railroad—Trackage Rights Between Airline Junction, Mo., & Grandview, Mo.—Kansas City Southern Railway;* Docket No. FD 36500 (Sub-No. 3), *Canadian National Railway—Control—Gateway Eastern Railway;* Docket No. FD 36500 (Sub-No. 4), *Illinois Central Railroad—Assignment of KCS Trackage Rights Between Rock Creek Junction, Mo., & Airline Junction, Mo.—Union Pacific Railroad;* and Docket No. FD 36500 (Sub-No. 5), *Norfolk Southern Railway—Trackage Rights—Kansas City Southern.*

served Apr. 27, 2022). Applicants filed an amended Operating Plan, including amended workpapers, on May 13, 2022, and an errata on May 20, 2022. On June 9, 2022, CN and NSR filed their respective amended responsive applications.[2]

Responsive Filings: Conditions Requested. In Docket Nos. FD 36500 (Sub-No. 1), FD 36500 (Sub-No. 2), FD 36500 (Sub-No. 3), and FD 36500 (Sub-No. 4), CN seeks, as a condition to any approval of the Transaction, approval of ICRR's acquisition of KCS's line between Kansas City, Mo., and Springfield and East St. Louis, Ill. Specifically, in Docket No. FD 36500 (Sub-No. 1), ICRR seeks approval for a line sale of KCS's Springfield Line[3] to ICRR, as a condition on any merger approval. (CN Amended Responsive Appl. 6–7.) In connection with the line acquisition, ICRR also seeks acquisition of an 8.33% ownership share of Kansas City Terminal Railway Company (KCT), which would enable ICRR to operate over KCT-controlled trackage in Kansas City, and a 50% ownership interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. (*Id.* at 7.)

In Docket No. FD 36500 (Sub-No. 2), ICRR seeks overhead trackage rights on KCS's Pittsburg Subdivision, between milepost 5.6± at Airline Junction in Kansas City, and milepost 29.5± near Grandview, Mo., to reach the IFG Terminal (in which ICRR would acquire a 50% ownership interest as part of the transaction in Docket No. FD 36500 (Sub-No.1)). (*Id.* at 7, 22–23.) In Docket No. FD 36500 (Sub-No. 3), CNR and ICRR seek authority to control by acquiring KCS's equity interest in the Gateway Eastern Railway Company (GWER), a KCS subsidiary that owns segments of the Springfield Line located in the East St. Louis terminal area.[4] (*Id.* at 7–8.) In Docket No. FD 36500 (Sub-No. 4), ICRR seeks acquisition by assignment of KCS's trackage rights over UP between Rock Creek Junction and Airline Junction, which enable KCS (and would enable ICRR) to reach the joint agency at Knoche Yard and the IFG Terminal from the Springfield Line.[5] (*Id.* at 5, 8, 23.) CN states that, to the extent those trackage rights are not assignable, ICRR requests that the Board override the assignment provision. (*Id.* at 8.)

CN asserts that its responsive application should be classified as a minor transaction because the proposed divestiture transaction ''clearly will not have any anticompetitive effects.''[6] (*Id.* at 4.) CN contends that the divestiture would be procompetitive, as no shipper would lose transportation options, and many customers would gain transportation options, as ICRR would give CP–KCS haulage access to all current and future customers on the Springfield Line. (*Id.*)

In Docket No. FD 36500 (Sub-No. 5), as a condition to any Board approval of the proposed Transaction, NSR seeks certain contingent trackage rights for overhead movement on KCS's line, between the connection of KCS with the Meridian Speedway,[7] at Shreveport, La., at or near milepost V–169.85, and the Wylie Intermodal Terminal, in Wylie, Tex., at or near milepost T–197.8. (NSR Amended Responsive Appl. 4, 9.) NSR states that the contingent trackage rights would apply only to intermodal traffic originating or terminating at the Wylie Intermodal Terminal. (*Id.* at 4.) NSR further notes that these trackage rights would only be exercisable after NSR purchases the Wylie Intermodal Terminal, pursuant to the terms of the Dallas Terminal Marketing Agreement,[8] and in the event of a ''Major Service Standard Failure,'' as defined under the NSR–MSLLC Joint Use Agreement.[9] (*Id.* at. 8–9; *see also* NSR Amended Comment 46–47.) NSR requests that its responsive application be treated as a minor transaction under 49 CFR 1180.2(c), because the contingent trackage rights ''clearly would not have any anticompetitive effects.'' (NSR Amended Responsive Appl. 5–6.) Rather, NSR maintains that, in requesting the contingent trackage rights, it seeks to maintain existing routes that intermodal shippers utilize today and to mitigate the potential harm that may flow from the primary Transaction. (*Id.* at 6.)

On March 22, 2022, CSX Transportation, Inc. (CSXT), filed a motion to reject NSR's responsive application, asserting that the responsive application is not a minor transaction and does not address ''the significant potential competitive harms that would come from extending NSR's exclusive rights over the Meridian Speedway to NSR's Wylie Intermodal Traffic, should NSR exercise its option to purchase the Wylie Intermodal Terminal.'' (CSXT Motion 2.) CSXT also argues that NSR did not provide all the information required for a minor transaction. On March 29, 2022, NSR replied, asserting that its responsive application was properly filed as a minor transaction and that it had provided all of the information required for a minor transaction. In its amended responsive application, NSR maintains that its responsive application is complete and further addresses CSXT's allegations.[10]

Responsive Filings Accepted. The Board finds the responsive applications

[2] In *Decision No. 17,* FD 36500 et al., the Board stated that the procedural schedule would resume upon the filing of amended comments and responsive applications. *Decision No. 17,* FD 36500 et al., slip op. at 7. Pursuant to the revised procedural schedule served on May 27, 2022, amended comments and responsive applications were due by June 9, 2022. *Canadian Pac. Ry.—Control—Kan. City S.,* FD 36500 et al., slip op. at 3 (STB served May. 27, 2022).

[3] The Springfield Line consists of the following lines: (1) the line from milepost 192.4 at Cockrell (Springfield), Ill., through milepost 482.0 at Rock Creek Jct. (Kansas City), Mo. (milepost equation at Murrayville, Ill., where milepost 221.7=milepost 226.7); (2) the line from milepost 68.2 at Roodhouse, Ill. (milepost 237.2 on the first segment) through milepost 287.2 at Church (East St. Louis), Ill., including KCS's interest in the Union Pacific Railroad Company (UP)/KCS Joint Facility between Godfrey, Ill., and Church (milepost equation at Godfrey where milepost 28.0=milepost 252.1); (3) the Jacksonville Branch from milepost 226.7 at Murrayville to milepost 216.3 at Jacksonville, Ill.; and (4) KCS's interest as lessor in the Fulton Branch from milepost 0.0 to milepost 3.0 at Mexico, Mo., leased to Ozark Valley Railroad, Inc. (CN Amended Responsive Appl. 6–7.)

[4] CN states that, upon approval of the applications in the Sub-Nos. 1 and 3 dockets, ICRR will file a notice of intra-corporate family transaction pursuant to which ICRR will acquire trackage rights over GWER (i) between GWER's milepost 238.7 at or near Q Tower and GWER's milepost 236.8 at or near Willows in East St. Louis, (ii) between GWER's milepost 2.3 at or near Wann in East Alton, Ill., and GWER's milepost 0.91 at or near Olin Brass in East Alton, and (iii) from GWER's milepost 265.01 at or near Roxana in Wood River, Ill., ''to the change in ownership in the track with Shell Oil Company.'' (CN Amended Responsive Appl. 7–8.)

[5] Specifically, ICRR seeks the assignment of KCS's trackage rights agreement with UP relating to the 1.4-mile UP line, between milepost 276.8 at Rock Creek Junction and approximately milepost 278.2, in the vicinity of Airline Junction in Kansas City, Mo. (CN Amended Responsive Appl. 23.)

[6] While CN asserts that its responsive application should be classified as a minor transaction, it submitted all the information required for significant transactions in both its original and amended responsive applications.

[7] Meridian Speedway is a line owned by Meridian Speedway, LLC (MSLLC), connecting Meridian, Miss., and Shreveport, La. NSR states that KCS and NSR are the sole members of MSLLC.

[8] NSR states that its option to purchase the Wylie Intermodal Terminal would become exercisable during a ''Notice Trigger Period,'' which is assumed to begin in May 2024 pursuant to an agreement with KCS. (NSR Amended Responsive Appl. 8.) *See* KCS Notice of Exemption, Ex. J, Dallas Terminal Marketing Agreement, Jan. 17, 2006, *Kan. City S.—Exemption for Transactions Within a Corp. Fam.,* FD 34822.

[9] *See* KCS Notice of Exemption, Ex. C, NSR–MSLLC Joint Use Agreement, Jan. 17, 2006, *Kan. City S.—Exemption for Transactions Within a Corp. Fam.,* FD 34822. NSR states that the same contingent trackage rights for the same category of intermodal traffic, subject to the same service disruption trigger, apply to its traffic on the Meridian Speedway. (NSR Amended Responsive Appl. 9.)

[10] On June 22, 2022, Bartlett Grain Co., LP, filed a comment in support of the primary Transaction and urging the Board to reject CN's application to divest the Springfield Line.

filed by CN and NSR to be in substantial compliance with the regulations under which they were filed [11] and finds no basis for rejecting them.[12] The Board reserves the right to require supplemental information, if necessary. The Board further finds that it is not necessary to designate the proposed transactions as minor or significant. Although the agency has typically made such a determination for responsive applications, neither the statute nor the Board's regulations require that such a determination be made for responsive applications that are not inconsistent with the primary application. Section 11325 of title 49, which provides that control applications be published in the **Federal Register** with a determination of whether a merger is major, significant, or minor, (*see* 49 U.S.C. 11325(a)), does require that inconsistent applications (a type of responsive application) and applications for inclusion in major mergers be filed within 90 days of the notice of the primary application, (*see* 49 U.S.C. 11325(b)(2)), and the applicable merger regulations provide that responsive applications inconsistent with the primary application will be classified as major, significant, or minor, (*see* 49 CFR 1180.4(d)(4)(ii)). But the regulations make no such reference with regard to responsive applications that are not inconsistent with the primary application.[13] Although the Board previously indicated that it would classify the responsive applications filed in this proceeding as minor or significant, *see Canadian Pac. Ry.—Control—Kan. City S.* (*Decision No. 13*), FD 36500 et al., slip op. at 3–4 (STB served Feb. 18, 2022), based on the analysis discussed above, we now find that such a determination is not necessary.[14] Notice of the responsive applications will be published in the **Federal Register** to ensure that all parties are aware of them.

Access to Filings. Under the Board's rules, any document filed with the Board (including applications, pleadings, etc.) shall be promptly furnished to interested persons on request, unless subject to a protective order. 49 CFR 1180.4(a)(3) (2000). The responsive applications and other filings in this proceeding will be furnished to interested persons upon request and will also be available on the Board's website at *www.stb.gov.* In addition, the responsive filings may be obtained upon request from the responsive applicants' representatives named above.

Proceedings Consolidated. The responsive filings in Docket Nos. FD 36500 (Sub-No. 1), FD 36500 (Sub-No. 2), FD 36500 (Sub-No. 3), FD 36500 (Sub-No. 4), and FD 36500 (Sub-No. 5) are consolidated for disposition with the primary application in Docket No. FD 36500.

Comments may be Submitted. Interested persons may participate formally by submitting written comments regarding any or all of these responsive filings, subject to the service requirements specified above. Such comments must be filed with the Board by July 12, 2022. Comments must include the following: the commenter's position in support of or in opposition to the transaction proposed in the responsive filing; any and all evidence, including verified statements, in support of or in opposition to the proposed transaction; and specific reasons why approval of the proposed transaction would or would not be in the public interest.

Requests for Affirmative Relief will not be Accepted. Because the responsive applications accepted for consideration in this decision contain proposed conditions to approval of the primary application in Docket No. FD 36500, the Board will not entertain requests for affirmative relief with respect to these responsive applications. Parties may only participate in direct support of or in direct opposition to these responsive applications as filed.

It is ordered:

1. The responsive applications in Docket Nos. FD 36500 (Sub-No. 1), FD 36500 (Sub-No. 2), FD 36500 (Sub-No. 3), FD 36500 (Sub-No. 4), and FD 36500 (Sub-No. 5) are accepted for consideration and are consolidated for disposition with the primary application in Docket No. FD 36500.

2. This decision is effective on its service date.

By the Board, Board Members Fuchs, Hedlund, Oberman, Primus, and Schultz.

Raina White,

Clearance Clerk.

[FR Doc. 2022–14503 Filed 7–6–22; 8:45 am]

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[11] The Board notes that NSR amended its responsive application to address the criticisms raised by CSXT. As discussed, the Board finds the amended responsive application to be in substantial compliance with the applicable regulations.

[12] Based on the environmental information submitted by CN regarding its responsive application, it appears that the thresholds triggering an environmental review under the Board's regulations at 49 CFR 1105.6(b)(4) and 1105.7(e)(5) would be reached or exceeded. Therefore, the Board's Office of Environmental Analysis (OEA) will conduct an environmental and historic review of CN's responsive application that will be separate from, but conducted concurrently with, OEA's ongoing environmental and historic review of the Transaction. NSR's responsive application seeking trackage rights is categorically excluded from environmental and historic review under 49 CFR 1105.6(c)(3) and 1105.8(b)(3).

[13] This is consistent with another regulatory provision that appears to recognize that a minor/significant determination will not be required for every responsive application. *See* 49 CFR 1180.4(d)(4)(v) (''Each responsive application filed and accepted (if required) is considered consolidated with the primary application.'')

[14] As the Board has previously explained, the definition of ''minor'' and ''significant'' transaction set out in 49 CFR 1180.2 is tied to the substantive approval standard at 49 U.S.C. 11324(d). *See Decision No. 13,* FD 36500 et al., slip op. at 3 n.5 (citing *R.R. Consol. Procs.: Definition of, & Requirements Applicable to, ''Significant'' Transactions,* 9 I.C.C.2d 1198, 1199 (1993).) But whether the Board imposes the relief sought in a responsive application as a condition to this merger between two Class I railroads turns not on whether the proposed conditions meet the standard at 49 U.S.C. 11324(d), but on whether they are justified and should be approved under the Board's conditioning authority at 49 U.S.C. 11324(c). *See Decision No. 13,* FD 36500 et al., slip op. at 4 (setting forth the criteria for imposing conditions to remedy competitive harm of the primary transaction).

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA–2022–0363, Notice No. 63–22–01]

Notice of Intent To Designate as Abandoned Emerald Enterprises LTD. Type Certificate No. A9WE

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of intent to designate Emerald Enterprises LTD. type certificate as abandoned; request for comments.

SUMMARY: This notice announces the FAA's intent to designate Emerald Enterprises LTD. Type Certificate (TC) No. A9WE as abandoned and make the related engineering data available upon request. The FAA has received a request to provide engineering data concerning this TC. The FAA has been unsuccessful in contacting Emerald Enterprises LTD. concerning the TC. This action is intended to enhance aviation safety.

DATES: The FAA must receive all comments by January 3, 2023.

ADDRESSES: You may send comments on this notice by any of the following methods:

- *Federal eRulemaking Portal:* Go to *https://www.regulations.gov.* Follow the instructions for submitting comments.
- *Mail:* Manuel Hernandez, AIR–792, Federal Aviation Administration, Los Angeles ACO Branch, 3960 Paramount Boulevard, Suite 100 Lakewood, CA 90712–4137.
- *Email: Manuel.F.Hernandez@faa.gov.* Include ''Docket No. FAA–

2022–0363, Notice No. 63–22–01'' in the subject line of the message.

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

FOR FURTHER INFORMATION CONTACT: Manuel Hernandez, Aerospace Engineer, Federal Aviation Administration, Los Angeles ACO Branch, 3960 Paramount Boulevard, Suite 100 Lakewood, CA 90712–4137; telephone (562) 627–5256; email *Manuel.F.Hernandez@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites interested parties to provide comments, written data, views, or arguments relating to this notice. Send your comments to an address listed under the **ADDRESSES** section. Include ''Docket No. FAA–2022–0363, Notice No. 63–22–01'' at the beginning of your comments. The FAA will consider all comments received on or before the closing date. All comments received will be available in the docket for examination by interested persons.

Background

The FAA is posting this notice to inform the public that the FAA intends to designate Emerald Enterprises LTD. TC No. A9WE for the Wing Aircraft Model D–1 airplane as abandoned and subsequently release the related engineering data.

The FAA has received a third-party request for the release of data for the Wing Aircraft Model D–1 airplane under the provisions of the Freedom of Information Act (FOIA), 5 U.S.C. 552. The FAA cannot release commercial or financial information, such as the requested data, under FOIA without the permission of the data owner. However, in accordance with title 49 of the United States Code § 44704(a)(5), the FAA can make TC ''engineering data'' in possession of the FAA available upon request if the FAA determines that the TC has been inactive for 3 or more years and, using due diligence, the FAA is unable to locate the owner of record or the owner of record's heir. There has been no activity on this TC for more than 3 years.

On November 3, 2021, the FAA sent a registered letter to Emerald Enterprises LTD. c/o Hillyer & Irwin, at its last known address, 550 West C St. 16th Floor, San Diego, CA 92101. The letter informed Emerald Enterprises LTD. that the FAA had received a request for engineering data related to TC No. A9WE and was conducting a due diligence search to determine whether the TC was inactive and may be considered abandoned. The letter further requested that Emerald Enterprises LTD. respond in writing within 60 days and state whether it is the holder of the TC. The FAA has also attempted to make contact with Emerald Enterprises LTD. by other means, including telephone communication and emails, but without success.

Information Requested

If you are the owner or heir or a transferee of TC No. A9WE or have any knowledge regarding who may now hold TC No. A9WE, please contact Manuel Hernandez using a method described in this notice under **FOR FURTHER INFORMATION CONTACT**. If you are the heir of the owner or the owner by transfer of TC No. A9WE, you must provide a notarized copy of your government-issued identification with a letter and background establishing your ownership of the TC and, if applicable, your relationship as the heir to the deceased holder of the TC.

Conclusion

If the FAA does not receive any response by January 3, 2023, the FAA will consider TC No. A9WE abandoned and the FAA will proceed with the release of the requested data. This action is for the purpose of maintaining the airworthiness of an aircraft and enhancing aviation safety.

Issued on June 30, 2022.

Christina Underwood,

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

[FR Doc. 2022–14413 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA–2022–0913]

Agency Information Collection Activities: Requests for Comments; Clearance of a Renewed Approval of Information Collection: Helicopter Air Ambulance, Commercial Helicopter, and Part 91 Helicopter Operations

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The collection involves information related to rules governing Helicopter Air Ambulance, Commercial Helicopter, and Part 91 Helicopter Operations. The information to be collected supports the Department of Transportation's strategic goal of safety. Specifically, the goal is to promote the public health and safety by working toward the elimination of transportation-related deaths and injuries.

DATES: Written comments should be submitted by September 6, 2022.

ADDRESSES: Please send written comments:

By Electronic Docket: www.regulations.gov (Enter docket number into search field).

By mail: Sandra L. Ray, 1187 Thorn Run Road, Suite 200, Coraopolis, PA 15108.

By fax: 412–239–3063.

FOR FURTHER INFORMATION CONTACT: Thomas Luipersbeck by email at: *Thomas.A.Luipersbeck@faa.gov;* phone: 615–202–9683.

SUPPLEMENTARY INFORMATION:

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

OMB Control Number: 2120–0756.

Title: Helicopter Air Ambulance, Commercial Helicopter, and Part 91 Helicopter Operations.

Form Numbers: 2120–0756, Helicopter Air Ambulance Mandatory Flight Information Report.

Type of Review: Renewal of an information collection.

Background: These requirements in part 135 are addressed specifically to helicopter air ambulances, often referred to as emergency medical services (EMS), and to on-demand operations including overwater operations. The National Transportation Safety Board recommended several changes following accident investigations. The FAA aims to improve the safety record of helicopter air ambulances through better oversight of their operations. The FAA will use the information it collects and reviews to ensure compliance and adherence with regulations and, if necessary, to take enforcement action on violators of the regulations.

Under the authority of Title 49 CFR, Section 44701, Title 14 CFR prescribes the terms, conditions, and limitations as are necessary to ensure safety in air transportation. Title 14 CFR parts 91 and 135 prescribes the requirements governing helicopter air ambulance, commercial helicopter, and Part 91 helicopter operations. The information collected is used to determine air operators' compliance with the minimum safety standards and the applicants' eligibility for air operations certification. Each operator which seeks to obtain, or is in possession of an operating certificate, must comply with the requirements of part 91 or 135, as applicable, which include maintaining data which is used to determine if the air carrier is operating in accordance with minimum safety standards.

Respondents: Part 135 Helicopter Air Ambulance Operators, Part 135 Helicopter Commercial Operators, or Part 91 Helicopter Operators.

Frequency: On occasion.

Estimated Average Burden per Response: Varies by response type.

Estimated Total Annual Burden: 115,979 Hours.

Issued in Washington, DC, on July 1, 2022.

Sandra L. Ray,

Aviation Safety Inspector, AFS–260.

[FR Doc. 2022–14441 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Public Notice for a Change in Use of Aeronautical Property and Long-Term Lease Approval at Pittsburgh International Airport (PIT), Pittsburgh, PA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of a request for a change in designation of on-airport property purchased with AIP funding from aeronautical to non-aeronautical use.

SUMMARY: The FAA is requesting public comment on the Allegheny County Airport Authority's proposal to change 38 acres of airport property at Pittsburgh International Airport, Pittsburgh, Pennsylvania from aeronautical to non-aeronautical use. A portion of this acreage was purchased with federal financial assistance through the Airport Improvement Program under Grant Agreement 3–42–0081–003–1983. This notice is required to be published in the **Federal Register** 30 days before modifying the land-use assurance that requires the property to be used for an aeronautical purpose.

DATES: Comments must be received on or before August 1, 2022.

ADDRESSES: Comments on this application may be mailed or delivered to the following address:

Julia Sharma, Project Manager, Allegheny County Airport Authority, Pittsburgh International Airport, Landside Terminal, 4th Floor Mezz, Pittsburgh, PA 15231, (412) 472–3500

and at the FAA Harrisburg Airports District Office:

Charles Sacavage, Project Manager, Harrisburg Airports District Office, 3905 Hartzdale Dr., Suite 508, Camp Hill, PA 17011, (717) 730–2830

FOR FURTHER INFORMATION CONTACT: Charles Sacavage, Project Manager, Harrisburg Airports District Office, location listed above, (717) 730–2830. The request for change in designation of on-airport property may be reviewed in person at this same location.

SUPPLEMENTARY INFORMATION: The following is a brief overview of the request: The Allegheny County Airport Authority requests to change the designation of 38 acres of on-airport property from aeronautical to non-aeronautical use for long-term lease for construction, operation, and maintenance of warehouse and distribution facilities to be known as Skyview Business Park. No land shall be sold as part of this land request. The property metes and bounds are: ''All that certain Lease Area, Building #1 and Building #2, along with an access road, associated paved parking, and necessary areas for clearing and grading for the Skyview Business Park, situated in the Township of Findlay, County of Allegheny, Commonwealth of Pennsylvania, more particularly described as beginning at a center point in McClaren Road, variable width, said point being the northeast corner of Parcel A of the Savekis Plan No. 2, recorded in Plan Book Volume 125, Page 76, which is property now or formerly owned by Antoinette L. Vossier, et al. (being Tax Parcel 693–M–240), said point also being a corner of property now or formerly owned by The County of Allegheny (being Tax Parcel 696–D–396); thence N54°32′48″ W 52.09403′ to the Point of Beginning; thence north along the westerly side of McClaren Road to the northeast corner of Skyview Business Park N11°05′50″ W 145.61305′; thence the following 7 courses and distances to the northeast corner of Skyview Building #1 lease: 1. S77°14′18″ W 16.28415′; 2. S87°16′11″ W 99.2787′; 3. N84°57′14″ W 118.13998′; 4. N72°56′30″ W 54.85074′; 5. N63°06′11″ W 155.01039′; 6. N66°09′31″ W 119.35571′; 7. N79°19′32″ W 7.65344′; thence continuing along the northern boundary of Skyview Building #1 lease the following 20 courses and distances to northwest corner of Skyview Business Park: 1. N84°02′09″ W 33.10966′; 2. N75°26′02″ W 32.24644′; 3. N70°33′36″ W 35.44247′; 4. N66°11′39″ W 45.66257′; 5. N56°34′02″ W 30.33074′; 6. N54°44′22″ W 47.25171′; 7. N50°27′57″ W 56.89707′; 8. N52°58′11″ W 54.83322′; 9. N51°41′12″ W 39.63981′; 10. N51°37′58″ W 35.26145′; 11. N52°57′56″ W 80.32992′; 12. N50°36′58″ W 52.19505′; 13. N55°20′55″ W 99.1901′; 14. N59°54′58″ W 100.54001′; 15. N63°18′09″ W 116.1815′; 16. N68°57′45″ W 133.7068′; 17. N74°54′41″ W 126.76494′; 18. N78°01′52″ W 84.71001′; 19. N78°01′52″ W 34.63081′; 20. N85°20′45″ W 45.95006′; thence in a southerly direction to the southwest corner of Skyview Business Park the following 5 courses and distances: 1. S36°39′51″ W 972.97714′; 2. S18°29′12″ W 138.38488′; 3. S1°54′04″ E 111.25513′; 4. S8°45′35″ E 191.21665′; 5. S12°14′48″ E 158.05714′; thence along the southern boundary of Skyview Business Park S55°34′57″ E 348.51375′ and continuing N70°40′22″ E 188.72506′; thence continuing N30°15′47″ E 97.0933′ along eastern side of Skyview Business Park and continuing the following 14 courses and distances: 1. N34°06′48″ E 319.51622′; 2. N56°01′39″ E 99.33959′; 3. N80°59′08″ E 101.84117′; 4. S85°36′10″ E 113.94664′; 5. S87°24′12″ E 144.53457′; 6. N88°08′45″ E 100.51457′; 7. N67°35′13″ E 183.43316′; 8. N41°16′01″ E 48.90713′; 9. N40°34′06″ E 74.0512′; 10. N40°01′32″ E 48.09366′; 11. N39°59′59″ E 189.31802′; 12. N64°44′51″ E 95.53055′; 13. N82°46′33″ E 51.62404′; 14. N89°03′46″ E 33.01131′; thence along the southern boundary of the access road to Skyview Business Park the following 4 courses and distances: 1. S65°26′52″ E 19.98406′; 2. S57°16′49″ E 148.47784′; 3. S76°36′28″ E 98.95761′; 4. N86°09′52″ E 246.6246′; to the Point of Beginning, containing 38 acres.'' The 38 acre area requested to be designated as non-aeronautical is currently vacant and not used or developed. Subsequent to the implementation of the proposed redesignation, rents received by the airport from this property must be used in accordance with FAA's Policy and Procedures Concerning the Use of Airport Revenue, published in the **Federal Register** on February 16, 1999. Any person may inspect the request by appointment at the FAA office address

listed above. Interested persons are invited to comment. All comments will be considered by the FAA to the extent practicable.

Issued in Camp Hill, Pennsylvania, June 30, 2022.

Ricky Harner,

Manager, Harrisburg Airports District Office.

[FR Doc. 2022–14463 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2022–0137]

Entry-Level Driver Training: National Ground Water Association; Application for Exemption

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), DOT.

ACTION: Notice of application for exemption; request for comments.

SUMMARY: FMCSA announces that it has received an application for exemption from the National Ground Water Association (NGWA) from the entry level driver training (ELDT) regulations ''for individuals operating class B ground water well drilling rigs.'' FMCSA requests public comment on the applicant's request for exemption.

DATES: Comments must be received on or before August 22, 2022.

ADDRESSES: You may submit comments identified by Federal Docket Management System (FDMS) Number FMCSA–2022–0137 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, West Building, Ground Floor, Room W12–140, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* West Building, Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, between 9 a.m. and 5 p.m. E.T., Monday through Friday, except Federal holidays.
- *Fax:* (202) 493–2251.

Each submission must include the Agency name and the docket number (FMCSA–2022–0137) 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.

Docket: For access to the docket to read background documents or comments, go to *www.regulations.gov* at any time or visit Room W12–140 on the ground level of the West Building, 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., ET, 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.

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, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice DOT/ALL 14–FDMS, which can be reviewed at *https://www.transportation.gov/privacy.*

FOR FURTHER INFORMATION CONTACT: Mr. Richard Clemente, Driver and Carrier Operations Division; Office of Carrier, Driver and Vehicle Safety Standards, FMCSA, at (202) 366–2722 or by email at *MCPSD@dot.gov.* If you have questions on viewing or submitting material to the docket, contact Dockets Operations at (202) 366–9826.

SUPPLEMENTARY INFORMATION:

I. Public Participation and Request for Comments

FMCSA encourages you to participate by submitting comments and related materials.

Submitting Comments

If you submit a comment, please include the docket number for this notice (FMCSA–2022–0137), indicate the specific section of this document to which the comment applies, and provide a reason for 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 *www.regulations.gov* and put the docket number (''FMCSA–2022–0137'') in the ''Keyword'' box, and click ''Search.'' When the new screen appears, click on the ''Comment Now!'' button and type your comment into the text box in the following screen. Choose whether you are submitting your comment as an individual or on behalf of a third party and then submit. 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. If you submit comments by mail and would like to know that they reached the facility, please enclose a stamped, self-addressed postcard or envelope. FMCSA will consider all comments and material received during the comment period.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from 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 any safety analyses that have been conducted. The Agency must provide an opportunity for public comment on the request.

The Agency reviews 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 by the current regulation (49 CFR 381.305). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)) with the reasons for denying or granting the application and, if granted, the name of the person or class of persons receiving the exemption and the regulatory provision from which the exemption is granted. The notice must specify the effective period and explain the terms and conditions of the exemption. The exemption may be renewed (49 CFR 381.300(b)).

III. Applicant's Request

NGWA seeks an exemption from the ELDT regulations ''for individuals operating class B ground water well drilling rigs.'' NGWA states that it is the country's largest professional trade association representing water well contractors, groundwater scientists, and manufacturers and suppliers of groundwater technology. According to NGWA, the exemption ''could save hundreds of hours each year for water well contractors.''

A copy of NGWA's application for exemption is available for review in the docket for this notice.

IV. Request for Comments

In accordance with 49 U.S.C. 31315(b), FMCSA requests public comment from all interested persons on NGWA's application for an exemption. All comments received before the close of business on the comment closing date indicated at the beginning of this notice will be considered and will be available

for examination in the docket at the location listed under the Addresses section of this notice. Comments received after the comment closing date will be filed in the public docket and will be considered to the extent practicable. In addition to late comments, FMCSA will also continue to file, in the public docket, relevant information that becomes available after the comment closing date. Interested persons should continue to examine the public docket for new material.

Larry W. Minor,

Associate Administrator for Policy.

[FR Doc. 2022–14507 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No. FTA–2022–0018]

National Transit Database Reporting Changes and Clarifications

AGENCY: Federal Transit Administration, Department of Transportation (DOT).

ACTION: Notice; Request for comments.

SUMMARY: This notice provides information on proposed changes and clarifications to the National Transit Database (NTD) reporting requirements. Some of the proposed NTD changes would take effect beginning in NTD report year (RY) 2023 or 2024, which corresponds to an agency's fiscal year, while others would take effect in calendar year (CY) 2023.

DATES: Comments are due by September 6, 2022. The Federal Transit Administration (FTA) will consider late comments to the extent practicable.

ADDRESSES: You may file comments identified by docket number FTA–2022–0018 by any of the following methods:

- *Federal eRulemaking Portal:* Go to *https://www.regulations.gov* and follow the online instructions for submitting comments.
- *Mail:* Send comments to Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12–140, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* West Building Ground Floor, Room W12–140, 1200 New Jersey Ave. SE, between 9:00 a.m. and 5:00 p.m. ET, Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Management Facility, U.S. Department of Transportation, at (202) 493–2251.

Instructions: You must include the agency name (Federal Transit Administration) and Docket Number (FTA–2022–0018) for this notice, at the beginning of your comments. If sent by mail, submit two copies of your comments.

Electronic Access and Filing: This document and all comments received may be viewed online through the Federal eRulemaking portal at *http://www.regulations.gov* or at the street address listed above. Electronic submission, retrieval help, and guidelines are available on the Federal eRulemaking portal website. The website is available 24 hours each day, 365 days a year. Please follow the instructions. An electronic copy of this document may also be downloaded from the Office of the Federal Register's home page at *https://www.federalregister.gov.*

Privacy Act: Except as provided below, all comments received into the docket will be made public in their entirety. The comments will be searchable 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 should not include information in your comment that you do not want to be made public. You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78) or at *https://www.transportation.gov/privacy.*

FOR FURTHER INFORMATION CONTACT: Thomas Coleman, National Transit Database Program Manager, FTA Office of Budget and Policy, (202) 366–5333, *thomas.coleman@dot.gov.*

SUPPLEMENTARY INFORMATION:

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A. Background and Overview

The National Transit Database (NTD) was established by Congress to be the Nation's primary source for information and statistics on the transit systems of the United States. Recipients and beneficiaries of Federal Transit Administration (FTA) grants under either the Urbanized Area Formula Program (49 U.S.C. 5307) or Rural Area Formula Program (49 U.S.C. 5311) are required by law to report to the NTD. FTA grantees that own, operate, or manage public transportation capital assets are required to provide more limited reports to the NTD regarding Transit Asset Management.

Pursuant to 49 U.S.C. 5334(k), FTA is seeking public comment on five proposed NTD reporting changes and clarifications. These proposals are based on changes to Federal transportation law made by the Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act (Pub. L. 117–58) and based on input from the transit industry. These proposed changes are not related to safety and security (S&S) reporting, as FTA is proposing S&S changes in a separate **Federal Register** notice. The information below describes anticipated reporting impacts from each proposed change or clarification, as well as the proposed effective date of each change. FTA seeks comments on the proposed changes and clarifications described below. All impacts or changes described below are proposed and subject to finalization in a future notice.

B. New Sample-Based Monthly Data (WE–20)

During the recent COVID–19 pandemic, FTA found that it did not have timely data on transit ridership or transit service levels that was sufficient to inform decision-makers at the Federal, State, and local levels during a rapidly changing crisis situation. To better understand changes in the transit industry on a timely basis, FTA proposes to collect additional data from a sample set of modal reports from across the universe of full, reduced, tribal, and rural reporters on a new WE–20 Form. The goal of the sample is to obtain a representative nationwide snapshot of transit ridership and transit service levels. The sampling methodology would use a stratified random sampling based on region, mode, and other factors. FTA would then make sampling adjustments as needed based on unavailable modes, reporters without weekly data access, or other factors. Sampling may not be purely random to ensure the accuracy of the nationwide estimate of ridership and service levels. Therefore, NTD reporters with the largest service levels nationally or regionally may be more likely to be selected multiple times to ensure the accuracy of the nationwide estimate.

For the sampled modes, FTA proposes to collect four data points once each month:

- Weekday 5-day unlinked passenger trip (UPT) total for the reference week;
- Weekday 5-day vehicle revenue miles (VRM) total for the reference week;

• Weekend 2-day unlinked passenger trip (UPT) total for either the weekend preceding or following the reference week; and

• Weekend 2-day vehicle revenue miles (VRM) total for either the weekend preceding or following the reference week.

Under this proposal, these data will be due three business days after the last day of the reference week. In general, FTA is proposing to designate the second full week of the month as the ''reference week,'' unless the reference week contains a Federal holiday. FTA will inform reporters for the selected modes of the precise dates of the reference week at least three months in advance and will list the precise dates of the reference week on the form. For example, the reference week for July 2023 would cover July 10–16, and data for that week would be due three business days later—by the end of the day on July 19. FTA will also give three months advance notice about whether FTA will require agencies to report UPT and VRM data for the weekend preceding or the weekend following the reference week.

FTA proposes to require a sampled subset of approximately 400 NTD reporters to report these data for at least one mode. FTA proposes that sampled reporters remain constant for a period of three consecutive calendar years after the effective date of the reporting requirement. The reporting requirement effective date is proposed to be approximately three months following the publication of the final notice. For instance, if FTA publishes the final notice in February 2023, FTA estimates the reporting requirement would take effect around May 2023. At this time, reporters would be asked to submit a week of data for May 2023, as well as for the prior months in calendar year 2023 on a one-time basis (January 2023–April 2023). Subsequently, reporters would be required to submit a week of data for May 2023 and each month following. FTA would update the sampled group in 2026. FTA proposes to identify which NTD reporters are part of the sample with at least three months' notice.

FTA proposes that the reporting standard for the data on the WE–20 Form will be ''best available data.'' Best available data will depend on the facts and circumstances and the extent of data available to each agency. The data could be preliminary or minimally validated (*e.g.,* non-zero). Furthermore, FTA understands that these data reports might not be as complete as the agency's regular monthly NTD data reports and might not be audited. These weekly data would not be used to ensure alignment of annual report data totals as is currently done with monthly data. These data for the reference week will not replace the regular monthly report on the MR–20 form for full reporters.

C. General Transit Feed Specification (GTFS)

The Bipartisan Infrastructure Law amended 49 U.S.C. 5335(a) to require FTA to collect ''geographic service area coverage'' data through the NTD. Transit agencies across the country have made significant progress in recent years to record and publish geographic transit data in a consistent manner. Specifically, FTA estimates that 35% of NTD reporters have adopted the General Transit Feed Specification (GTFS) standard. The GTFS specification significantly increases the utility of transit service data, enabling current and accurate snapshots of transit service that support mobile applications such as mapping and routing services.

To implement this data collection requirement, and in light of the existing widespread GTFS adoption, FTA proposes to require annual submissions of static GTFS data to the NTD. In this notice, GTFS standards refer to the May 9, 2022 version of GTFS, which are published here: *https://gtfs.org/reference/static#field-definitions.* At present, NTD reporters voluntarily submit web links to GTFS datasets for the National Transit Map (NTM). More information about the NTM can be found here: *https://www.bts.gov/national-transit-map/about.*

FTA is proposing this requirement to enable consistent submissions of geographic service area coverage data. FTA believes that GTFS is the best way to collect geographic service area coverage data for fixed-route service because it is already widely used and meets specific, practical needs in communicating service information in a standardized format. GTFS defines a common format for public transportation schedules and associated geographic information. The standardized specifications ensure data consistency and minimum requirements are met and allows data from across the United States to be aggregated, used, and analyzed in a consistent manner.

Mandatory Requirement

FTA is proposing to make GTFS reporting a mandatory requirement. Under this proposal, NTD reporters with fixed route modes must create and maintain a public domain GTFS dataset that reflects their fixed route service. These NTD reporters must also maintain a web link from which the GTFS dataset can be collected. Specifically, FTA proposes that agencies create and host one or more web links containing their GTFS data. Each web link must link to a compressed (.zip or 'zip') archive containing at least one copy of each of the required text files listed below under *GTFS Data Requirements,* covering all fixed route modes. If an agency demonstrates hosting a web link is not possible, FTA will accept GTFS zip archive file submission by email. This requirement would not apply to capital asset-only reporters.

FTA is proposing to implement this reporting requirement in two parts. First, FTA is proposing that in RY 2023, applicable NTD reporters will be required to establish and submit a web-hosted GTFS dataset for their fixed route service. The dataset may have multiple links, such as one per mode. All links must be persistent (*i.e.,* static), machine readable, and not password protected. FTA expects this to be a one-time requirement. Once an agency publishes the data, it can be maintained in that form at the persistent web link for subsequent reporting years.

Second, beginning in RY 2024, FTA is proposing that applicable NTD reporters certify annually via the D–10 certification form that their previously submitted web links are up to date. All fixed route service changes must be reflected in the previous weblink with the GTFS dataset. Specifically, if there are changes to fixed routes, the reporter must update the GTFS dataset at the previously submitted web link. FTA does not expect this to be a large administrative burden because fixed route service changes are infrequent.

FTA is proposing that if a reporter cannot publish a GTFS dataset, they must email their NTD analyst and explain why hosting a web link is not possible. FTA is proposing that reporters that are unable to host a web link to a GTFS dataset must submit their geographic service area coverage data via alternative means, *e.g.,* email. FTA expects the majority of agencies will be able to web-host GTFS datasets via web links that are persistent, machine readable, and not password protected.

FTA is proposing that this new requirement apply to full reporters, reduced reporters, tribal reporters, and rural reporters, but not capital asset-only reporters. This requirement would apply only to reporters that operate a fixed route mode. FTA is proposing that in cases where an NTD reporter reports on behalf of multiple reporters (such as a State for multiple rural reporters), the State will be required to submit at least one unique link or compressed file per unique NTD reporting ID (NTDID). If the

NTDID has multiple GTFS links for multiple modes, the reporter may submit these multiple links.

GTFS Data Requirements

GTFS ensures data consistency by establishing minimum requirements. Specifically, GTFS requires that an overarching compressed file contain, at a minimum, seven underlying text files: (a) Agency; (b) Stops; (c) Routes; (d) Trips; (e) Stop Times; (f) Calendar or Calendar Dates.txt; and (g) Feed Info.txt. An eighth file, Shapes.txt, is an optional file, but it is recommended to make the files more useful for geospatial mapping purposes. Additionally, within each file, some fields are noted as ''optional.'' Optional fields are recommended in the file(s) mentioned above since they improve the usefulness of the datasets for data users.

Detailed information about the fields required for each of these files is published here: *https://gtfs.org/reference/static#field-definitions.*

Development Assistance

For transit systems that currently operate fixed route modes, but lack existing web-hosted GTFS datasets, FTA will provide technical assistance. Existing available technical assistance includes:

- Free technical assistance instructions through the National Rural Transit Assistance Program (RTAP) website: *https://www.nationalrtap.org/Technology-Tools/GTFS-Builder; and*
- Bureau of Transportation Statistics, National Transit Map Frequently Asked Questions: *https://www.bts.gov/national-transit-map/frequently-asked-questions*. Reporters may also consider partnering with a local college or university for technical assistance in establishing a GTFS feed. Additionally, FTA is proposing that NTD reporters can request a one-year waiver of this requirement with documentation that they are seeking technical assistance for establishing GTFS data, such as a plan with dates and milestones demonstrating how the reporter will comply with the GTFS requirement.

Compliance

FTA is proposing to monitor compliance in two ways. First, FTA proposes to periodically check that web links are viable and current, reflecting fixed route service stops, routes, and schedules. Second, on an annual basis, FTA proposes to ask reporters to confirm the accuracy of their GTFS feeds as part of their annual kick-off task. The kick-off is the NTD's system task which confirms information to create the relevant reporting forms for the new fiscal year.

Phasing

FTA expects reporting burdens to vary depending on existing agency data processes. NTD reporters are likely in three different phases of offering GTFS data feeds. First, some NTD reporters already submit GTFS data feeds voluntarily to the NTD. Second, some reporters have GTFS feeds but have not submitted these feeds to the NTD. Third, some reporters do not yet have GTFS feeds.

FTA anticipates the greatest challenges will be for those reporters who do not have GTFS feeds yet, or States who currently report data on their behalf (*e.g.,* States for rural reporters). FTA has identified some technical assistance resources to assist in the development of GTFS feeds (listed above). FTA proposes that reporters will not have to submit new GTFS data or required updates to the NTD until RY 2023. FTA welcomes comments requesting technical assistance or describing specific barriers or issues related to developing or submitting GTFS data.

Upon publication, all GTFS data submitted to the NTD will enter the public domain.

D. Collecting Geospatial Data for Demand Response Modes

FTA proposes that beginning in RY 2023 certain demand response modes must report geospatial data to the NTD. FTA will begin collecting these data to implement the new requirement that FTA collect geographic service area coverage data. FTA is proposing that this new requirement apply to full, reduced, tribal, and rural reporters, but not capital asset-only reporters. FTA is proposing to collect geospatial data for non-fixed routes using a new NTD form. FTA is proposing to collect these data annually through the questions shown below:

(1) Do you serve residents in another State besides your State?

(2) Select the Counties that you serve, either in whole or in part, where you pick up residents for a new trip origination.

(3) Select Census 'Places' served in these counties; indicate whether these Places (*e.g.,* Township) are served, and whether these Places are partially or wholly served.

(4) Is your demand response service intended to meet the Americans with Disabilities Act (ADA) complementary paratransit requirements for a fixed route system?

(5) If yes to #4, is your service area limited to the ADA complementary paratransit distance for:

a. Your own NTD Reporter ID; or

b. Select all those that are not your NTD Reporter ID.

(6) Within your service area, do you have different passenger eligibility requirements or different terms and conditions of service?

(7) How many days per week do you operate?

(8) For each day of the week, what are your hours of operation, and is your service open to:

(a) Only those persons found eligible for complementary paratransit under the ADA through your local eligibility process?

(b) Another specific segment of the population defined by age or disability?

(c) The general population?

(9) What is the minimum advanced reservation time for your service? Select days or hours.

(10) What is the fare charged?

FTA is proposing to begin asking these questions on a new form beginning in RY 2023.

E. Emergency Contact Information

At present, the NTD requires that each organization submit organizational contact information on the P–10 form. The P–10 collects details such as organization name, address, and website. FTA proposes that beginning in RY 2023, FTA will also collect the organization's emergency contact information on the P–10 form. This emergency contact does not have to be the same person as someone with an existing NTD system role. FTA proposes to use this emergency contact information to facilitate communication between FTA and the reporter during emergencies. Maintaining a current emergency point of contact (POC) will allow FTA to quickly send updated relevant information to the right contact and ensure communication before, during, and after the emergency event.

FTA proposes that the emergency contact be someone affiliated with emergency preparedness or response functions. This includes an emergency liaison officer, a facility or building emergency response team member, or a person with similar job functions. This person must be the individual at an agency that is the FTA POC in the event of an emergency. The agency will be asked to certify the accuracy of this information on their annual kick-off task.

F. Vehicle Fuel Type

The Bipartisan Infrastructure Law provides historic investments towards

converting the Nation's transit fleet to zero-emission and low-emission vehicles. Currently, FTA collects vehicle fuel type only from full and reduced reporters on the A–30 form. Tribal, rural, and capital asset-only reporters do not report fuel type on the A–30 form. In order to track implementation of zero-emission and low-emission vehicles funded by the Bipartisan Infrastructure Law, FTA is proposing to add a question to the A–30 form for rural, tribal, and capital asset-only reporters about fuel type. FTA proposes to apply this change beginning in RY 2023.

Nuria I. Fernandez,

Administrator.

[FR Doc. 2022–14502 Filed 7–6–22; 8:45 am]

BILLING CODE 4910–57–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2022–0057]

Czinger Vehicles—Receipt of Petition for Temporary Exemption

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

ACTION: Notice of receipt of petition for temporary exemption; request for public comment.

SUMMARY: Czinger Vehicles (Czinger) has petitioned NHTSA for a temporary exemption from windshield requirements in Federal motor vehicle safety standard (FMVSS) No. 205, Glazing materials. Czinger is a low volume start-up manufacturer and seeks the exemption on the basis that compliance with the standard would cause substantial economic hardship. NHTSA is publishing this document in accordance with statutory and administrative provisions and requests comment on the merits of Czinger's exemption petition. NHTSA has made no judgement at this time on the merits of the petition.

DATES: Comments must be received on or before August 8, 2022.

FOR FURTHER INFORMATION CONTACT: Callie Roach, Office of the Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590. Telephone: 202–366–2992; Fax: 202–366–3820.

Comments: NHTSA invites you to submit comments on the petition described herein and the questions posed below. You may submit comments identified by docket number in the heading of this notice by any of the following methods:

- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, Room W12–140, 1200 New Jersey Avenue, SE, Washington, DC 20590.
- *Hand Delivery:* 1200 New Jersey Avenue, SE, West Building Ground Floor, Room W12–140, Washington, DC, 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) 366–9322 before coming.
- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the online instructions for submitting comments.

Instructions: All submissions must include the agency name and docket number. 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 discussion below. NHTSA will consider all comments received before the close of business on the comment closing date indicated above. To the extent possible, NHTSA will also consider comments filed after the closing date.

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov* at any time or to 1200 New Jersey Avenue, SE, West Building Ground Floor, Room W12–140, Washington, DC 20590, 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) 366–9322 before coming.

Privacy Act: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, to *www.regulations.gov,* as described in the system of records notice, DOT/ALL–14 FDMS, accessible through *www.dot.gov/privacy.* In order to facilitate comment tracking and response, we encourage commenters to provide their name, or the name of their organization; however, submission of names is completely optional. Whether or not commenters identify themselves, all timely comments will be fully considered. If you wish to provide comments containing proprietary or confidential information, please contact the agency for alternate submission instructions.

Confidential Business Information: If you wish to submit any information under a claim of confidentiality, see the detailed instructions given under the Public Participation heading of the Supplementary Information section of this document.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Requirements

NHTSA is responsible for promulgating and enforcing FMVSS designed to improve motor vehicle safety. Generally, a manufacturer may not manufacture for sale, sell, offer for sale, or introduce or deliver for introduction into interstate commerce a vehicle that does not comply with all applicable FMVSS.[1] There are limited exceptions to this general prohibition.[2] One path permits manufacturers to petition NHTSA for an exemption for noncompliant vehicles under specified set of statutory bases.[3]

The National Traffic and Motor Vehicle Safety Act (Safety Act), codified at 49 U.S.C. Chapter 301, authorizes the Secretary of Transportation to exempt, on a temporary basis and under specified circumstances, and on terms the Secretary considers appropriate, motor vehicles from a FMVSS or bumper standard. This authority is set forth at 49 U.S.C. 30113. The Secretary has delegated the authority for implementing this section to NHTSA.[4]

The Safety Act authorizes NHTSA (by delegation) to grant, in whole or in part, a temporary exemption to a vehicle manufacturer if certain specified findings are made.[5] The agency must find that the exemption is consistent with the public interest and the objectives of the Safety Act.[6] In addition, exemptions under § 30113 must meet one of the following bases:

(i) Compliance with the standard[s] [from which exemption is sought] would cause substantial economic hardship to a manufacturer that has tried to comply with the standard[s] in good faith;

(ii) the exemption would make easier the development or field evaluation of a new motor vehicle safety feature providing a safety level at least equal to the safety level of the standard;

(iii) the exemption would make the development or field evaluation of a low-emission motor vehicle easier and would not unreasonably lower the safety level of that vehicle; or

(iv) compliance with the standard would prevent the manufacturer from

[1] 49 U.S.C. 30112(a)(1).

[2] 49 U.S.C. 30112(b); 49 U.S.C. 30113; 49 U.S.C. 30114.

[3] 49 U.S.C. 30113.

[4] 49 CFR 1.94.

[5] 49 U.S.C. 30113(b)(3).

[6] 49 U.S.C. 30113(b)(3)(A).

selling a motor vehicle with an overall safety level at least equal to the overall safety level of nonexempt vehicles.[7]

Czinger submitted its petition under the first of these bases, asserting that compliance with the standard would cause it substantial economic hardship and it has tried in good faith to comply with the standard.

NHTSA established 49 CFR part 555, *Temporary Exemption from Motor Vehicle Safety and Bumper Standards,* to implement the statutory provisions concerning temporary exemptions. The requirements in 49 CFR 555.5 state that the petitioner must set forth the basis of the petition by providing the information required under 49 CFR 555.6, and the reasons why the exemption would be in the public interest and consistent with the objectives of the Safety Act. A petition submitted under the substantial economic hardship basis must include the following information, as specified in 49 CFR 555.6(a):

(1) Engineering and financial information demonstrating in detail how compliance or failure to obtain an exemption would cause substantial economic hardship, including—

(i) A list or description of each item of motor vehicle equipment that would have to be modified in order to achieve compliance;

(ii) The itemized estimated cost to modify each such item of motor vehicle equipment if compliance were to be achieved—

(A) As soon as possible,

(B) At the end of a 1-year exemption period (if the petition is for 1 year or more),

(C) At the end of a 2-year exemption period (if the petition is for 2 years or more),

(D) At the end of a 3-year exemption period (if the petition is for 3 years),

(iii) The estimated price increase per vehicle to balance the total costs incurred pursuant to paragraph (a)(1)(ii) of this section and a statement of the anticipated effect of each such price increase;

(iv) Corporate balance sheets and income statements for the three fiscal years immediately preceding the filing of the application;

(v) Projected balance sheet and income statement for the fiscal year following a denial of the application; and

(vi) A discussion of any other hardships (*e.g.,* loss of market, difficulty of obtaining goods and services for compliance) that the petitioner desires the agency to consider.

(2) A description of its efforts to comply with the standards, including—

(i) A chronological analysis of such efforts showing its relationship to the rulemaking history of the standard from which exemption is sought;

(ii) A discussion of alternate means of compliance considered and the reasons for rejection of each;

(iii) A discussion of any other factors (*e.g.,* the resources available to the petitioner, inability to procure goods and services necessary for compliance following a timely request) that the petitioner desires the NHTSA to consider in deciding whether the petitioner tried in good faith to comply with the standard;

(iv) A description of the steps to be taken, while the exemption is in effect, and the estimated date by which full compliance will be achieved either by design changes or termination of production of nonconforming vehicles; and

(v) The total number of motor vehicles produced by or on behalf of the petitioner in the 12-month period prior to filing the petition, and the inclusive dates of the period. (49 U.S.C. 30113(d) limits eligibility for exemption on the basis of economic hardship to manufacturers whose total motor vehicle production in the year preceding the filing of their applications does not exceed 10,000.)

II. Czinger's Petition

The following discussion provides: An overview of Czinger's petition; a brief summary of the information Czinger submitted to demonstrate that compliance would cause it substantial economic hardship, the efforts Czinger has made to comply with the standard, and Czinger's arguments that granting the petition would be in the public interest. Because Czinger has sought confidential treatment of some aspects of its petition, a redacted version of its petition is included in the docket referenced at the beginning of this notice. NHTSA notes that any of the descriptions provided in this section were provided by Czinger in its petition and do not necessarily reflect the views of NHTSA.

A. Overview of the Czinger's Petition

On December 12, 2021, Czinger submitted a petition for exemption under 49 CFR part 555 for a temporary exemption from parts of FMVSS No. 205, *Glazing materials.* Specifically, Czinger is requesting an exemption from requirements for glazing to be used in windshields of Czinger's 21C model on the basis that compliance with the standard would cause substantial economic hardship.[8] Czinger is seeking a temporary exemption for three years to allow Czinger to produce 55 noncompliant vehicles. Czinger states that all glazing on the 21C will be compliant with FMVSS No. 205 with the exception of the windshield.[9] Czinger states that it believes that the only requirements with which the windshield will not comply are those regarding abrasion resistance.[10] As described in Czinger's petition, the windshield for the 21C is made from polycarbonate to accommodate the windshield's unique shape.[11]

Czinger states that it is a very small volume start-up producer of innovative sports cars and has not yet started manufacturing.[12] Once production starts in 2023, Czinger states that it will produce approximately 50 cars per year worldwide.[13] The forecasted production and US sales estimates provided by Czinger indicate that, for the three years for which Czinger is requesting a temporary exemption, Czinger expects to sell a total of 55 vehicles to the U.S. market.[14] Czinger states that its 21C model vehicle is presently under development and describes it as a Hypercar comprised of lightweight materials and a power-dense production internal combustion engine.[15] Czinger further explains that the vehicle is produced using Additive Manufacturing (AM) technology (the industrial production name for 3D printing), which Czinger asserts requires less material, less energy, and less infrastructure than current, widely used, production techniques.[16]

B. Substantial Economic Hardship

To be eligible for a temporary exemption under the substantial economic hardship basis, the petitioner's total motor vehicle production in the most recent year of production must be not more than 10,000 vehicles.[17] To demonstrate compliance with this requirement, and pursuant to 49 CFR 555.6(a)(2)(v),

[7] 49 U.S.C. 30113(b)(3)(B).

[8] Czinger petition at page 4.

[9] *Id.*

[10] *Id.* Czinger notes in their petition that the abrasion requirements may still be met as development is ongoing.

[11] *Id.* at page 9.

[12] *Id.* at page 3.

[13] *Id.*

[14] *Id.* at page 6. Czinger's forecasted production for Model Years 2023, 2024, and 2025 is 20 vehicles, 50 vehicles, and 10 vehicles respectively, with an estimated 10 vehicles, 35 vehicles, and 10 vehicles sold in the U.S. in those years.

[15] *Id.* at page 3.

[16] *Id.*

[17] 49 U.S.C. 30113(d).

Czinger stated that it has not produced any motor vehicles to date.[18]

In support of its claim that compliance with the windshield requirements would cause substantial economic hardship, Czinger states that it is experiencing substantial economic hardship, which would be exacerbated by the denial of its exemption petition.[19] Czinger states that it has 35 employees and has been operating since 2021 without any sales.[20] Czinger states that, in a best-case scenario, the company will have two additional years with high expenses and no sales while product development for the 21C is completed.[21]

Czinger states that compliance with the standard will result in an extra loss of $38 million.[22] Czinger explains that the additional loss would result from an additional $3.7 million in research in development costs, a 6-month delay bringing their product to market, and a 15% loss of 21C sales due to the car's modified aesthetics (necessitated by a laminated windshield).[23]

In further support of its petition, Czinger notes that it has been enduring the pandemic and supply chain issues which, Czinger states, are straining even established OEMs.[24] As a startup, Czinger states that it needs flexibility to endure these challenges.[25]

C. Good Faith Efforts To Comply

Pursuant to 49 CFR 555.6(a)(2), a petition for a temporary exemption made under the substantial economic hardship basis must include a description of the petitioner's efforts to comply with the standard for which the exemption is sought. In support of its petition, Czinger asserts that it has put considerable good faith efforts into FMVSS compliance.[26]

Czinger states that the 21C has been designed with in-line seating for two occupants.[27] The central seating position, Czinger explains, allows for an extremely streamlined frontal profile, reducing drag and improving fuel economy, as well as improving performance.[28] Czinger states that this ''fighter jet'' design has been highly regarded by media, and more significantly, prospective clients.[29]

Czinger states that the wrap-around cockpit is realized by a unique double curvature windscreen, which during prototype stage, was produced in polycarbonate by a supplier in Europe, Iscolima.[30] Czinger states that the hard polycarbonate material passes European requirements in accordance with ECE R43, including impact performance and abrasion haze resistance.[31] Czinger states that because of the extreme size and shape of the 21C windshield, its supplier, Iscolima, has informed Czinger that the windshield must be produced in polycarbonate.[32]

Czinger also states that at an early stage in the development of the 21C, their supplier Isoclima indicated that it believed the polycarbonate windshield would meet regulatory requirements for the USA market.[33] Czinger states that, based on this information, Czinger proceeded with the polycarbonate windshield development.[34]

Czinger also states that, despite Iscolima's opinion that the shape of the 21C windshield could not be produced in laminated glass, Czinger invested time and money trying to develop, with the help of multiple suppliers, the planned windshield shape in laminated glass.[35] These efforts, Czinger states, have not been successful.[36]

D. Czinger's Public Interest Argument

Czinger asserts that granting their petitions is consistent with the public interest and the Safety Act for the following reasons:

1. The 21C model range will comply with all FMVSS other than the windshield requirements in FMVSS 205.[37]
2. The exempted cars will have a windshield that meets all EU requirements.[38]
3. The exempted cars will not present an unacceptable safety risk.[39]
4. The 21C will be produced in the US in very low numbers and will not be used daily due to its unconventional design.[40]
5. The denial of the exemption request could have a negative effect on US employment.[41]
6. The 21C's innovative technology is a benefit to the public.[42]

III. Agency's Review of Czinger's Petition

NHTSA has not yet made any judgment on the merits of Czinger's petition nor on the adequacy of the information submitted. NHTSA will assess the merits of the petition and consider public comments on the petition, as well as any additional information that the agency receives from Czinger. NHTSA is placing a non-confidential copy of the petition in the docket in accordance with statutory and administrative provisions.

IV. Public Participation

A. Request for Comment and Comment Period

The agency seeks comment from the public on the merits of Czinger's petition for a temporary exemption from portions of FMVSS No. 205.

NHTSA is providing a 30-day comment period. After conducting a review of the adequacy for the justification for the petition and considering public comments, NHTSA will publish a decision notice regarding the petition in the **Federal Register**.

B. Instructions for Submitting Comments

How long do I have to submit comments?

Please see **DATES** section at the beginning of this document.

How do I prepare and submit comments?

- Your comments must be written in English.
- To ensure that your comments are correctly filed in the Docket, please include the Docket Number shown at the beginning of this document in your comments.
- If you are submitting comments electronically as a PDF (Adobe) File, NHTSA asks that the documents be submitted using the Optical Character Recognition (OCR) process, thus allowing NHTSA to search and copy certain portions of your submissions. Comments may be submitted to the docket electronically by logging onto the Docket Management System website at *http://www.regulations.gov.* Follow the online instructions for submitting comments.
- You may also submit two copies of your comments, including the attachments, to Docket Management at the address given above under **ADDRESSES**.

Please note that pursuant to the Data Quality Act, in order for substantive data to be relied upon and used by the agency, it must meet the information

[18] Czinger petition at page 4.
[19] *Id.* at page 6.
[20] *Id.*
[21] *Id.*
[22] *Id.* at page 7.
[23] *Id.*
[24] *Id.* at page 8.
[25] *Id.*
[26] *Id.*
[27] *Id.*
[28] *Id.*
[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] *Id.* at page 9.
[33] *Id.*
[34] *Id.*
[35] *Id.*
[36] *Id.*
[37] *Id.* at page 10.
[38] *Id.*
[39] *Id.* at pages 10–11.
[40] *Id.* at page 11.
[41] *Id.*
[42] *Id* at page 12.

quality standards set forth in the OMB and DOT Data Quality Act guidelines. Accordingly, we encourage you to consult the guidelines in preparing your comments. OMB's guidelines may be accessed at *http://www.whitehouse.gov/omb/fedreg/reproducible.html.* DOT's guidelines may be accessed at *http://www.bts.gov/programs/statistical_policy_and_research/data_quality_guidelines.*

How do I submit confidential business information?

If you wish to submit any information under a claim of confidentiality, you should submit three copies of your complete submission, including the information you claim to be confidential business information, to the Chief Counsel, NHTSA, at the address given above under **FOR FURTHER INFORMATION CONTACT**. In addition, you should submit two copies, from which you have deleted the claimed confidential business information, to Docket Management at the address given above under **ADDRESSES**. When you send a comment containing information claimed to be confidential business information, you should include a cover letter setting forth the information specified in our confidential business information regulation. (49 CFR part 512). To facilitate social distancing during COVID–19, NHTSA is temporarily accepting confidential business information electronically. Please see *https://www.nhtsa.gov/coronavirus/submission-confidential-business-information* for details.

Will the Agency consider late comments?

We will consider all comments that Docket Management receives before the close of business on the comment closing date indicated above under **DATES**. To the extent possible, we will also consider comments that Docket Management receives after that date.

How can I read the comments submitted by other people?

You may see the comments on the internet. To read the comments on the internet, go to *http://www.regulations.gov.* Follow the online instructions for accessing the dockets.

Please note that, even after the comment closing date, we will continue to file relevant information in the Docket as it becomes available. Further, some people may submit late comments. Accordingly, we recommend that you periodically check the Docket for new material.

Authority: 49 U.S.C. 30113 and 49 U.S.C. 30166; delegations of authority at 49 CFR 1.95 and 49 CFR 501.5.

Issued in Washington, DC, under authority delegated in 49 CFR 1.95 and 501.8.

Steven S. Cliff,

Administrator.

[FR Doc. 2022–14464 Filed 7–6–22; 8:45 am]

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Part II

Department of Energy

10 CFR Part 430

Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces; Proposed Rule

DEPARTMENT OF ENERGY

10 CFR Part 430

[EERE–2014–BT–STD–0031]

RIN 1904–AD20

Energy Conservation Program: Energy Conservation Standards for Consumer Furnaces

AGENCY: Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Notice of proposed rulemaking and request for comment.

SUMMARY: The Energy Policy and Conservation Act, as amended (''EPCA''), prescribes energy conservation standards for various consumer products and certain commercial and industrial equipment, including consumer furnaces. EPCA also requires the Department of Energy (''DOE'' or ''the Department'') to periodically determine whether more-stringent, amended standards would be technologically feasible and economically justified, and would result in significant energy savings. In this notice of proposed rulemaking (''NOPR''), DOE proposes amended energy conservation standards for non-weatherized gas furnaces and mobile home gas furnaces, and also announces a public meeting webinar to receive comment on these proposed standards and associated analyses and results.

DATES:

Comments: DOE will accept comments, data, and information regarding this NOPR no later than September 6, 2022. See section VII, ''Public Participation,'' of this document for details.

Comments regarding the likely competitive impact of the proposed standard should be sent to the Department of Justice contact listed in the **ADDRESSES** section on or before August 22, 2022. DOE notes that the Department of Justice is required to transmit its determination regarding the competitive impact of the proposed standard to DOE no later than September 6, 2022. The determination and analysis by the Department of Justice will be published by DOE in the **Federal Register**. Commenters who want to have their comments considered by DOE as part of any future rulemaking resulting from this NOPR also should submit such comments to DOE in accordance with the procedures detailed in this proposed rulemaking.

Meeting: DOE will hold a public meeting via webinar on Wednesday, August 3, 2022, from 12:30 p.m. to 5:00 p.m. See section VII, ''Public Participation,'' for webinar registration information, participant instructions, and information about the capabilities available to webinar participants.

ADDRESSES: Interested persons are encouraged to submit comments using the Federal eRulemaking Portal at *www.regulations.gov.* Follow the instructions for submitting comments. Alternatively, interested persons may submit comments, identified by docket number EERE–2014–BT–STD–0031 and/or regulatory information number (''RIN'') 1904–AD20, by any of the following methods:

(1) *Federal eRulemaking Portal: www.regulations.gov.* Follow the instructions for submitting comments.

(2) *Email: ResFurnaces2014STD0031@ee.doe.gov.* Include the docket number EERE–2014–BT–STD–0031 in the subject line of the message.

No telefacsimilies (''faxes'') will be accepted. For detailed instructions on submitting comments and additional information on the rulemaking process, see section VII of this document (Public Participation).

Although DOE has routinely accepted public comment submissions through a variety of mechanisms, including postal mail and hand delivery/courier, the Department has found it necessary to make temporary modifications to the comment submission process in light of the ongoing coronavirus (''COVID–19'') pandemic. DOE is currently suspending receipt of public comments via postal mail and hand delivery/courier. If a commenter finds that this change poses an undue hardship, please contact Appliance Standards Program staff at (202) 586–1445 to discuss the need for alternative arrangements. Once the COVID–19 pandemic health emergency is resolved, DOE anticipates resuming all of its regular options for public comment submission, including postal mail and hand delivery/courier.

Docket: The docket for this activity, which includes **Federal Register** notices, comments, and other supporting documents/materials, is available for review at *www.regulations.gov.* All documents in the docket are listed in the *www.regulations.gov* index. However, not all documents listed in the index may be publicly available, such as information that is exempt from public disclosure.

The docket web page can be found at *www.regulations.gov/docket?D=EERE-2014-BT-STD-0031.* The docket web page contains instructions on how to access all documents, including public comments, in the docket. See section VII (Public Participation) for information on how to submit comments through *www.regulations.gov.*

Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in this proposed rule may be submitted to Office of Energy Efficiency and Renewable Energy following the instructions at *www.RegInfo.gov.*

EPCA requires the U.S. Attorney General to provide DOE a written determination of whether the proposed standard is likely to lessen competition. The U.S. Department of Justice (''DOJ'') Antitrust Division invites input from market participants and other interested persons with views on the likely competitive impact of the proposed standard. Interested persons may contact the Antitrust Division at *energy.standards@usdoj.gov* in advance of the date specified in the **DATES** section. Please indicate in the ''Subject'' line of your email the title and Docket Number of this rulemaking.

FOR FURTHER INFORMATION CONTACT: Ms. Julia Hegarty, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Building Technologies Office, EE–5B, 1000 Independence Avenue SW, Washington, DC 20585–0121. Telephone: (240) 597–6737. Email: *ApplianceStandardsQuestions@ee.doe.gov.*

Mr. Eric Stas, U.S. Department of Energy, Office of the General Counsel, GC–33, 1000 Independence Avenue SW, Washington, DC 20585–0121. Telephone: (202) 586–5827. Email: *Eric.Stas@hq.doe.gov.*

For further information on how to submit a comment, review other public comments and the docket, or participate in the public meeting webinar, contact the Appliance and Equipment Standards Program staff at (202) 287–1445 or by email: *ApplianceStandardsQuestions@ee.doe.gov.*

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VIII. Approval of the Office of the Secretary

I. Synopsis of the Notice of Proposed Rulemaking

Title III, Part B [1] of EPCA established the Energy Conservation Program for Consumer Products Other Than Automobiles.[2] (42 U.S.C. 6291–6309) These products include non-weatherized gas furnaces (''NWGF'') and mobile home gas furnaces (''MHGF''), the subjects of this rulemaking. (42 U.S.C. 6292(a)(5))

Pursuant to EPCA, any new or amended energy conservation standard must be designed to achieve the maximum improvement in energy efficiency that DOE determines is technologically feasible and economically justified. (42 U.S.C. 6295(o)(2)(A)) Furthermore, the new or amended standard must result in significant conservation of energy. (42 U.S.C. 6295(o)(3)(B)) EPCA specifically provides that DOE must conduct two rounds of energy conservation standard rulemakings for NWGFs and MHGFs. (42 U.S.C. 6295(f)(4)(B) and (C)) The statute also requires that not later than 6 years after issuance of any final rule establishing or amending a standard, DOE must publish either a notice of determination that standards for the product do not need to be amended, or a notice of proposed rulemaking (''NOPR'') including new proposed energy conservation standards. (42 U.S.C. 6295(m)(1)) This rulemaking is being undertaken pursuant to the statutorily-required second round of rulemaking for NWGFs and MHGFs, and once completed, it will also satisfy the statutorily-required 6-year-lookback review.

In accordance with these and other relevant statutory provisions discussed in this document, DOE is proposing amended and new energy conservation standards for the subject consumer furnaces (*i.e.,* NWGFs and MHGFs). In this document, DOE is proposing amended active mode energy conservation standards for NWGFs and MHGFs, which are expressed in terms of minimum annual fuel utilization efficiency (''AFUE''), and are shown in Table I.1 of this document. DOE is also proposing new standby mode and off mode energy standards for NWGFs and MHGFs, which are expressed in terms of watts, and are shown in Table I.2 of this document. These proposed standards would apply to all NWGFs and MHGFs manufactured in, or imported into, the United States starting on the date 5 years after the publication of the final rule for this rulemaking.

TABLE I.1—PROPOSED AFUE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Product class	AFUE (%)
Non-Weatherized Gas Furnaces	95
Mobile Home Gas Furnaces	95

TABLE I.2—PROPOSED STANDBY MODE AND OFF MODE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Product class	Standby mode standard: $P_{W,SB}$ (watts)	Off mode standard: $P_{W,OFF}$ (watts)
Non-Weatherized Gas Furnaces	8.5	8.5
Mobile Home Gas Furnaces	8.5	8.5

A. Benefits and Costs to Consumers

Table I.3 and Table I.4 summarize DOE's evaluation of the economic impacts of the proposed AFUE standards and standby mode/off mode standards, respectively, on consumers of NWGFs and MHGFs, as measured by the average life-cycle cost (''LCC'') savings and the simple payback period (''PBP'').[3] The average LCC savings are positive for all product classes, and the PBP is less than the average lifetime of both NWGFs and MHGFs, which is estimated to be 21.4 years (see section IV.F of this document).

TABLE I.3—IMPACTS OF PROPOSED AFUE ENERGY CONSERVATION STANDARDS ON CONSUMERS OF NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Product class	Average LCC savings (2020$)	Simple payback period (years)
Non-Weatherized Gas Furnaces	464	7.2
Mobile Home Gas Furnaces	526	7.5

[1] For editorial reasons, upon codification in the U.S. Code, Part B was redesignated Part A.

[2] All references to EPCA in this document refer to the statute as amended through the Energy Act of 2020, Public Law 116–260 (Dec. 27, 2020), which reflects the last statutory amendments that impact Parts A and A–1 of EPCA.

[3] The average LCC savings refer to consumers that are affected by a standard and are measured relative to the efficiency distribution in the no-new-standards case, which depicts the market in the compliance year in the absence of new or amended standards (*see* section IV.F.10 of this NOPR). The simple PBP, which is designed to compare specific efficiency levels, is measured relative to the baseline product (*see* section IV.C of this NOPR).

TABLE I.4—IMPACTS OF PROPOSED STANDBY MODE AND OFF MODE ENERGY CONSERVATION STANDARDS ON CONSUMERS OF NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Product class	Average LCC savings (2020$)	Simple payback period (years)
Non-Weatherized Gas Furnaces	26	2.0
Mobile Home Gas Furnaces	27	1.7

DOE's analysis of the anticipated impacts of the proposed standards on consumers is described in section IV.F of this document.

B. Impact on Manufacturers

The industry net present value (''INPV'') is the sum of discounted industry cash flows starting with the publication year (2022) of the NOPR and extending over a 30-year period following the expected compliance date of the standards (2022 to 2058). The impacts of the AFUE standards are independently considered from the impacts of the standby mode and off mode standards, as manufacturers would utilize different technologies to meet these two standards. Using a real discount rate of 6.4 percent, DOE estimates that the INPV for manufacturers of NWGFs and MHGFs in the case without new or amended standards is $1,411.8 million in 2020$. Under the proposed AFUE standards, the change in INPV is estimated to range from −26.9 percent to −2.2 percent, which is a reduction of approximately −$380.3 million to −$30.5 million. Under the proposed standby mode and off mode standards, the change in INPV is estimated to range from −0.1 percent to 0.4 percent, which is a change of approximately −$2.1 million to $5.0 million. When evaluating the proposed AFUE and proposed standby mode and off mode standards together, the INPV impacts are additive. The combined change in INPV is estimated to range from −27.1 percent to −1.8 percent, which is a reduction of approximately −$382.4 million to −$25.5 million. In order to bring products into compliance with the proposed new and amended standards, DOE expects industry to incur total conversion costs of $150.6 million. DOE's analysis of the impacts of the proposed energy conservation standards on manufacturers is described in section IV.J of this document. The analytic results of the MIA are presented in section V.B.2 of this document.

C. National Benefits and Costs [4]

Benefits and costs for the proposed AFUE standards are presented and considered separately from benefits and costs for the proposed standby mode and off mode standards because it was not feasible to develop a single, integrated standard. As discussed in the October 20, 2010, test procedure final rule for consumer furnaces and boilers, DOE concluded that due to the magnitude of the active mode energy consumption as compared to the standby mode and off mode electrical consumption, an integrated metric would not be feasible because the standby mode and off mode electrical consumption would be a *de minimis* portion of the overall energy consumption. 75 FR 64621, 64627. Thus, an integrated metric could not be used to effectively regulate the standby mode and off mode energy consumption.

1. AFUE Standards

DOE's analyses indicate that the proposed energy conservation standards for NWGFs and MHGFs would save a significant amount of energy. Relative to the case without amended AFUE standards, the lifetime energy savings for NWGFs and MHGFs purchased in the 30-year period that begins in the anticipated year of compliance with the amended AFUE standards (2029–2058), are estimated to be amount to 5.48 quadrillion British thermal units (''Btu''), or ''quads.'' [5] This represents a savings of 3.5 percent relative to the energy use of these products in the case without amended or new standards (referred to as the ''no-new-standards case'').

The cumulative net present value (''NPV'') of total consumer benefits of the proposed standards for NWGFs and MHGFs ranges from $6.2 billion (at a 7-percent discount rate) to $21.6 billion (at a 3-percent discount rate). This NPV expresses the estimated total value of future operating-cost savings minus the estimated increased product and installation costs for NWGFs and MHGFs purchased in 2029–2058.

In addition, the proposed AFUE standards for NWGFs and MHGFs are projected to yield significant environmental benefits. DOE estimates that the proposed standards would result in cumulative emission reductions (over the same period as for energy savings) of 363 million metric tons (''Mt'') [6] of carbon dioxide (''CO_2''), 0.8 million tons of nitrogen oxides (''NO_X''), and 5.1 million tons of methane (''CH_4''). The proposed standards would result in cumulative emission increases of 52 thousand tons of sulfur dioxide (''SO_2''), 0.3 thousand tons of nitrous oxide (''N_2O''), and 0.3 tons of mercury (''Hg'').[7]

DOE estimates the value of climate benefits from a reduction in greenhouse gases using four different estimates of the social cost of CO_2 (''SC–CO_2''), the social cost of methane (''SC–CH_4''), and the social cost of nitrous oxide (''SC–N_2O''). Together these represent the social cost of greenhouse gases (SC–GHG). DOE used interim SC–GHG values developed by an Interagency Working Group on the Social Cost of Greenhouse Gases (IWG).[8] The derivation of these values is discussed in section IV.L of this document. For

[4] All monetary values in this document are expressed in 2020 dollars (2020$).

[5] This quantity refers to full-fuel-cycle (''FFC'') energy savings. FFC energy savings includes the energy consumed in extracting, processing, and transporting primary fuels (*i.e.,* coal, natural gas, petroleum fuels), and, thus, presents a more complete picture of the impacts of energy efficiency standards. For more information on the FFC metric, see section IV.H.2 of this NOPR.

[6] A metric ton is equivalent to 1.1 short tons. Results for emissions other than CO_2 are presented in short tons.

[7] DOE calculated emissions reductions relative to the no-new-standards-case, which reflects key assumptions in the *Annual Energy Outlook 2021* (''*AEO2021*''). *AEO2021* represents current Federal and State legislation and final implementation of regulations as of the time of its preparation. *See* section IV.K for further discussion of *AEO2021* assumptions that effect air pollutant emissions. The increase in emissions of some pollutants is due to an increase in electricity consumption.

[8] *See* Interagency Working Group on Social Cost of Greenhouse Gases, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide. Interim Estimates Under Executive Order 13990, Washington, DC (February 2021) (Available at: *www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf*) (Last accessed March 17, 2022).

presentational purposes, the climate benefits associated with the average SC–GHG at a 3-percent discount rate are estimated to be $16.2 billion. DOE does not have a single central SC–GHG point estimate and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.[9]

DOE also estimates health benefits from SO_2 and NO_X emissions reductions. DOE estimates the present value of the health benefits would be $5.9 billion using a 7-percent discount rate, and $19.3 billion using a 3-percent discount rate. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions.

Table I.5 summarizes the monetized benefits and costs expected to result from the proposed AFUE standards for NWGFs and MHGFs. There are other important unquantified effects, including certain unquantified climate benefits, unquantified public health benefits from the reduction of toxic air pollutants and other emissions, unquantified energy security benefits, and distributional effects, among others.

TABLE I.5—SUMMARY OF MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 8)

	Billion 2020$
3% discount rate	
Consumer Operating Cost Savings	29.7
Climate Benefits *	16.2
Net Health Benefits **	19.3
Total Benefits †	65.2
Consumer Incremental Product Costs ‡	8.2
Net Benefits	57.1
7% discount rate	
Consumer Operating Cost Savings	10.2
Climate Benefits *	16.2
Net Health Benefits **	5.9
Total Benefits †	32.2
Consumer Incremental Product Costs ‡	4.0
Net Benefits	28.2

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate), as shown in Table V.36, Table V.38, and Table V.40. Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. *See* section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total and net benefits include those consumer, climate, and health benefits that can be monetized. For presentation purposes, total and net benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates. See Table V.46 for net benefits using all four SC–GHG estimates.

‡ Costs include incremental equipment costs, as well as installation costs.

The benefits and costs of the proposed AFUE standards, for NWGFs and MHGFs sold in 2029–2058, can also be expressed in terms of annualized values. The monetary values for the total annualized net benefits are: (1) the reduced consumer operating costs, minus (2) the increases in product purchase costs and installation costs, plus (3) the value of climate and health benefits of emission reductions, all annualized.[10]

The national operating cost savings are domestic private U.S. consumer monetary savings that occur as a result of purchasing the covered products and are measured for the lifetime of NWGFs and MHGFs shipped in 2029–2058. The health benefits associated with reduced emissions achieved as a result of the proposed standards are also calculated based on the lifetime of NWGFs and MHGFs shipped in 2029–2058. Total benefits for both the 3-percent and 7-percent cases are presented using the average GHG social costs with 3-percent discount rate. Estimates of SC–GHG values are presented for all four discount rates in section V.B.8 of this document. Table I.6 presents the total estimated monetized benefits and costs associated with the proposed AFUE standard, expressed in terms of annualized values. The results under the primary estimate are as follows.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the AFUE standards proposed in this rule is $524 million per year in increased equipment costs, while the estimated annual benefits would be

[9] On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

[10] To convert the time-series of costs and benefits into annualized values, DOE calculated a present value in 2029, the year used for discounting the NPV of total consumer costs and savings. For the benefits, DOE calculated a present value associated with each year's shipments in the year in which the shipments occur (*e.g.,* 2030), and then discounted the present value from each year to 2029. The calculation uses discount rates of 3 and 7 percent for all costs and benefits, as shown in Table I.6 of this document. Using the present value, DOE then calculated the fixed annual payment over a 30-year period, starting in the compliance year that yields the same present value.

$1,320 million in reduced equipment operating costs, $1,015 million in climate benefits, and $760 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit amounts to $2,571 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed AFUE standards for NWGFs and MHGFs is $511 million per year in increased equipment costs, while the estimated annual benefits would be $1,865 million in reduced operating costs, $1,015 million in climate benefits, and $1,213 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit would amount to $3,581 million per year.

TABLE I.6—ANNUALIZED MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 8)

	Million 2020$/year		
	Primary estimate	Low-net-benefits estimate	High-net-benefits estimate
3% discount rate			
Consumer Operating Cost Savings	1,865	1,891	1,937
Climate Benefits *	1,015	1,000	1,042
Health Benefits **	1,213	1,197	1,251
Total Benefits †	4,093	4,088	4,230
Consumer Incremental Product Costs ‡	511	508	461
Net Benefits	3,581	3,580	3,769
7% discount rate			
Consumer Operating Cost Savings	1,320	1,338	1,352
Climate Benefits *	1,015	1,000	1,042
Health Benefits **	760	751	780
Total Benefits †	3,095	3,089	3,173
Consumer Incremental Product Costs ‡	524	516	471
Net Benefits	2,571	2,573	2,702

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the global SC–GHG (*see* section IV.L of this document). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate, and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and presents monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. *See* section IV.L of this document for more details.

† Total benefits infor both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs, as well as installation costs.

DOE's analysis of the national impacts of the proposed standards is described in sections IV.H, IV.K, and IV.L of this document.

2. Standby Mode and Off Mode Standards

For standby mode and off mode standards, relative to the case without new standards, the lifetime energy savings for NWGFs and MHGFs purchased in the 30-year period that begins in the anticipated year of compliance with the new standby mode and off mode standards (2029–2058), are estimated to be amount to 0.28 quads.[11] This represents a savings of 16 percent relative to the energy use of these products in the no-new-standards case.

The cumulative NPV of total consumer benefits of the proposed standby mode and off mode standards for NWGFs and MHGFs ranges from $1.1 billion (at a 7-percent discount rate) to $3.4 billion (at a 3-percent discount rate). This NPV expresses the estimated total value of future operating-cost savings minus the estimated increased product costs for NWGFs and MHGFs purchased in 2029–2058.

In addition, the proposed standby mode and off mode standards for NWGFs and MHGFs are projected to yield significant environmental benefits. DOE estimates that the proposed standards would result in cumulative emission reductions (over the same period as for energy savings) of 9.6 Mt of CO_2, 4.5 thousand tons of SO_2, 13.5 thousand tons of NO_X, 65.9 thousand tons of CH_4, 0.1 thousand tons of N_2O, and 0.03 tons of mercury Hg.

DOE estimates the value of climate benefits from a reduction in greenhouse gases using four different estimates of the SC–CO_2, the SC–CH_4, and the SC–N_2O. Together these represent the SC–

[11] This quantity refers to FFC energy savings. FFC energy savings includes the energy consumed in extracting, processing, and transporting primary fuels (*i.e.,* coal, natural gas, petroleum fuels), and, thus, presents a more complete picture of the impacts of energy efficiency standards. For more information on the FFC metric, see section IV.H.2 of this NOPR.

GHG. DOE used interim SC–GHG values developed by an IWG on the Social Cost of Greenhouse Gases.[12] The derivation of these values is discussed in section IV.L of this document. For presentational purposes, the climate benefits associated with the average SC–GHG at a 3-percent discount rate are estimated to be $0.4 billion. DOE does not have a single central SC–GHG point estimate and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.[13]

DOE also estimates health benefits from SO_2 and NO_X emissions reductions.[14] DOE estimates the present value of the health benefits would be $0.2 billion using a 7-percent discount rate, and $0.6 billion using a 3-percent discount rate. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions.

Table I.7 summarizes the monetized benefits and costs expected to result from the proposed standby mode and off mode standards for NWGFs and MHGFs. There are other important unquantified effects, including certain unquantified climate benefits, unquantified public health benefits from the reduction of toxic air pollutants and other emissions, unquantified energy security benefits, and distributional effects, among others.

TABLE I.7—SUMMARY OF MONETIZED BENEFITS AND COSTS OF PROPOSED STANDBY MODE AND OFF MODE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 3)

	Billion 2020$
3% discount rate	
Consumer Operating Cost Savings	3.6
Climate Benefits *	0.4
Health Benefits **	0.6
Total Benefits †	4.6
Consumer Incremental Product Costs ‡	0.2
Net Benefits	4.4
7% discount rate	
Consumer Operating Cost Savings	1.2
Climate Benefits *	0.4
Health Benefits **	0.2
Total Benefits †	1.8
Consumer Incremental Product Costs ‡	0.1
Net Benefits	1.7

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate), as shown in Table V.37, Table V.39, Table V.41. Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. *See* section IV.L of this document for more details.

† Total and net benefits include those consumer, climate, and health benefits that can be monetized. For presentation purposes, total and net benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates. See Table V.47 for net benefits using all four SC–GHG estimates.

‡ Costs include incremental equipment costs, as well as installation costs.

The benefits and costs of the proposed standby mode and off mode standards, for NWGFs and MHGFs sold in 2029–2058, can also be expressed in terms of annualized values. The monetary values for the total annualized net benefits are:

[12] *See* Interagency Working Group on Social Cost of Greenhouse Gases, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide. Interim Estimates Under Executive Order 13990, Washington, DC, February 2021. Available at: *www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf* (last accessed March 17, 2022).

[13] On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

[14] DOE estimated the monetized value of SO_2 and NO_X emissions reductions associated with site and electricity savings using benefit-per-ton estimates from the scientific literature. *See* section IV.L.2 of this document for further discussion.

(1) the reduced consumer operating costs, minus (2) the increases in product purchase prices, plus (3) the value of climate and health benefits of emission reductions, all annualized.[15]

The national operating cost savings are domestic private U.S. consumer monetary savings that occur as a result of purchasing the covered products and are measured for the lifetime of NWGFs and MHGFs shipped in 2029–2058. The health benefits associated with reduced emissions achieved as a result of the proposed standards are also calculated based on the lifetime of NWGFs and MHGFs shipped in 2029–2058. Total benefits for both the 3-percent and 7-percent cases are presented using the average GHG social costs with 3-percent discount rate. Estimates of SC–GHG values are presented for all four discount rates in section V.B.8 of this document. Table I.8 presents the total estimated monetized benefits and costs associated with the proposed standby and off mode standard, expressed in terms of annualized values. The results under the primary estimate are as follows.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from reduced SO_2 and NO_X emissions, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed standby mode and off mode standards for NWGFs and MHGFs is $12.2 million per year in increased equipment costs, while the estimated annual benefits would be $160 million in reduced equipment operating costs, $23 million in climate benefits, and $25 million in health benefits. In this case, the net benefit would amount to $196 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed standby mode and off mode standards for NWGFs and MHGFs is $12.4 million per year in increased equipment costs, while the estimated annual benefits would be $224 million in reduced operating costs, $23 million in climate benefits, and $40 million in health benefits. In this case, the net benefit would amount to $275 million per year.

TABLE I.8—ANNUALIZED MONETIZED BENEFITS AND COSTS OF PROPOSED STANDBY MODE AND OFF MODE STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 3)

	Million 2020$/year		
	Primary estimate	Low-net-benefits estimate	High-net-benefits estimate
3% discount rate			
Consumer Operating Cost Savings	224	214	251
Climate Benefits *	23	23	24
Health Benefits **	40	40	43
Total Benefits †	287	276	318
Consumer Incremental Product Costs ‡	12	12	13
Net Benefits	275	264	305
7% discount rate			
Consumer Operating Cost Savings	160	155	176
Climate Benefits *	23	23	24
Health Benefits **	25	25	27
Total Benefits †	208	203	227
Consumer Incremental Product Costs ‡	12	12	13
Net Benefits	196	190	214

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the global SC–GHG (see section IV.L of this document). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate, and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and presents monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs, as well as installation costs.

[15] To convert the time-series of costs and benefits into annualized values, DOE calculated a present value in 2029, the year used for discounting the NPV of total consumer costs and savings. For the benefits, DOE calculated a present value associated with each year's shipments in the year in which the shipments occur (*e.g.,* 2030), and then discounted the present value from each year to 2029. The calculation uses discount rates of 3 and 7 percent for all costs and benefits, as shown in Table I.8 of this document. Using the present value, DOE then calculated the fixed annual payment over a 30-year period, starting in the compliance year that yields the same present value.

DOE's analysis of the national impacts of the proposed standards is described in sections IV.H, IV.K, and IV.L of this document.

3. Combined Results for Proposed AFUE Standards and Standby Mode and Off Mode Standards

DOE considers and evaluates these standards independently under EPCA and the analytical process outlined in DOE's Process Rule (as amended). However, DOE is also presenting the combined effects of these standards for the benefit of the public and in compliance with E.O. 12866, as shown in Table I.9. and Table I.10 of this document [16] The results under the primary estimate for Table I.10 are as follows.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed standards in this rule is $536 million per year in increased equipment costs, while the estimated annual benefits would be $1,480 million in reduced equipment operating costs, $1,038 million in climate benefits, and $785 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions)., In this case, the net benefit amounts to $2,767 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed standards in this rule is $524 million per year in increased equipment costs, while the estimated annual benefits would be $2,089 million in reduced operating costs, $1,038 million in climate benefits, and $1,253 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit would amount to $3,856 million per year.

TABLE I.9—EMISSIONS REDUCTIONS OF AFUE (TSL 8) AND STANDBY MODE AND OFF MODE (TSL 3) STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Power Sector Emissions	
CO_2 (*million metric tons*)	327
SO_2 (*thousand tons*)	(48)
NO_X (*thousand tons*)	137
Hg (*tons*)	(0.3)
CH_4 (*thousand tons*)	0.6
N_2O (*thousand tons*)	(0.3)
Upstream Emissions	
CO_2 (*million metric tons*)	45
SO_2 (*thousand tons*)	(0.3)
NO_X (*thousand tons*)	696
Hg (*tons*)	0.0
CH_4 (*thousand tons*)	5,133
N_2O (*thousand tons*)	(0.05)
Total FFC Emissions	
CO_2 (*million metric tons*)	373
SO_2 (*thousand tons*)	(47)
NO_X (*thousand tons*)	833
Hg (*tons*)	(0.3)
CH_4 (*thousand tons*)	5,134
N_2O (*thousand tons*)	(0.2)

TABLE I.10—MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE (TSL 8) AND STANDBY MODE AND OFF MODE (TSL 3) STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

	Annualized (million 2020$/yr)	Total present value (billion 2020$)
3%		
Consumer Operating Cost Savings	2,089	33.3
Climate Benefits *	1,038	16.5
Health Benefits **	1,253	20.0
Total Benefits †	4,380	69.8
Consumer Incremental Product Costs ‡	524	8.3
Net Benefits	3,856	61.5
7%		
Consumer Operating Cost Savings	1,480	11.4
Climate Benefits *	1,038	16.5
Health Benefits **	785	6.1
Total Benefits †	3,303	34.0

[16] To obtain the combined results, DOE added the results for the proposed AFUE standards in Table I.6 of this document with the results for the proposed standby mode and off mode standards in Table I.8 of this document. Slight differences in totals may reflect the effects of rounding.

TABLE I.10—MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE (TSL 8) AND STANDBY MODE AND OFF MODE (TSL 3) STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES—Continued

	Annualized (million 2020$/yr)	Total present value (billion 2020$)
Consumer Incremental Product Costs ‡	536	4.1
Net Benefits	2,767	29.9

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the global SC–GHG (*see* section IV.L of this document). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate, and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and presents monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs, as well as installation costs.

DOE's analysis of the national impacts of the proposed standards is described in sections IV.H, IV.K, and IV.L of this document.

D. Conclusion

DOE has tentatively concluded that the proposed AFUE standards and standby mode and off mode standards represent the maximum improvement in energy efficiency that is technologically feasible and economically justified, and would result in significant conservation of energy. Specifically, with regards to technological feasibility, products achieving these standard levels are already commercially available for the product classes covered by the proposed standards. As for economic justification, DOE's analysis shows that the benefits of the proposed standards exceed, to a great extent, the burdens of the proposed standards. Using a 7-percent discount rate for consumer benefits and costs and health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed standards in this rule is $536 million per year in increased equipment costs, while the estimated annual benefits are $1,480 million in reduced equipment operating costs, $1,038 million in climate benefits, and $785 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). The net benefit amounts to $2,767 million per year.

The significance of energy savings offered by a new or amended energy conservation standard cannot be determined without knowledge of the specific circumstances surrounding a given rulemaking.[17] For example, the United States rejoined the Paris Agreement on February 19, 2021. As part of that agreement, the United States has committed to reducing greenhouse (''GHG'') emissions in order to limit the rise in mean global temperature. As such, energy savings that reduce GHG emissions have taken on greater importance. Additionally, some covered products and equipment have substantial energy consumption occur during periods of peak energy demand. The impacts of these products on the energy infrastructure can be more pronounced than products with relatively constant demand. Accordingly, DOE evaluates the significance of energy savings on a case-by-case basis.

As previously mentioned, the standards are projected to result in estimated national energy savings of 5.76 quads and an estimated cumulative emissions reduction of 373 Mt of CO_2. The consumer benefit to the Nation (*i.e.,* cumulative net present value of total consumer savings less costs) is estimated to be between $7.3 billion and $25.0 billion (discounted at 7 percent and 3 percent, respectively) in 2020$. DOE has initially determined the energy savings from the proposed standard levels are ''significant'' within the meaning of 42 U.S.C. 6295(o)(3)(B). A more detailed discussion of the basis for these tentative conclusions is contained in the remainder of this document and the accompanying TSD.

DOE also considered more-stringent energy efficiency levels as potential standards, and the Department is still considering them in this rulemaking. However, DOE has tentatively concluded that the potential burdens of the more-stringent energy efficiency levels would outweigh the projected benefits.

Based on consideration of the public comments DOE receives in response to this document and related information collected and analyzed during the course of this rulemaking effort, DOE may adopt energy efficiency levels presented in this document that are either higher or lower than the proposed standards, or some combination of level(s) that incorporate the proposed standards in part.

II. Introduction

The following section briefly discusses the statutory authority underlying this NOPR, as well as some of the relevant historical background related to the proposed standards for residential NWGFs and MHGFs.

A. Authority

The Energy Policy and Conservation Act, as amended, Public Law 94–163 (42 U.S.C. 6291–6317, as codified) authorizes DOE to regulate the energy efficiency of a number of consumer products and certain industrial equipment. Title III, Part B of EPCA

[17] Procedures, Interpretations, and Policies for Consideration in New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Commercial/Industrial Equipment, 86 FR 70892, 70901 (Dec. 13, 2021).

established the Energy Conservation Program for Consumer Products Other Than Automobiles. These products include the consumer furnaces that are the subject of this document. (42 U.S.C. 6292 (a)(5)) EPCA prescribed energy conservation standards for these products (42 U.S.C. 6295(f)(1) and (2)), and directs DOE to conduct future rulemakings to determine whether to amend these standards. (42 U.S.C. 6295(f)(4)) EPCA further provides that, not later than six years after the issuance of any final rule establishing or amending a standard, DOE must publish either a notice of determination that standards for the product do not need to be amended, or a notice of proposed rulemaking including new proposed energy conservation standards (proceeding to a final rule, as appropriate). (42 U.S.C. 6295(m)(1))

The energy conservation program under EPCA consists essentially of four parts: (1) testing, (2) labeling, (3) the establishment of Federal energy conservation standards, and (4) certification and enforcement procedures. Relevant provisions of EPCA specifically include definitions (42 U.S.C. 6291), test procedures (42 U.S.C. 6293), labeling provisions (42 U.S.C. 6294), energy conservation standards (42 U.S.C. 6295), and the authority to require information and reports from manufacturers (42 U.S.C. 6296).

Federal energy efficiency requirements for covered products established under EPCA generally supersede State laws and regulations concerning energy conservation testing, labeling, and standards. (42 U.S.C. 6297(a)–(c)) DOE may, however, grant waivers of Federal preemption in limited instances for particular State laws or regulations, in accordance with the procedures and other provisions set forth under EPCA. 42 U.S.C. 6297(d).

Subject to certain statutory criteria and conditions, DOE is required to develop test procedures that are reasonably designed to produce test results which measure the energy efficiency, energy use, or estimated annual operating cost of each covered product during a representative average use cycle and that are not unduly burdensome to conduct. (42 U.S.C. 6293(b)(3)) Manufacturers of covered products must use the prescribed Federal test procedure as the basis for: (1) certifying to DOE that their products comply with the applicable energy conservation standards adopted pursuant to EPCA and (2) making representations about the energy use or efficiency of those products. (42 U.S.C. 6293(c) and 42 U.S.C. 6295(s)) Similarly, DOE must use these test procedures to determine whether the products comply with the relevant energy conservation standards promulgated under EPCA. (42 U.S.C. 6295(s)) The DOE test procedures for residential furnaces appear at title 10 of the Code of Federal Regulations (''CFR'') part 430, subpart B, appendix N.

DOE must follow specific statutory criteria for prescribing new or amended energy conservation standards for covered products. Any new or amended standard for a covered product must be designed to achieve the maximum improvement in energy efficiency that the Secretary of Energy determines is technologically feasible and economically justified. (42 U.S.C. 6295(o)(2)(A) and 42 U.S.C. 6295(o)(3)(B)) Furthermore, DOE may not adopt any standard that would not result in the significant conservation of energy. (42 U.S.C. 6295(o)(3))

Moreover, DOE may not prescribe a standard: (1) for certain products, including residential furnaces, if no test procedure has been established for the product, or (2) if DOE determines by rule that the standard is not technologically feasible or economically justified. (42 U.S.C. 6295(o)(3)(A)–(B)) In deciding whether a proposed standard is economically justified, DOE must determine whether the benefits of the standard exceed its burdens. (42 U.S.C. 6295(o)(2)(B)(i)) DOE must make this determination after receiving views and comments on the proposed standard, and by considering, to the greatest extent practicable, the following seven factors:

(1) The economic impact of the standard on manufacturers and consumers of the products subject to the standard;

(2) The savings in operating costs throughout the estimated average life of the covered products in the type (or class) compared to any increase in the price, initial charges, or maintenance expenses for the covered products that are likely to result from the standard;

(3) The total projected amount of energy (or as applicable, water) savings likely to result directly from the standard;

(4) Any lessening of the utility or the performance of the covered products likely to result from the standard;

(5) The impact of any lessening of competition, as determined in writing by the Attorney General, that is likely to result from the standard;

(6) The need for national energy and water conservation; and

(7) Other factors the Secretary of Energy (''Secretary'') considers relevant. (42 U.S.C. 6295(o)(2)(B)(i)(I)–(VII))

Further, EPCA establishes a rebuttable presumption that a standard is economically justified if the Secretary finds that the additional cost to the consumer of purchasing a product complying with an energy conservation standard level will be less than three times the value of the energy savings during the first year that the consumer will receive as a result of the standard, as calculated under the applicable test procedure. (42 U.S.C. 6295(o)(2)(B)(iii))

EPCA also contains what is known as an ''anti-backsliding'' provision, which prevents the Secretary from prescribing any amended standard that either increases the maximum allowable energy use or decreases the minimum required energy efficiency of a covered product. (42 U.S.C. 6295(o)(1)) Also, the Secretary may not prescribe an amended or new standard if the Secretary finds (and publishes such finding) that interested persons have established by a preponderance of the evidence that the standard is likely to result in the unavailability in the United States in any covered product type (or class) of performance characteristics (including reliability), features, sizes, capacities, and volumes that are substantially the same as those generally available in the United States. (42 U.S.C. 6295(o)(4))

Additionally, EPCA specifies requirements when promulgating an energy conservation standard for a covered product that has two or more subcategories that warrant separate product classes and energy conservation standards with a level of energy efficiency or energy use either higher or lower than that which would apply for such group of covered products which have the same function or intended use. DOE must specify a different standard level for a type or class of products that has the same function or intended use if DOE determines that products within such group: (A) consume a different kind of energy from that consumed by other covered products within such type (or class); or (B) have a capacity or other performance-related feature which other products within such type (or class) do not have and such feature justifies a higher or lower standard. (42 U.S.C. 6295(q)(1)) In determining whether capacity or another performance-related feature justifies a different standard for a group of products, DOE must consider such factors as the utility to the consumer of such a feature and other factors DOE deems appropriate. *Id.* Any rule prescribing such a standard must include an explanation of the basis on which such higher or lower level was established. (42 U.S.C. 6295(q)(2))

Pursuant to amendments contained in the Energy Independence and Security

Act of 2007 (EISA 2007), Public Law 110–140, DOE may consider the establishment of regional energy conservation standards for furnaces (except boilers). (42 U.S.C. 6295(o)(6)) Specifically, in addition to a base national standard for a product, DOE may establish for furnaces a single more-restrictive regional standard. (42 U.S.C. 6295(o)(6)(B)) The regions must include only contiguous States (with the exception of Alaska and Hawaii, which may be included in regions with which they are not contiguous), and each State may be placed in only one region (*i.e.,* an entire State cannot simultaneously be placed in two regions, nor can it be divided between two regions). (42 U.S.C. 6295(o)(6)(C)) Further, DOE can establish the additional regional standards only: (1) where doing so would produce significant energy savings in comparison to a single national standard; (2) if the regional standards are economically justified; and (3) after considering the impact of these standards on consumers, manufacturers, and other market participants, including product distributors, dealers, contractors, and installers. (42 U.S.C. 6295(o)(6)(D))

Finally, pursuant to the amendments contained in EISA 2007, any final rule for new or amended energy conservation standards promulgated after July 1, 2010, is required to address standby mode and off mode energy use. (42 U.S.C. 6295(gg)(3)) Specifically, when DOE adopts a standard for a covered product after that date, it must, if justified by the criteria for adoption of standards under EPCA (42 U.S.C. 6295(o)), incorporate standby mode and off mode energy use into a single standard, or, if that is not feasible, adopt a separate standard for such energy use for that product. (42 U.S.C. 6295(gg)(3)(A)–(B)) DOE's current test procedures for residential furnaces address standby mode and off mode energy use for all covered residential furnaces. DOE's energy conservation standards address standby mode and off mode energy use only for non-weatherized oil-fired and electric furnaces. 10 CFR 430.32(e)(1)(iii). In this NOPR, DOE is proposing to develop separate energy conservation standards that would address the standby mode and off mode energy use of NWGFs and MHGFs.

B. Background

1. Current Standards

EPCA established the energy conservation standards that apply to most consumer furnaces currently being manufactured. The original standards established a minimum AFUE of 75 percent for mobile home furnaces. For all other furnaces, the original standards generally established a minimum AFUE of 78 percent. However, Congress recognized the potential need for a separate standard based on the capacity of a furnace and directed DOE to undertake a rulemaking to establish a standard for ''small'' gas furnaces (*i.e.,* those having an input of less than 45,000 Btu per hour). (42 U.S.C. 6295(f)(1)–(2)) Through a final rule published in the **Federal Register** on November 17, 1989, DOE initially established standards for small furnaces at the same level as furnaces generally (*i.e.,* a minimum AFUE of 78 percent). 54 FR 47916, 47944.

EPCA also required DOE to conduct two rounds of rulemaking to consider amended standards for consumer furnaces. (42 U.S.C. 6295(f)(4)(B)–(C)). In addition, EPCA requires a six-year-lookback review of energy conservation standards for all covered products. (42 U.S.C. 6295(m)(1)) In a final rule published in the **Federal Register** on November 19, 2007 (November 2007 final rule), DOE prescribed amended energy conservation standards for consumer furnaces manufactured on or after November 19, 2015. 72 FR 65136. The November 2007 final rule revised the energy conservation standards to 80-percent AFUE for NWGFs, to 81-percent AFUE for weatherized gas furnaces, to 80-percent AFUE for MHGFs, and to 82-percent AFUE for non-weatherized oil-fired furnaces.[18] 72 FR 65136, 65169. Based on market assessment and the standard levels at issue, the November 2007 final rule established standards without regard to the certified input capacity of a furnace. *Id.*

Following DOE's adoption of the November 2007 final rule, several parties jointly sued DOE in the United States Court of Appeals for the Second Circuit (''Second Circuit'') to invalidate the rule. Petition for Review, *State of New York, et al.* v. *Department of Energy, et al.,* Nos. 08–0311–ag(L); 08–0312–ag(con) (2d Cir. filed Jan. 17, 2008). The petitioners asserted that the standards for furnaces promulgated in the November 2007 final rule did not reflect the ''maximum improvement in energy efficiency'' that ''is technologically feasible and economically justified'' under 42 U.S.C. 6295(o)(2)(A). On April 16, 2009, DOE filed with the Court a motion for voluntary remand that the petitioners did not oppose. The motion did not state that the November 2007 final rule would be vacated, but indicated that DOE would revisit its initial conclusions outlined in the November 2007 final rule in a subsequent rulemaking action. DOE also agreed that the final rule in that subsequent rulemaking action would address both regional standards for furnaces, as well as the effects of alternate standards on natural gas prices. The Second Circuit granted DOE's motion on April 21, 2009. DOE notes that the Second Circuit's order did not vacate the energy conservation standards set forth in the November 2007 final rule, and during the remand, they went into effect as originally scheduled.

On June 27, 2011, DOE published a direct final rule (''DFR'') in the **Federal Register** (''June 2011 DFR'') amending the energy conservation standards for residential central air conditioners and consumer furnaces. (76 FR 37408) Subsequently, on October 31, 2011, DOE published a notice of effective date and compliance dates in the **Federal Register** (''October 2011 notice'') to confirm amended energy conservation standards and compliance dates contained in the June 2011 DFR. 76 FR 67037. The November 2007 final rule and the June 2011 DFR represented the first and the second rounds, respectively, of the two rulemakings required under 42 U.S.C. 6295(f)(4)(B)–(C) to consider amending the energy conservation standards for consumer furnaces.

The June 2011 DFR and October 2011 notice of effective date and compliance dates amended, in relevant part, the energy conservation standards and compliance dates for three product classes of consumer furnaces (*i.e.,* NWGFs, MHGFs, and non-weatherized oil furnaces).[19] The existing standards were left in place for three classes of consumer furnaces (*i.e.,* weatherized oil-fired furnaces, mobile home oil-fired furnaces, and electric furnaces). For one class of consumer furnaces (weatherized gas furnaces), the existing standard was left in place, but the compliance date was amended. Electrical standby mode and off mode energy consumption

[18] Although the November 2007 final rule did not explicitly state the standards for oil-fired furnaces were applicable only to non-weatherized oil-fired furnaces, the NOPR that preceded the final rule made clear that DOE did not perform analysis of and was not proposing standards for weatherized oil-fired furnaces or mobile home oil-fired furnaces. 71 FR 59203, 52914 (October 6, 2006). Thus, the proposed standards that were ultimately adopted in the November 2007 final rule only applied to non-weatherized oil-fired furnaces.

[19] For NWGFs and MHGFs, the standards were amended to a level of 80-percent AFUE nationally with a more-stringent 90-percent AFUE requirement in the Northern Region. For non-weatherized oil-fired furnaces, the standard was amended to 83-percent AFUE nationally. 76 FR 37408, 37410 (June 27, 2011).

standards were established for non-weatherized gas and oil-fired furnaces (including mobile home furnaces) and electric furnaces. Compliance with the energy conservation standards promulgated in the June 2011 DFR was to be required on May 1, 2013, for non-weatherized furnaces and on January 1, 2015, for weatherized furnaces. 76 FR 37408, 37547–37548 (June 27, 2011); 76 FR 67037, 67051 (Oct. 31, 2011). The amended energy conservation standards and compliance dates in the June 2011 DFR superseded those standards and compliance dates promulgated by the November 2007 final rule for NWGFs, MHGFs, and non-weatherized oil furnaces. Similarly, the amended compliance date for weatherized gas furnaces in the June 2011 DFR superseded the compliance date in the November 2007 final rule.

After publication of the October 2011 notice, the American Public Gas Association (''APGA'') sued DOE [20] in the United States Court of Appeals for the District of Columbia Circuit (''D.C. Circuit'') to invalidate that rule as it pertained to NWGFs (as discussed further in section II.B.2 of this document). Petition for Review, *American Public Gas Association, et al.* v. *Department of Energy, et al.,* No. 11–1485 (D.C. Cir. filed Dec. 23, 2011). The parties to the litigation engaged in settlement negotiations which ultimately led to filing of an unopposed motion on March 11, 2014, seeking to vacate DOE's rule in part and to remand to the agency for further rulemaking. On April 24, 2014, the Court granted the motion and ordered that the standards established for NWGFs and MHGFs be vacated and remanded to DOE for further rulemaking. As a result, the standards established by the June 2011 DFR for NWGFs and MHGFs did not go into effect, and thus, required compliance with the standards established in the November 2007 final rule for these products began on November 19, 2015. As stated previously, the AFUE standards for weatherized oil-fired furnaces, mobile home oil-fired furnaces, and electric furnaces were unchanged, and as such, the original standards for those product classes remain in effect. Further, the amended standard for non-weatherized oil furnaces were not subject to the Court order, and went into effect as specified in the June 2011 DFR.

The AFUE standards currently applicable to all residential furnaces, including the two product classes for which DOE is proposing amended standards in this NOPR, are set forth in DOE's regulations at 10 CFR 430.32(e)(1)(ii). Table II.1 presents the currently applicable standards for NWGF and MHGF and the date on which compliance with that standard was required.

TABLE II.1—CURRENT FEDERAL ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Product class	Minimum annual fuel utilization efficiency (%)	Compliance date
Non-weatherized Gas	80	11/19/2015
Mobile Home Gas	80	11/19/2015

2. History of Standards Rulemaking for Consumer Furnaces

Given the somewhat complicated interplay of recent DOE rulemakings and statutory provisions related to consumer furnaces, DOE provides the following regulatory history as background leading to this document. Amendments to EPCA in the National Appliance Energy Conservation Act of 1987 (NAECA; Pub. L. 100–12) established EPCA's original energy conservation standards for furnaces, consisting of the minimum AFUE levels described above for mobile home furnaces and for all other furnaces except ''small'' gas furnaces. (42 U.S.C. 6295(f)(1)–(2)) Pursuant to 42 U.S.C. 6295(f)(1)(B), in November 1989, DOE adopted a mandatory minimum AFUE level for ''small'' furnaces. 54 FR 47916 (Nov. 17, 1989). The standards established by NAECA and the November 1989 final rule for ''small'' gas furnaces are still in effect for mobile home oil-fired furnaces, weatherized oil-fired furnaces, and electric furnaces.

Pursuant to EPCA, DOE was required to conduct two rounds of rulemaking to consider amended energy conservation standards for furnaces. (42 U.S.C. 6295(f)(4)(B) and (C)) In satisfaction of this first round of amended standards rulemaking under 42 U.S.C. 6295(f)(4)(B), as noted above, DOE published the November 2007 final rule that revised these standards for most furnaces, but left them in place for two product classes (*i.e.,* mobile home oil-fired furnaces and weatherized oil-fired furnaces). The standards amended in the November 2007 final rule were to apply to furnaces manufactured or imported on and after November 19, 2015. 72 FR 65136 (Nov. 19, 2007). The energy conservation standards in the November 2007 final rule consist of a minimum AFUE level for each of the six classes of furnaces. *Id.* at 72 FR 65169. As previously noted, based on the market analysis for the November 2007 final rule and the standards established under that rule, the November 2007 final rule eliminated the distinction between furnaces based on their certified input capacity, (*i.e.,* the standards applicable to ''small' furnaces were established at the same level and as part of their appropriate class of furnace generally). *Id.*

As described previously in section II.B.1 of this document, on June 27, 2011, DOE published in the **Federal Register** the June 2011 DFR revising the energy conservation standards for residential furnaces pursuant to the voluntary remand in *State of New York, et al.* v. *Department of Energy, et al.* 76 FR 37408 (June 27, 2011). In the June 2011 DFR, DOE considered the amendment of the same six product classes considered in the November 2007 final rule analysis plus electric furnaces. As discussed in section II.B.1 of this document, the June 2011 DFR amended the existing AFUE energy conservation standards for NWGFs, MHGFs, and non-weatherized oil furnaces, and amended the compliance

[20] After APGA filed its petition for review on December 23, 2011, various entities subsequently intervened.

date (but left the existing standards in place) for weatherized gas furnaces. The June 2011 DFR also established electrical standby mode and off mode energy conservation standards for NWGFs, non-weatherized oil furnaces, and electric furnaces. DOE confirmed the standards and compliance dates promulgated in the June 2011 DFR in a notice of effective date and compliance dates published in the **Federal Register** on October 31, 2011. 76 FR 67037.

As noted earlier, following DOE's adoption of the June 2011 DFR, APGA filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit to invalidate the DOE rule as it pertained to NWGFs. Petition for Review, *American Public Gas Association, et al.* v. *Department of Energy, et al.,* No. 11–1485 (D.C. Cir. filed Dec. 23, 2011). On April 24, 2014, the Court granted a motion that approved a settlement agreement that was reached between DOE and APGA, in which DOE agreed to a partial vacatur and remand of the NWGFs and MHGFs portions of the June 2011 DFR in order to conduct further notice-and-comment rulemaking. Accordingly, the Court's order vacated the June 2011 DFR in part (*i.e.,* those portions relating to NWGFs and MHGFs) and remanded to the agency for further rulemaking.

As part of the settlement, DOE agreed to use best efforts to issue a notice of proposed rulemaking within one year of the remand, and to issue a final rule within the later of two years of the issuance of remand, or one year of the issuance of the proposed rule, including at least a ninety-day public comment period. Due to the extensive and recent rulemaking history for residential furnaces, as well as the associated opportunities for notice and comment described previously, DOE forwent the typical earlier rulemaking stages (*e.g.,* Framework Document, preliminary analysis) and instead published a NOPR on March 12, 2015 (March 2015 NOPR). 80 FR 13120. DOE concluded that there was a sufficient recent exchange of information between interested parties and DOE regarding the energy conservation standards for residential furnaces such as to allow for this proceeding to move directly to the NOPR stage. Moreover, DOE notes that under 42 U.S.C. 6295(p) and 5 U.S.C. 553(b) and (c), DOE is only required to publish a notice of proposed rulemaking and accept public comments before amending energy conservation standards in a final rule (*i.e.,* DOE is not required to conduct any earlier rulemaking stages).[21]

In the March 2015 NOPR, DOE proposed adopting a national standard of 92-percent AFUE for all NWGFs and MHGFs. 80 FR 13120, 13198 (March 12, 2015). In response, while some stakeholders supported the national 92-percent AFUE standard, others opposed the proposed standards and encouraged DOE to withdraw the March 2015 NOPR.

Multiple parties suggested that DOE should create a separate product class for furnaces based on input capacity and set lower standards for ''small furnaces'' in order to mitigate some of the negative impacts of the proposed standards. Among other reasons, commenters suggested that such an approach would reduce the number of low-income consumers switching to electric heat due to higher installation costs, because those consumers typically have smaller homes in which a furnace with a lower input capacity would be installed and, therefore, would not be impacted if a condensing standard were adopted only for higher-input-capacity furnaces. To explore the potential impacts of such an approach, DOE published a notice of data availability (''NODA'') in the **Federal Register** on September 14, 2015 (September 2015 NODA). 80 FR 55038. The September 2015 NODA contained analysis that considered thresholds for defining the small NWGF product class from 45 kBtu/h to 65 kBtu/h certified input capacity and maintaining a non-condensing 80-percent AFUE standard for that product class, while increasing the standard to a condensing level (*i.e.,* either 90-percent, 92-percent, 95-percent, or 98-percent AFUE) for large NWGFs. *Id.* at 80 FR 55042. The results indicated that life-cycle cost savings increased and the share of consumers with net costs decreased as a result of an 80-percent AFUE standard for a small NWGF product class. *Id.* at 80 FR 55042–55044. It also showed that national energy savings increased because fewer consumers switched to electric heat.[22] *Id.* at 80 FR 55308, 55044.

Therefore, DOE published a supplemental notice of proposed rulemaking (''SNOPR'') in the **Federal Register** on September 23, 2016 (September 2016 SNOPR) that proposed separate standards for small and large NWGF.[23] 81 FR 65720. For NWGF with input capacities of 55 kBtu/h or less, DOE proposed to maintain the standard at 80-percent AFUE. *Id.* at 81 FR 65852. For all other NWGF and for all MHGF, DOE proposed a standard of 92-percent AFUE. *Id.* As was the case in the September 2015 NODA, a small NWGF product class was shown to reduce the number of consumers experiencing net costs due to higher installation costs for condensing furnaces or switching to electric heat. In the September 2016 SNOPR, DOE initially determined that the combination of a 55 kBtu/h product class threshold and a 92-percent AFUE standard for all NWGF above that size appropriately balanced the costs and benefits. DOE also noted in that SNOPR that a 60 kBtu/h threshold may also be economically justified based on the analysis, and sought further comment regarding the particular size threshold proposed. 81 FR 65720, 65755 (Sept. 23, 2016).

In addition, for the March 2015 NOPR and September 2016 SNOPR, DOE analyzed energy conservation standards for the standby mode and off mode energy use of NWGF and MHGF, as required by EPCA. (42 U.S.C. 6295(gg)(3); 80 FR 13120, 13198; 81 FR 65720, 65759–65760) In both the March 2015 NOPR and the September 2016 SNOPR, DOE proposed a maximum energy use of 8.5 watts in both standby mode and off mode for NWGF and MHGF. 80 FR 13120, 13198 (March 12, 2015) and 81 FR 65720, 65852 (Sept. 23, 2016).

On January 15, 2021, in response to a petition for rulemaking[24] submitted by the American Public Gas Association, Spire, Inc., the Natural Gas Supply Association, the American Gas Association, and the National Propane Gas Association (the ''Gas Industry Petition''), DOE published a final interpretive rule (''the January 2021 final interpretive rule'') in the **Federal Register**, determining that, in the context of residential furnaces, commercial water heaters, and similarly-situated products/equipment, use of non-condensing technology (and associated venting) constitutes a performance-related ''feature'' under EPCA that cannot be eliminated through adoption of an energy conservation standard. 86 FR 4776. Correspondingly,

[21] This aligns with the direction provided in the final rule published in the **Federal Register** on December 13, 2021, regarding the procedures, interpretations, and policies for consideration in new or revised energy conservation standards and test procedures for consumer products and commercial/industrial equipment (''December 2021 Final Rule''). 86 FR 70892, 70922.

[22] In terms of full-fuel-cycle energy, switching from gas to electricity increases energy use because of the losses in thermal electricity generation.

[23] DOE initially provided 60 days for comment on the SNOPR, and subsequently reopened the comment period an additional 30 days. 81 FR 87493 (Dec. 5, 2016).

[24] DOE published the Gas Industry Petition in the **Federal Register** for comment on November 1, 2018. 83 FR 54838.

on the same day, DOE published in the **Federal Register** a notification withdrawing the March 2015 NOPR and the September 2016 SNOPR for NWGFs and MHGFs. 86 FR 3873 (Jan. 15, 2021).

On January 20, 2021, the White House issued Executive Order 13990, ''Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis.'' 86 FR 7037 (Jan. 25, 2021). Section 1 of that Order lists several policies related to the protection of public health and the environment, including reducing greenhouse gas emissions and bolstering the Nation's resilience to climate change. *Id.* at 86 FR 7037. Section 2 of the Order also instructs all agencies to review ''existing regulations, orders, guidance documents, policies, and any other similar agency actions (agency actions) promulgated, issued, or adopted between January 20, 2017, and January 20, 2021, that are or may be inconsistent with, or present obstacles to, [these policies].'' *Id.* Agencies are then directed, as appropriate and consistent with applicable law, to consider suspending, revising, or rescinding these agency actions and to immediately commence work to confront the climate crisis. *Id.* In light of E.O. 13990, DOE undertook a re-evaluation of the final interpretation and withdrawal of proposed rulemakings published in the **Federal Register** on January 15, 2021, and the Department published a proposed interpretive rule in the **Federal Register** on August 27, 2021, to once again address this matter. 86 FR 48049.

Following the re-evaluation of the January 2021 final interpretive rule and consideration of public comments, DOE published a final interpretive rule in the **Federal Register** on December 29, 2021 (''December 2021 final interpretive rule'') that returns to the Department's previous and long-standing interpretation (in effect prior to the January 15, 2021 final interpretive rule), under which the technology used to supply heated air or hot water is not a performance-related ''feature'' that provides a distinct consumer utility under EPCA. 86 FR 73947. Residential furnaces were one of the two primary focuses of the December 2021 final interpretive rule (along with commercial water heaters), and in that document, the Department offered an extensive explanation as to its rationale for why it does not view noncondensing technology and associated venting to be a performance-related feature warranting a separate product class for furnaces. Among these are the consumer utility of the product (*i.e.,* providing heat, irrespective of venting type) and the availability of technological alternatives for difficult installation situations (which are costs concerns properly addressed under consideration of a standard's economic justification). However, DOE has stated that it will consider any particular concerns regarding specific installation circumstances in the context of individual rulemakings, and the Department welcomes such comments in response to this NOPR.

Consistent with the December 2021 final interpretive rule, in conducting the analysis for this NOPR, DOE does not divide product classes based on condensing technologies and associated venting systems when analyzing potential energy conservation standards.

As illustrated by the preceding discussion, the rulemaking for consumer furnaces has been subject to multiple rounds of public comment, including public meetings, and extensive records have been developed in the relevant dockets. (See Docket Number EERE–2011–BT–STD–0011). Consequently, the information obtained through those earlier rounds of public comment, information exchange, and data gathering have been considered in this rulemaking, and DOE is building upon the existing record through further analysis and further notice and comment. DOE has tentatively found that the relevant furnaces market has stayed sufficiently similar since the time of these past rulemakings such that much of the previously-collected feedback and data continue to be relevant. However, as discussed in section IV of this NOPR, DOE has updated analytical inputs in its analyses where appropriate and welcomes further data, information, and comments.

In the withdrawn September 2016 SNOPR, DOE preliminarily addressed the comments received in response to the March 2015 NOPR and September 2015 NODA. In response to the withdrawn September 2016 SNOPR, DOE received a number of written comments from interested parties during the comment period on that document. Table II.2 identifies those commenters. Although DOE withdrew the September 2016 SNOPR, DOE considered these comments, as well as comments from the September 2016 SNOPR public meeting, to the extent relevant in preparing this document.

TABLE II.2—INTERESTED PARTIES PROVIDING WRITTEN COMMENT ON THE WITHDRAWN SEPTEMBER 2016 SNOPR FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Name	Acronyms/ abbreviation	Type
A Ware Productions	A Ware	CR
African American Environmentalist Association	AAEA	CR
American Gas Association and American Public Gas Association	AGA and APGA	U
American Gas Association, American Public Gas Association, and Gas Technology Institute	AGA, APGA, and GTI	U
AGL Resources		U
Air Conditioning Contractors of America	ACCA	TA
Air-Conditioning, Heating, and Refrigeration Institute	AHRI	TA
Alliance to Save Energy	ASE	EA
Allied Air		M
American Association of Blacks in Energy	AABE	CR
American Council for an Energy-Efficient Economy	ACEEE	EA
American Council for an Energy-Efficient Economy, Appliance Standards Awareness Project, and Alliance to Save Energy.	ACEEE, ASAP, & ASE	EA
American Council for an Energy-Efficient Economy, Appliance Standards Awareness Project, Alliance to Save Energy, Natural Resource Defense Council, Northeast Energy Efficiency Partnerships, Northwest Energy Efficiency Alliance.	Efficiency Advocates	EA
American Energy Alliance	AEA	EA
American Gas Association	AGA	U
American Public Gas Association	APGA	U
American Public Power Association	APPA	U

TABLE II.2—INTERESTED PARTIES PROVIDING WRITTEN COMMENT ON THE WITHDRAWN SEPTEMBER 2016 SNOPR FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES—Continued

Name	Acronyms/ abbreviation	Type
Anonymous		I
Appliance Standards Awareness Project	ASAP	EA
Austell Natural Gas System	Austell	U
Borough of Chambersburg, PA	Chambersburg	G
California Energy Commission	CEC	G
Cato Institute		PP
CenterPoint Energy		U
City of Adairsville, Georgia	Adairsville	G
City of Cairo, Georgia	Cairo	G
City of Camilla, Georgia	Camilla	G
City of Cartersville, Georgia	Cartersville	G
City of Commerce, Georgia	Commerce	G
City of Covington, Georgia	Covington	G
City of Dublin, Georgia	Dublin	G
City of Lawrenceville, Georgia	Lawrenceville	G
City of Louisville, Georgia	Louisville	G
City of Monroe, Georgia	Monroe	G
City of Moultrie, Georgia	Moultrie	G
City of Sugar Hill, Georgia	Sugar Hill	G
City of Sylvania, Georgia	Sylvania	G
City of Thomasville, Georgia	Thomasville	G
City of Tifton, Georgia	Tifton	G
City of Toccoa/Toccoa Natural Gas	Toccoa	G/U
Clearwater Gas System	CGS	U
Members of the U.S. Congress *	Joint Congress Members	G
Gregory W. Meeks (Member of Congress)	Meeks	G
Sanford D. Bishop, Jr. (Member of Congress)	Bishop	G
Donald M. Payne, Jr. (Member of Congress)	Payne	G
Consumer Federation of America, National Consumer Law Center, Massachusetts Union of Public Housing Tenants, and Texas Ratepayers' Organization to Save Energy.	Joint Consumer Commenters.	CR
Contractor Advisors		C
Arthur Corbin	Corbin	I
Jim Darling	Darling	I
DC Jobs or Else	DC Jobs or Else	CR
Earthjustice		EA
Edison Electric Institute	EEI	U
Energy Association of Pennsylvania		U
Environmental Defense Fund, Institute for Policy Integrity at NYU School of Law, Natural Resources Defense Council, and Union of Concerned Scientists.	Joint Advocates	EA
Fitzgerald Utilities	Fitzgerald	U
Catherine Fletcher	Fletcher	I
Florida Natural Gas Association	FNGA	U
Gas Technology Institute	GTI	U
Goodman Global, Inc	Goodman	M
Heating, Air-Conditioning & Refrigeration Distributors International	HARDI	TA
Jennifer Hombach	Hombach	I
Ingersoll Rand	Ingersoll Rand	M
David Johnson	Johnson	I
Johnson Controls, Inc	JCI	M
Jointly Owned Natural Gas		U
Aaron Kelly	Kelly	I
The Laclede Group, Inc/Spire, Inc. **	Laclede/Spire	U
Law Offices of Barton Day, PLLC ***	Day	U
Lennox International Inc	Lennox	M
Liberty Utilities		U
Manufactured Housing Institute	MHI	TA
Mark Nayes	Nayes	I
Mercatus Center at George Mason University	Abdukadirov *et al*	I
Metal-Fab		CS
Metropolitan Utilities District, Omaha, NE	Metropolitan Utilities District.	U
Don Meyers	Meyers	I
Cameron Moore	Moore	I
Mortex Products, Inc	Mortex	M
Municipal Gas Authority of Georgia	Gas Authority	U
National Association of Home Builders	NAHB	TA
National Energy & Utility Affordability Coalition	NEUAC	CR
National Multifamily Housing Council, National Apartment Association, National Leased Housing Association.	NMHC, NAA, NLHA	TA
National Propane Gas Association	NPGA	U

TABLE II.2—INTERESTED PARTIES PROVIDING WRITTEN COMMENT ON THE WITHDRAWN SEPTEMBER 2016 SNOPR FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES—Continued

Name	Acronyms/ abbreviation	Type
Natural Gas Association of Georgia	NGA	U
Natural Resources Defense Council	NRDC	EA
New Jersey Natural Gas	NJNG	U
NiSource Inc	NiSource	U
Nortek Global HVAC	Nortek	M
Northeast Energy Efficiency Partnerships	NEEP	EA
ONE Gas, Inc	ONE Gas	U
Pacific Gas and Electric Company	PG&E	U
Pennsylvania Chamber of Business and Industry		TA
Pennsylvania Department of Environmental Protection	PA DEP	G
Philadelphia Gas Works	PGW	U
Plumbing-Heating-Cooling Contractors	PHCC	C
Prime Energy Partners, LLC	Prime Energy Partners	EA
Questar Gas Company	Questar Gas	U
Rheem Manufacturing Company	Rheem	M
David Schroeder	Schroeder	I
Terry Small	Small	I
Southern California Gas Company	SoCalGas	U
Southern Company		U
Southern Gas Association	SGA	U
Southside Heating and Air Conditioning		C
State of Indiana	Indiana	G
Kimberly Swanson	Swanson	I
Town of Rockford, Alabama	Rockford	G
Ubuntu Center of Chicago	Ubuntu	CR
United Technologies Building and Industrial Systems—Carrier Corporation	Carrier	M
United States Joint Representatives †	Joint Representatives	G
University of Pennsylvania, Kleinman Center for Energy Policy	Kleinman Center	EI
U.S. Chamber of Commerce, the American Chemistry Council, the American Coke and Coal Chemicals Institute, the American Forest & Paper Association, the American Fuel & Petrochemical Manufacturers, the American Petroleum Institute, the Brick Industry Association, the Council of Industrial Boiler Owners, the National Association of Home Builders, the National Association of Manufacturers, the National Mining Association, the National Oilseed Processors Association, and the Portland Cement Association.	Associations	TA
Vectren Corporation	Vectren	U
John von Harz	von Harz	I
Washington Gas Light Company	Washington Gas	U
Walter Wood	Wood	I

C: Mechanical Contractor; CR: Consumer Representative; CS: Component Supplier; EA: Efficiency/Environmental Advocate; EI: Educational Institution; G: Government; I: Individual; M: Manufacturer; PP: Public Policy Research Organization; TA: Trade Association; U: Utility or Utility Trade Association.

* Paul D. Tonka, Raúl M. Grijalva, Michael M. Honda, Scott H. Peters, Alan S. Lowenthal, Jerrold Nadler, Sander M. Levin, Chris Van Hollen, Alan S. Lowenthal, Rep.Ted Lieu, Donald S. Beyer, Jr., Louise M. Slaughter, Rep. Lois Capps, and Donna F. Edwards.

** The Laclede Group, Inc. changed its name to Spire, Inc. during this rulemaking.

*** Representing Spire Inc., a gas utility.

† Mo Brooks, Tom Price, Lou Barletta, Bradley Byrne, Glenn 'GT' Thompson, Steve Russell, Joe Heck, Gary Palmer, Kevin Yoder, Jim Bridenstine, Scott Tipton, Robert Pittenger, Chuck Fleischmann, Robert Aderholt, Mimi Walters, Barry Loudermilk, Gregg Harper, Mark Walker, Brian Babin, Candice S. Miller, Chris Stewart, Mike D. Rogers, Jim Renacci, Bob Gibbs, Dave Brat, Jeff Miller, Phil Roe, David Schweikert, Tom Marino, David B. McKinley, Scott DesJarlais, Marc Veasey, Ralph Abraham, Matt Salmon, David Rouzer, Richard Hudson, Cresent Hardy, Buddy Carter, Mike Pompeo, Martha Roby, Glenn Grothman, Tom Emmer, Paul Gosar, Ted S. Yoho, Rick Allen, Dan Benishek, David Young, Randy Weber, Mark Meadows, Kay Granger, Blake Farenthold, Bill Flores, Kevin Cramer, Daniel Webster, Tim Huelskamp, Markwayne Mullin, Chris Collins, Jason Smith, Steve Womack, Diane Black, Keith Rothfus, Sean P. Duffy, Renee Ellmers, Alex X. Mooney, Jim Costa, Brad Wenstrup, Sam Graves, Charles W. Boustany, Jr., Andy Barr, Mike Bost, Doug Collins, Jody Hice, Mike Kelly, Jim Jordan, Lynn Jenkins, Andy Harris, Billy Long, Bill Johnson, Rob Woodall, David W. Jolly, Rodney Davis, Joe Barton, Gus M. Bilirakis, Pete Olson, Randy Forbes, Ed Whitfield, Ken Calvert, John Duncan, Henry Cuellar, Steve King, John Shimkus, Jeb Hensarling, Pete Sessions, Vicky Hartzler, Adrian Smith, Louie Gohmert, Marsha Blackburn, Sam Johnson, Tom McClintock, Walter Jones, Patrick T. McHenry, Steve Chabot, Doug Lamborn, Frank D. Lucas, Sanford D. Bishop, Jr., Lamar Smith, Austin Scott, Mick Mulvaney, Steve Pearce, Brett Guthrie, Trent Franks, Blaine Luetkemeyer, Tom Graves, Mike Coffman, Robert E. Latta, F. James Sensenbrenner, Jr., Stephen Fincher, Tom Cole, Lynn Westmoreland, John Ratcliffe, and John Moolenaar.

A parenthetical reference at the end of a comment quotation or paraphrase provides the location of the item in the public record.[25]

3. Current Standards in Canada

Consumer furnaces are a regulated product in Canada and are subject to energy efficiency regulations. On December 24, 2008, Natural Resources Canada published regulations in the *Canada Gazette, Part II* amending the energy efficiency regulations for consumer furnaces, among other appliances and equipment.[26] The revised regulation, required on or after December 31, 2009, sets a minimum

[25] The parenthetical reference provides a reference for information located in the docket of DOE's rulemaking to develop energy conservation standards for NWGF and MHGF. (Docket No. EERE–2014–BT–STD–0031, which is maintained at *www.regulations.gov*). The references are arranged as follows: (commenter name, comment docket ID number, page of that document).

[26] See *Canada Gazette, Part II,* Vol. 142, No. 26, pp. 2512–2570. (Available at: *www.gazette.gc.ca/rp-pr/p2/2008/2008-12-24/pdf/g2-14226.pdf*) (Last accessed Feb. 15, 2022).

efficiency of 90-percent AFUE for gas furnaces. This standard is applicable to gas furnaces, other than those with an integrated cooling component that are outdoor or through-the-wall gas furnaces, that have an input rate no greater than 65.92 kW (225,000 Btu/h), and that use single-phase electric current.

On June 12, 2019, Natural Resources Canada published regulations in the *Canada Gazette, Part II* amending the energy efficiency regulations for consumer furnaces, among other appliances and equipment.[27] The definition of gas furnaces was clarified to exclude gas furnaces for relocatable buildings (*e.g.,* MHGFs). The revised regulation, required on or after July 3, 2019, sets a minimum efficiency of 95-percent AFUE for gas furnaces. Furthermore, the revised regulation also sets a minimum efficiency of 80-percent AFUE for gas furnaces for relocatable buildings.[28]

C. Deviation From Appendix A

In accordance with section 3(a) of 10 CFR part 430, subpart C, appendix A (''appendix A''), DOE notes that it is deviating from the provision in appendix A regarding the pre-NOPR stages for an energy conservation standards rulemaking. Section 6(a)(2) of appendix A states that if the Department determines it is appropriate to proceed with a rulemaking, the preliminary stages of a rulemaking to issue or amend an energy conservation standard that DOE will undertake will be a framework document and preliminary analysis, or an advance notice of proposed rulemaking. For the reasons that follow, DOE finds it necessary and appropriate to deviate from this step in appendix A and to instead publish this NOPR without once again conducting these preliminary stages. Completion of this furnaces rulemaking is overdue under the relevant statutory deadline, so DOE seeks to complete its statutory obligations as expeditiously as possible. Moreover, DOE finds that there would be little benefit in repeating the preliminary stages of this rulemaking. The earlier stages of a rulemaking are intended to introduce the various analyses DOE conducts during the rulemaking process, present preliminary results, and request initial feedback from interested parties to seek early input. Although the most recent rulemaking notices for NWGFs and MHGFs (the March 2015 NOPR and September 2016 SNOPR) have been withdrawn, as discussed in section II.B.2 of this document, this analysis builds upon the previous rulemaking stages. As DOE is using similar analytical methods in this NOPR (with differences described in the sections that follow), publication of a framework document, preliminary analysis, or ANOPR would be largely redundant of previously published documents. Stakeholders have previously provided numerous rounds of input on these methodologies in the most recent rulemaking. Further, as discussed in section II.A, EPCA provides that DOE must conduct two rounds of energy conservation standard rulemakings for NWGFs and MHGFs. (42 U.S.C. 6295(f)(4)(B) and (C)) The statute also requires that not later than 6 years after issuance of any final rule establishing or amending a standard, DOE must publish either a notice of determination that standards for the product do not need to be amended, or a NOPR including new proposed energy conservation standards. (42 U.S.C. 6295(m)(1)) The energy conservation standards for NWGF and MHGF were last amended in the November 2007 final rule. Additionally, as discussed in section II.B.2 of this document, in settling the lawsuit filed by APGA following the June 2011 DFR (Petition for Review, *American Public Gas Association, et al.* v. *Department of Energy, et al.,* No. 11–1485 (D.C. Cir. filed Dec. 23, 2011)), DOE agreed to use best efforts to issue a NOPR within one year of the remand (*i.e.,* by April 24, 2015), and to issue a final rule within the later of two years of the issuance of remand, or one year of the issuance of the proposed rule (*i.e.,* by April 24, 2016).[29] As it has been more than 8 years since the settlement agreement and over 6 years past the original target date for issuance of a final rule, DOE has determined that moving as expeditiously as is reasonably practical is the approach most consistent with the terms of the settlement agreement as well as the requirements of EPCA. As such, DOE is not publishing pre-NOPR documents. DOE has tentatively found that the portions of analysis done for previous rulemakings continue to apply to the current market for the furnaces at issue. However, as discussed in section IV of this NOPR, DOE has updated analytical inputs in its analyses where appropriate and welcomes submission of additional data, information, and comments.

Section 6(f)(2) of appendix A provides that the length of the public comment period for the NOPR will be at least 75 days. For this NOPR, DOE finds it necessary and appropriate to provide a 60-day comment period. As stated previously, DOE faces an overdue statutory deadline for this rulemaking and, furthermore, the analytical methods used for this NOPR are similar to those used in previous rulemaking notices. Consequently, DOE has determined it is necessary and appropriate to provide a 60-day comment period, which the Department has determined provides sufficient time for interested parties to review the NOPR and develop comments.

III. General Discussion

DOE developed this proposed rule after considering comments, data, and information from interested parties that represent a variety of interests. This NOPR addresses all relevant issues raised by commenters since the last published proposal in this rulemaking proceeding.

A. Product Classes and Scope of Coverage

When evaluating and establishing energy conservation standards, DOE divides covered products into product classes by the type of energy used, or by capacity or other performance-related features that justify differing standards. In making a determination whether a performance-related feature justifies a different standard, DOE must consider such factors as the utility of the feature to the consumer and other factors DOE determines are appropriate. (42 U.S.C. 6295(q))

In this proposed rule, DOE is only analyzing a subset of consumer furnace classes. DOE agreed to the partial vacatur and remand of the June 2011 DFR, specifically as it related to energy conservation standards for NWGFs and MHGFs in the settlement agreement to resolve the litigation in *American Public Gas Ass'n* v. *U.S. Dept. of Energy* (No. 11–1485, D.C. Cir. Filed Dec 23, 2011). 80 FR 13120, 13130–13132 (March 12, 2015). Therefore, in this proposed rule, DOE is only proposing amended standards for NWGFs and for MHGFs. For a detailed discussion of the product classes considered for this NOPR, see section IV.A.1 of this document.

B. Test Procedure

EPCA sets forth generally applicable criteria and procedures for DOE's adoption and amendment of test

[27] See *Canada Gazette, Part II,* Vol. 153, No. 12, pp. 2423–2517. (Available at: *www.gazette.gc.ca/rp-pr/p2/2019/2019-06-12/pdf/g2-15312.pdf*) (Last accessed Feb. 15, 2022).

[28] ''Gas furnace for relocatable buildings'' is defined in that regulation as a gas furnace that is intended for use in a temporary modular building that can be relocated from one site to another and is marked for use in relocatable buildings.

[29] DOE issued the March 2015 NOPR on February 10, 2015. 80 FR 13120, 13197. Therefore, the later of the two dates is April 24, 2016.

procedures. (42 U.S.C. 6293) Manufacturers of covered products must use these test procedures to certify to DOE that their product complies with energy conservation standards and to quantify the efficiency of their product. (42 U.S.C. 6295(s)) DOE's current energy conservation standards for consumer furnaces are expressed in terms of AFUE (*see* 10 CFR 430.32(e)(1)). AFUE is an annualized fuel efficiency metric that accounts for fossil fuel consumption in active, standby, and off modes. The existing DOE test procedure for determining the AFUE of consumer furnaces is located at 10 CFR part 430, subpart B, appendix N. The DOE test procedure for consumer furnaces was originally established by a May 12, 1997 final rule, which incorporates by reference the American Society of Heating, Refrigerating and Air-Conditioning Engineers (''ASHRAE'')/American National Standards Institute (''ANSI'') Standard 103–1993, *Method of Testing for Annual Fuel Utilization Efficiency of Residential Central Furnaces and Boilers* (1993). 62 FR 26140, 26157.

Since the initial adoption of the consumer furnaces test procedure, DOE has undertaken a number of additional rulemakings related to that test procedure, including ones to account for measurement of standby mode and off mode energy use (*see* 75 FR 64621 (Oct. 20, 2010); 77 FR 76831 (Dec. 31, 2012)) and to supply necessary equations related to optional heat-up and cool-down tests (*see* 78 FR 41265 (July 10, 2013)).

Most recently, DOE published a final rule in the **Federal Register** on January 15, 2016, that further amended the test procedure for consumer furnaces (January 2016 TP final rule). 81 FR 2628. The revisions included:

- Clarification of the electrical power term ''PE'';
- Adoption of a smoke stick test for determining use of minimum default draft factors;
- Allowance for the measurement of condensate under steady-state conditions;
- Reference to manufacturer's installation and operation manual and clarifications for when that manual does not specify test set-up;
- Specification of ductwork requirements for units that are installed without a return duct; and
- Revision of the requirements regarding AFUE reporting precision.

81 FR 2628, 2629–2630.

As such, the most current version of the test procedure (published in January 2016) has now been in place for several years and is available to commenters when considering the proposals presented in this NOPR.

C. Technological Feasibility

1. General

In each energy conservation standards rulemaking, DOE conducts a screening analysis based on information gathered on all current technology options and prototype designs that could improve the efficiency of the products or equipment that are the subject of the rulemaking. As the first step in such an analysis, DOE develops a list of technology options for consideration in consultation with manufacturers, design engineers, and other interested parties. DOE then determines which of those means for improving efficiency are technologically feasible. DOE considers technologies incorporated in commercially-available products or in working prototypes to be technologically feasible. *See* 10 CFR part 430, subpart C, appendix A (''Process Rule''), sections 6(b)(3)(i) and 7(b)(1).

After DOE has determined that particular technology options are technologically feasible, it further evaluates each technology option in light of the following additional screening criteria: (1) practicability to manufacture, install, and service; (2) adverse impacts on product utility or availability; (3) adverse impacts on health or safety; and (4) unique-pathway proprietary technologies. Sections 6(b)(3)(ii)–(v) and 7(b)(2)–(5) of the Process Rule. Section IV.B of this document discusses the results of the screening analysis for NWGF and MHGF, particularly the designs DOE considered, those it screened out, and those that are the basis for the potential standards considered in this rulemaking. For further details on the screening analysis for this rulemaking, see chapter 4 of the technical support document (''TSD'').

2. Maximum Technologically Feasible Levels

When DOE proposes to adopt an amended standard for a type or class of covered product, it must determine the maximum improvement in energy efficiency or maximum reduction in energy use that is technologically feasible for such product. (42 U.S.C. 6295(p)(1)) Accordingly, in the engineering analysis, DOE determined the maximum technologically feasible (''max-tech'') improvements in energy efficiency for NWGFs and MHGFs, using the design parameters for the most efficient products available on the market or in working prototypes. The max-tech levels that DOE determined for this rulemaking are described in section IV.C.1.b of this NOPR and in chapter 5 of the TSD.

D. Energy Savings

1. Determination of Savings

For each trial standard level (''TSL''), DOE projected energy savings from application of the TSL to NWGFs and MHGFs purchased in the 30-year period that begins in the expected first year of compliance with the proposed amended or new standards (2029–2058).[30] The savings are measured over the entire lifetime of products purchased in the 30-year analysis period. DOE quantified the energy savings attributable to each TSL as the difference in energy consumption between each standards case and the no-new-standards case. The no-new-standards case represents a projection of energy consumption that reflects how the market for a product would likely evolve in the absence of amended or new energy conservation standards.

DOE used its national impact analysis (''NIA'') spreadsheet models to estimate national energy savings (''NES'') from potential amended and new standards for NWGFs and MHGFs. The NIA spreadsheet model (described in section IV.H of this NOPR) calculates) energy savings in terms of site energy, which is the energy directly consumed by products at the locations where they are used. For electricity, DOE reports national energy savings in terms of primary (source) energy savings, which is the savings in the energy that is used to generate and transmit the site electricity. For natural gas, the primary energy savings are considered to be equal to the site energy savings. To calculate the primary energy impacts, DOE derives annual conversion factors from the model used to prepare the Energy Information Administration's (''EIA'') most recent *Annual Energy Outlook* (''*AEO*'') currently *AEO 2021.* DOE also calculates NES in terms of full-fuel-cycle (''FFC'') energy savings. The FFC metric includes the energy consumed in extracting, processing, and transporting primary fuels (*i.e.,* coal, natural gas, petroleum fuels), and, thus, presents a more complete picture of the impacts of energy conservation standards.[31] DOE's approach is based on

[30] DOE also presents a sensitivity analysis that considers impacts for products shipped in a 9-year period.

[31] The FFC metric is discussed in DOE's statement of policy and notice of policy amendment. 76 FR 51282 (August 18, 2011), as amended at 77 FR 49701 (August 17, 2012).

the calculation of an FFC multiplier for each of the energy types used by covered products or equipment. For more information on FFC energy savings, see section IV.H.2 of this NOPR.

2. Significance of Savings

To adopt any new or amended standards for a covered product, DOE must determine that such action would result in significant energy savings. (42 U.S.C. 6295(o)(3)(B))

The significance of energy savings offered by a new or amended energy conservation standard cannot be determined without knowledge of the specific circumstances surrounding a given rulemaking.[32] For example, the United States has rejoined the Paris Agreement and will exert leadership in confronting the climate crisis.[33] Additionally, some covered products and equipment have most of their energy consumption occur during periods of peak energy demand. The impacts of these products on the energy infrastructure can be more pronounced than products with relatively constant demand. In evaluating the significance of energy savings, DOE considers differences in primary energy and FFC effects for different covered products and equipment when determining whether energy savings are significant. Primary energy and FFC effects include the energy consumed in electricity production (depending on load shape), in distribution and transmission, and in extracting, processing, and transporting primary fuels (*i.e.,* coal, natural gas, petroleum fuels), and, thus, present a more complete picture of the impacts of energy conservation standards.

Accordingly, DOE is evaluating the significance of energy savings on a case-by-case basis, taking into account the significance of cumulative FFC national energy savings, the cumulative FFC emissions reductions, and the need to confront the global climate crisis, among other factors. As discussed in section V.C of this document, DOE is proposing to adopt TSL 8 for AFUE, which would save an estimated 5.76 quads of energy (FFC) over 30 years, and TSL 3 for standby mode and off mode, which would save an estimated 0.28 quads over 30 years. Based on this amount of FFC savings, the corresponding reduction in emissions, and need to confront the global climate crisis, DOE has initially determined the energy savings from the proposed standard levels are ''significant'' within the meaning of 42 U.S.C. 6295(o)(3)(B).

E. Economic Justification

1. Specific Criteria

As noted previously, EPCA provides seven factors to be evaluated in determining whether a potential energy conservation standard is economically justified. (42 U.S.C. 6295(o)(2)(B)(i)(I)–(VII)) The following sections discuss how DOE has addressed each of those seven factors in this rulemaking.

a. Economic Impact on Manufacturers and Consumers

In determining the impacts of potential amended standards on manufacturers, DOE conducts an MIA, as discussed in section IV.J of this document. DOE first uses an annual cash-flow approach to determine the quantitative impacts. This step includes both a short-term assessment—based on the cost and capital requirements during the period between when a regulation is issued and when entities must comply with the regulation—and a long-term assessment over a 30-year period. The industry-wide impacts analyzed include (1) INPV, which values the industry on the basis of expected future cash flows; (2) cash flows by year; (3) changes in revenue and income; and (4) other measures of impact, as appropriate. Second, DOE analyzes and reports the impacts on different types of manufacturers, including impacts on small manufacturers. Third, DOE considers the impact of standards on domestic manufacturer employment and manufacturing capacity, as well as the potential for standards to result in plant closures and loss of capital investment. Finally, DOE takes into account cumulative impacts of various DOE regulations and other product-specific regulatory requirements on manufacturers.

For individual consumers, measures of economic impact include the changes in LCC and PBP associated with new or amended standards. These measures are discussed further in the following section. For consumers in the aggregate, DOE also calculates the national net present value of the consumer costs and benefits expected to result from particular standards. DOE also evaluates the LCC impacts of potential standards on identifiable subgroups of consumers that may be affected disproportionately by a national standard.

b. Savings in Operating Costs Compared to Increase in Price (LCC and PBP)

EPCA requires DOE to consider the savings in operating costs throughout the estimated average life of the covered product in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered product that are likely to result from a standard. (42 U.S.C. 6295(o)(2)(B)(i)(II)) DOE conducts this comparison in its LCC and PBP analyses.

The LCC is the sum of the purchase price of a product (including its installation) and the operating expense (including energy, maintenance, and repair expenditures) discounted over the lifetime of the product. The LCC analysis requires a variety of inputs, such as product prices, product energy consumption, energy prices, maintenance and repair costs, product lifetime, and discount rates appropriate for consumers. To account for uncertainty and variability in specific inputs, such as product lifetime and discount rate, DOE uses a distribution of values, with probabilities attached to each value.

The PBP is the estimated amount of time (in years) it takes consumers to recover the increased purchase cost (including installation) of a more-efficient product through lower operating costs. In general, DOE calculates the PBP by dividing the change in purchase cost due to a more-stringent standard by the change in annual operating cost for the year that standards are assumed to take effect.

For its LCC and PBP analyses, DOE assumes that consumers will purchase the covered products in the first year of compliance with new or amended standards. The LCC savings for the considered efficiency levels are calculated relative to the case that reflects projected market trends in the absence of new or amended standards. DOE's LCC and PBP analyses is discussed in further detail in section IV.F of this document.

c. Energy Savings

Although significant conservation of energy is a separate statutory requirement for adopting an energy conservation standard, EPCA requires DOE, in determining the economic justification of a standard, to consider the total projected energy savings that are expected to result directly from the standard. (42 U.S.C. 6295(o)(2)(B)(i)(III)) As discussed in section IV.H of this document, DOE uses the NIA spreadsheet models to project national energy savings.

[32] The numeric threshold for determining the significance of energy savings, which was established in a final rule published in the **Federal Register** on February 14, 2020 (85 FR 8626, 8705), was subsequently eliminated in a final rule published in the **Federal Register** on December 13, 2021 (86 FR 70892, 70901–70906).

[33] *See* Executive Order 14008, ''Tackling the Climate Crisis at Home and Abroad,'' 86 FR 7619 (Feb. 1, 2021).

d. Lessening of Utility or Performance of Products

In establishing product classes, and in evaluating design options and the impact of potential standard levels, DOE evaluates potential standards that would not lessen the utility or performance of the considered products. (42 U.S.C. 6295(o)(2)(B)(i)(IV)) Based on data available to DOE, the standards proposed in this document would not reduce the utility or performance of the products under consideration in this rulemaking.

e. Impact of Any Lessening of Competition

EPCA directs DOE to consider the impact of any lessening of competition, as determined in writing by the Attorney General, that is likely to result from a proposed standard. (42 U.S.C. 6295(o)(2)(B)(i)(V)) It also directs the Attorney General to determine the impact, if any, of any lessening of competition likely to result from a proposed standard and to transmit such determination to the Secretary within 60 days of the publication of a proposed rule, together with an analysis of the nature and extent of the impact. (42 U.S.C. 6295(o)(2)(B)(ii)) DOE will transmit a copy of this proposed rule to the Attorney General with a request that the Department of Justice (''DOJ'') provide its determination on this issue. DOE will publish and respond to the Attorney General's determination in the final rule. DOE invites comment from the public regarding the competitive impacts that are likely to result from this proposed rule. In addition, stakeholders may also provide comments separately to DOJ regarding these potential impacts. See the **ADDRESSES** section for information to send comments to DOJ.

f. Need for National Energy Conservation

DOE also considers the need for national energy and water conservation in determining whether a new or amended standard is economically justified. (42 U.S.C. 6295(o)(2)(B)(i)(VI)) The energy savings from the proposed standards are likely to provide improvements to the security and reliability of the Nation's energy system. Reductions in the demand for electricity also may result in reduced costs for maintaining the reliability of the Nation's electricity system. DOE conducts a utility impact analysis to estimate how potential standards may affect the Nation's needed power generation capacity, as discussed in section IV.M of this document.

DOE maintains that environmental and public health benefits associated with the more efficient use of energy are important to take into account when considering the need for national energy conservation. The proposed standards are likely to result in environmental benefits in the form of reduced emissions of air pollutants and GHGs associated with energy production and use. DOE conducts an emissions analysis to estimate how potential standards may affect these emissions, as discussed in section IV.K of this document; the estimated emissions impacts are reported in section V.B.6 of this document. DOE also estimates the monetized value of health benefits of certain emissions reductions resulting from the considered TSLs, as discussed in section IV.L of this document.

g. Other Factors

In determining whether an energy conservation standard is economically justified, DOE may consider any other factors that the Secretary deems to be relevant. (42 U.S.C. 6295(o)(2)(B)(i)(VII)) To the extent DOE identifies any relevant information regarding economic justification that does not fit into the other categories described above, DOE could consider such information under ''other factors.''

2. Rebuttable Presumption

As set forth in 42 U.S.C. 6295(o)(2)(B)(iii), EPCA creates a rebuttable presumption that an energy conservation standard is economically justified if the additional cost to the consumer of a product that meets the standard is less than three times the value of the first full year's energy savings resulting from the standard, as calculated under the applicable DOE test procedure. DOE's LCC and PBP analyses generate values used to calculate the effect potential amended energy conservation standards would have on the payback period for consumers. These analyses include, but are not limited to, the 3-year payback period contemplated under the rebuttable-presumption test. In addition, DOE routinely conducts an economic analysis that considers the full range of impacts to consumers, manufacturers, the Nation, and the environment, as required under 42 U.S.C. 6295(o)(2)(B)(i). The results of this analysis serve as the basis for DOE's evaluation of the economic justification for a potential standard level (thereby supporting or rebutting the results of any preliminary determination of economic justification). The rebuttable presumption payback calculation is discussed in section IV.F of this proposed rule.

F. Other Issues

1. Furnace Sizing Requirements Based on ACCA Manual J and Manual S

On June 30, 2016, AGA presented information to DOE and the Office of Information and Regulatory Affairs (''OIRA'') that AGA asserted supports a 70 kBtu/h maximum capacity threshold for small furnaces.[34] Specifically, AGA submitted calculations performed by a consultant, HTR Engineering, that used the ACCA Manual J methodology to determine the heating load for various types of houses in various locations.[35] For each scenario, AGA submitted Microsoft Excel worksheets and PDF ''J1–ALP'' forms with the summary inputs, assumptions, and corresponding components of the overall heating load to DOE.[36] In addition to the Manual J results for each scenario, in its presentation, AGA also provided information on the appropriate furnace size for each scenario based on ACCA Manual S. DOE subsequently presented a slide at the October 2016 public meeting covering the September 2016 SNOPR that summarized the information provided by AGA for further discussion among all interested parties.[37] DOE noted that Manual S requires that furnaces be sized at between 1.0 and 1.4 times the Manual J calculated load, and the ''appropriate furnace size'' presented by AGA based on the Manual S requirement did not appear to be within that range, based on the Manual J data provided by AGA.

In their subsequent written comments, AGA stated that DOE misrepresented the information from the HTR Engineering furnace sizing study to support the proposed standard. First, AGA commented that DOE incorrectly described the data in the table presented at the SNOPR public meeting as AGA's data and AGA's methodology, even

[34] AGA presented this information in a PowerPoint slide deck titled, ''Additional Information for OIRA Staff DOE Furnace SNOPR'' (June 30, 2016). This presentation is located at the docket at: *www.regulations.gov/document?D=EERE-2014-BT-STD-0031-0209.*

[35] AGA provided results for four building types at two levels of efficiency and in five locations. The four building types were: two-story townhome with basement; two-story townhome without basement; three-story townhome without basement; and small single family detached home. The two efficiency levels were a highly efficient home built to 2015 code and a highly inefficient home built to 1950s era practices and standards. The five locations were Atlanta, Chicago, Minneapolis, Salt Lake City, and Oklahoma City.

[36] *See: www.regulations.gov/document?D=EERE-2014-BT-STD-0031-0209.*

[37] *See: www.regulations.gov/document/EERE-2014-BT-STD-0031-0236.*

though the analysis was done by a third-party consultant. Second, AGA stated that the numbers DOE presented in the public meeting only included the results from the building envelope efficiency assessment of the HTR study and excluded the load associated with the duct system efficiency assessment and the outdoor air requirements presented in the study, thereby significantly understating the actual building heating loads. Third, AGA asserted that due to the use of what it stated are the incorrect building load numbers, the calculated preferred output and input capacity, as presented by DOE, were also incorrect. Fourth, AGA commented that if DOE had used what AGA deemed to be the correct building load numbers, the ''AGA'' oversize factors (as presented by DOE) would reflect the 1.4 oversize factor from ACCA Manual S. AGA presented a revised version of the table shown in the public meeting with corrected values. Lastly, AGA asserted that if DOE were to use what AGA understood to be the correct building heating load, a 55,000 Btu/h NWGF would not be able to serve the heating needs of the type of home assessed. (AGA, No. 306–1 at pp. 13, 52–54) PHCC stated that the heating loads submitted by AGA and presented on DOE's slide 30 of the October 17, 2016 Public Meeting are understated. PHCC commented that it appears that infiltration losses and the possibility of unoccupied space may not have been fully accounted for in these calculations. As a result, PHCC stated that this analytical flaw puts in question the calculations used to justify the input capacity limit for exemption from the proposed standard. PHCC presented alternative calculations based on a 1,500 square foot townhouse, which it asserted show that a 1500 square foot townhouse similar to the one analyzed by AGA would not be a candidate for a 55,000 Btu/h furnace on a 25 °F day. (PHCC, No. 298 at p. 2)

In response, DOE notes that in the summary spreadsheets provided by AGA, the output from the Manual J load calculation, as listed on the J1–ALP forms, is used for the Manual S furnace sizing. In other words, Manual S specifies that the appropriate equipment size be based on the load calculation resulting from Manual J. When compared to the information presented by AGA regarding the appropriate furnace size for each scenario (Additional Information for OIRA Staff DOE Furnace SNOPR, June 30, 2016 presented in slide #7), these values imply an oversize factor of approximately 2, which is inconsistent with the Manual S requirement for an oversize factor of 1.0–1.4 for these buildings. In their written comments, AGA provided a table (AGA, No. 306–1 at p. 52) which includes heating load numbers (labeled Heating Load Numbers from HTR Furnace Sizing Study); however, these values were not previously provided as the basis for the furnace sizing requirements for the scenarios by AGA. More specifically, AGA did not provide information to DOE regarding its assumptions or calculations for the load associated with the duct system efficiency assessment or the outdoor air requirements. Therefore, DOE maintains that its characterization of the original data submittal compared to the presented data is appropriate.

However, when considering AGA's ''corrected'' version of the table, DOE notes that for the ranges presented in the column for ''ACCA Manual S preferred input capacity '' show that in most cases (all but one—Minneapolis), a 55,000 Btu/h furnace could meet the required load. While AGA's ''corrected'' table shows the ''Appropriate Furnace Size for a 1,500 s.f. Inefficient Townhouse presented in AGA slide deck to OMB (kBtu/h)'' is based on a 1.4 oversize factor, DOE notes that Manual S specifies that the factor can be anywhere from 1.0 to 1.4, and Manual S recommends sizing the furnace as close to 1.0 as possible. Thus, while oversizing a furnace up to 40 percent is acceptable, it is preferred to size it appropriately according to the calculated load in Manual S. Therefore, the ''preferred'' input capacity would be the low end of the range presented in AGA's table, which for four of the five scenarios presented is below 55,000 Btu/h (and in the fifth case is 62,200 Btu/h). Thus, based on the data submitted by AGA, a threshold of 55,000 Btu/h would alleviate impacts in the majority of situations, except in the most extreme cases (such as Minneapolis). Even in these situations, such as in Minneapolis, a 55,000 Btu/h furnace would likely be able to meet the majority of the heating load, with a small amount of supplemental heating required from other sources. Therefore, DOE maintains its position that 55 kBtu/h is appropriate for consideration as a potential threshold for defining small furnaces, and further discusses its decision with regard to this in sections IV.A.1.a and V.C.1 of this document. Furnaces at or above this threshold would represent approximately 86% of furnace shipments in the no-new-standards case. In response to PHCC, DOE notes that the files submitted by AGA do appear to account for infiltration losses, and some scenarios include unoccupied basement space. However, some of the assumptions used by PHCC in its calculations appear to differ from those made in the data submitted by AGA, including the dimensions of exterior walls and area and type of windows, among other parameters, which may account for the difference in results.

2. Compliance Date

As discussed in the withdrawn September 2016 SNOPR, missed deadlines in the furnace rulemaking history have resulted in ambiguity in terms of the applicable statutory compliance date for any potential amended standards that result from this rulemaking. 81 FR 65720, 65746 (Sept. 23, 2016). DOE explained that, in light of this ambiguity, it is informed by Congress's most recent direction regarding the lead time specific to furnace rulemakings (*i.e.,* 5 years) under the 6-year review requirement (42 U.S.C. 6295(m)(4)(A)(ii)). 81 FR 65720, 65747 (Sept. 23, 2016). DOE posited that a lead time for compliance of 5 years after publication of the final rule for amended furnaces standards, consistent with the requirements of both 42 U.S.C. 6295(f)(4)(C) and (m)(4)(A)(ii), would be in alignment with the provision in the 6-year-lookback authority that manufacturers shall not be subject to new standards for a covered product for which other new standards have been required in the past 6 years. (42 U.S.C. 6295(m)(4)(B); the relevant date being November 19, 2015—the compliance date of the last amendments applicable to NWGFs and MHGFs.) *Id.* Further, DOE asserted that the compliance date of the July 2014 Furnace Fan Final Rule [38] (*i.e.,* July 3, 2019) is not relevant to the minimum 6-year period required under 42 U.S.C. 6295(m)(4)(B), stating that furnace fan standards are to be treated as a separate covered product and are not to be understood as a standard on furnaces. *Id.* DOE continues to adhere to this view and is proposing a five-year lead time for compliance with any amended energy conservation standards for NWGFs and MHGFs, for the reasons that follow.

DOE interprets furnaces and furnace fans as separate products under EPCA. The 6-year period under 42 U.S.C. 6295(m)(4)(B) is applicable in the context of standards directly applicable to the product in question. As such, the standards for furnace fans are not a consideration when applying the 6-year period to new or amended standards for furnaces. DOE acknowledges that

[38] *See* 79 FR 38130 (July 3, 2014).

''furnace fan'' is not expressly defined by EPCA as a ''covered product.'' However, EPCA, and the relevant amending statutes, provide for the treatment of furnace fans as a product separate from furnaces, and DOE's standards for furnace fans are separate and distinct from the standards for furnaces. DOE is expressly authorized to establish energy conservation standards for electricity used for purpose of circulating air through duct work. (42 U.S.C. 6295(f)(4)(D)) An energy conservation standard is a performance standard ''which prescribes a minimum level of energy efficiency or a maximum quantity of energy use . . . for a covered product.'' (42 U.S.C. 6291(6)) DOE has interpreted EPCA as providing direction to the Department to establish an energy conservation standard for furnace fans, which are to be treated as a separate consumer product.

Further, the authority to establish such standards was added to EPCA by section 135, of the Energy Policy Act of 2005, which was titled ''Energy Conservation Standards for Other Products,'' again indicating that the standards are to be treated as standards applicable to a product separate from furnaces. Public Law 109–58, section 135 (August 8, 2005); 119 Stat. 594, 624. The establishment of such standards was made mandatory under section 304 of the Energy Independence and Security Act of 2007 (EISA 2007), which was titled ''Furnace Fan Standard Process,'' further indicating that furnace fans are to be considered as a covered product separate from furnaces. Public Law 110–140, section 304 (Dec. 19, 2007); 121 Stat. 1492, 1553.

The authority to establish energy conservation standards for ''electricity used for purposes of circulating air through duct work'' does not expressly reference furnaces. (*See* 42 U.S.C. 6295(f)(4)(D)) Where EPCA has required the establishment of standards for furnaces, it has done so expressly. ''Furnaces (other than furnaces designed solely for installation in mobile homes) manufactured on or after January 1, 1992, shall have an annual fuel utilization efficiency of not less than 78 percent[.]'' (42 U.S.C. 6295(f)(1)); ''Furnaces which are designed solely for installation in mobile homes and which are manufactured on or after September 1, 1990, shall have an annual fuel utilization efficiency of not less than 75 percent.'' (42 U.S.C. 6295(f)(2)); ''The Secretary shall publish a final rule no later than January 1, 1994, to determine whether the standards established by this subsection for furnaces (including mobile home furnaces) should be amended.'' (42 U.S.C. 6295(f)(4)(C)) Instead of directing DOE to establish furnace standards for electricity used for the purpose of circulating air, or standards for electricity used by furnaces for the purpose of circulating air through duct work, EPCA directs DOE to establish standards for electricity used for purposes of circulating air through duct work without reference to furnaces in that paragraph. Further, DOE has found that this language could be interpreted as encompassing electrically-powered devices used in any residential heating, ventilation, and air-conditioning (''HVAC'') product to circulate air through duct work, not just furnaces. 79 FR 500, 504 (Jan. 3, 2014).

Consistent with treating the furnace fan standards and the furnace standards as standards on separate products, EPCA established two separate timeframes for the furnace fan and furnace rulemakings. Section 304 of EISA 2007, Furnace Fan Standard Process, amended the provision regarding standards for electricity used for the purpose of circulating air through duct work by requiring DOE to establish such standards by December 31, 2013. EISA 2007, Public Law 110–140, section 304 (Dec. 19, 2007); 121 Stat. 1492, 1553; 42 U.S.C. 6295(f)(4)(D). In the section immediately following the Furnace Fan Standard Process section, EISA 2007 amended EPCA to establish the 6-year-lookback review requirement for energy conservation standards. EISA 2007, Public Law 110–140, section 305 (Dec. 19, 2007); 121 Stat. 1492, 1553; 42 U.S.C. 6295(m). EPCA required DOE to establish an amended final rule for furnaces no later than January 1, 2007, with a compliance date of January 1, 2012. (42 U.S.C. 6295(f)(4)(C)) As a result of the 6-year review provision added under EISA 2007, DOE had to either a publish a determination that no amendment of the furnace standards is needed or issue a notice of proposed rulemaking to amend the furnace standards by January 1, 2013. Instead of aligning the furnace fan rulemaking with the furnace rulemaking schedule, EPCA, as amended by EISA 2007, established a distinct December 1, 2013 deadline, further indicating that furnace fans are to be treated separately from furnaces.

As DOE acknowledged in a 2013 notice of proposed rulemaking for furnace fan energy conservation standards, standards for furnace fans may require manufacturers to redesign the furnaces in which the fans are installed. 78 FR 64068, 64103 (Oct. 25, 2013). However, the compliance date mandated by EPCA for amendments to standards under the 6-year review requirement does not permit DOE to account for standards applicable to other products, even if such standards for other products may impact the product subject to the amendment. (42 U.S.C. 6295(m)(4)) EPCA directs DOE to prescribe a compliance date in consideration of both the publication date of the final rule and the date of the last amended standards with which that product was required to comply. (42 U.S.C. 6295(m)(4)(A)–(B)) Standards with which furnaces are not required to comply are not a consideration under 42 U.S.C. 6295 (m)(4)(A)–(B) even if those standards have an impact on furnaces. As discussed, EPCA treats furnaces and furnace fans as two separate products. As such, DOE has not considered the furnace fan standards when establishing the compliance date of furnace standards under 42 U.S.C. 6295(m)(4)(A)–(B).

IV. Methodology and Discussion of Related Comments

This section addresses the analyses DOE has performed for this rulemaking with regard to NWGFs and MHGFs. Separate subsections address each component of DOE's analyses. Comments on the methodology and DOE's responses are presented in each section.

DOE used several analytical tools to estimate the impact of the standards considered in this document. The first tool is a spreadsheet that calculates the LCC savings and PBP of potential amended or new energy conservation standards. The national impacts analysis uses a second spreadsheet set that provides shipments projections and calculates national energy savings and net present value of total consumer costs and savings expected to result from potential energy conservation standards. DOE uses the third spreadsheet tool, the Government Regulatory Impact Model (''GRIM''), to assess manufacturer impacts of potential standards. These three spreadsheet tools are available on the DOE website for this rulemaking: *www1.eere.energy.gov/buildings/appliance_standards/standards.aspx?productid=59&action=viewlive.* Additionally, DOE used output from *AEO 2021* for the emissions and utility impact analyses.

A. Market and Technology Assessment

DOE develops information in the market and technology assessment that provides an overall picture of the market for the products concerned, including the purpose of the products, the industry structure, manufacturers, market characteristics, and technologies used in the products. This activity

includes both quantitative and qualitative assessments, based primarily on publicly-available information. The subjects addressed in the market and technology assessment for this rulemaking include: (1) a determination of the scope of the rulemaking and product classes; (2) manufacturers and industry structure; (3) existing efficiency programs; (4) shipments information; (5) market and industry trends, and (6) technologies or design options that could improve the energy efficiency of NWGFs and MHGFs. The key findings of DOE's market assessment are summarized below. See chapter 3 of the TSD for further discussion of the market and technology assessment.

1. Scope of Coverage and Product Classes

a. General Approach

EPCA defines a ''furnace'' as ''a product which utilizes only single-phase electric current, or single-phase electric current or DC current in conjunction with natural gas, propane, or home heating oil, and which:

(1) Is designed to be the principal heating source for the living space of a residence;

(2) Is not contained within the same cabinet with a central air conditioner whose rated cooling capacity is above 65,000 Btu per hour;

(3) Is an electric central furnace, electric boiler, forced-air central furnace, gravity central furnace, or low pressure steam or hot water boiler; and

(4) Has a heat input rate of less than 300,000 Btu per hour for electric boilers and low pressure steam or hot water boilers and less than 225,000 Btu per hour for forced-air central furnaces, gravity central furnaces, and electric central furnaces.'' (42 U.S.C. 6291(23))

DOE has incorporated this definition into its regulations in the Code of Federal Regulations (''CFR'') at 10 CFR 430.2.

EPCA's definition of a ''furnace'' covers the following types of products: (1) gas furnaces (non-weatherized and weatherized); (2) oil-fired furnaces (non-weatherized and weatherized); (3) mobile home furnaces (gas and oil-fired); (4) electric resistance furnaces; (5) hot water boilers (gas and oil-fired); (6) steam boilers (gas and oil-fired); and (7) combination space/water heating appliances (water-heater/fancoil combination units and boiler/tankless coil combination units). As discussed in section II.B.1 of this document, DOE agreed to the partial vacatur and remand of the June 2011 DFR, specifically as it related to energy conservation standards for NWGFs and MHGFs in the settlement agreement to resolve the litigation in *American Public Gas Ass'n* v. *U.S. Dept. of Energy* (No. 11–1485, D.C. Cir. Filed Dec. 23, 2011). 80 FR 13120, 13130–13132 (March 12, 2015). Therefore, DOE only considered amending the energy conservation standards for these two product classes of residential furnaces (*i.e.,* NWGFs and MHGFs) for this NOPR.

At various rulemaking stages, interested parties have raised concerns pertaining to potential impacts of a national condensing standard on certain consumers as a result of either increased installation costs (due to the increased cost of the condensing furnace itself and/or related venting modifications) or switching to electric heat (potentially resulting in higher monthly bills). In response to these concerns, DOE first published the September 2015 NODA, which contained analyses examining the potential impacts of a separate product class for furnaces with a lower input capacity, one of the statutory bases for establishing a separate product class. Such an approach was suggested by stakeholders as a potential way to reduce negative impacts on some furnace consumers while maintaining the overall economic and environmental benefits of amended standards for consumer furnaces. 80 FR 55038, 55038–55039 (Sept. 14, 2015). In response to the September 2015 NODA, DOE received further comments from several stakeholders recommending that DOE establish separate product classes based on furnace capacity, in order to preserve the availability of non-condensing NWGF for buildings with lower heating loads, thereby helping to alleviate the negative impacts of the proposed standards. DOE responded to these comments in the withdrawn September 2016 SNOPR, in which the Department tentatively concluded that the establishment of a small furnace class would have merit. Accordingly, after considering energy savings and economic benefits of several potential input capacity thresholds, DOE proposed to establish a separate product class for small NWGF, defined as those furnaces with a certified input capacity of less than or equal to 55 kBtu/h, and the Department proposed to retain a minimum standard of 80-percent AFUE for this class. 81 FR 65720, 65752 and 65837 (Sept. 23, 2016).

For the current NOPR analysis, DOE again considered whether a ''small furnace'' product class is justified for NWGFs and MHGFs and evaluated several input capacity thresholds, including the 55 kBtu/h threshold that was proposed in the withdrawn 2016 SNOPR, along with several others. DOE analyzed a range of potential input capacity cut-offs and considered the benefits and burdens of each. However, as discussed in section V.C.1 of this document, after considering the benefits and burdens of the various approaches, DOE is not proposing to divide furnace product classes by capacity in this document.

b. Condensing and Non-Condensing Furnaces

DOE has recently considered whether different venting technologies should be considered a necessary feature. On January 15, 2021, in response to a petition for rulemaking [39] submitted by the American Public Gas Association, Spire, Inc., the Natural Gas Supply Association, the American Gas Association, and the National Propane Gas Association (the ''Gas Industry Petition''), DOE published the January 2021 final interpretive rule in the **Federal Register** determining that, in the context of residential furnaces, commercial water heaters, and similarly-situated products/equipment, use of non-condensing technology (and associated venting) constitutes a performance-related ''feature'' under EPCA that cannot be eliminated through adoption of an energy conservation standard. 86 FR 4776. Correspondingly, on the same day, DOE published in the **Federal Register** a notification withdrawing the March 2015 NOPR and the September 2015 SNOPR for NWGFs and MHGFs. 86 FR 3873 (Jan. 15, 2021).

However, as explained in section II.B.2 of this document, DOE subsequently published a final interpretive rule in the **Federal Register** that returns to the Department's previous and long-standing interpretation (in effect prior to the January 15, 2021 final interpretive rule), under which the technology used to supply heated air or hot water is not a performance-related ''feature'' that provides a distinct consumer utility under EPCA. 86 FR 73947 (Dec. 29, 2021). Accordingly, for purposes of the analyses conducted for this NOPR, DOE did not analyze separate equipment classes for non-condensing and condensing furnaces. However, as discussed in section IV.A.1.a of this document, the current analysis does consider various capacity thresholds to establish a separate product class for small NWGFs for which DOE would propose less stringent energy conservation standards. The

[39] DOE published the Gas Industry Petition in the **Federal Register** for comment on November 1, 2018. 83 FR 54883.

consideration of capacity-based product classes for MHGFs is discussed in section IV.A.1.c of this document.

c. Mobile Home Gas Furnaces

In response to the September 2016 SNOPR (subsequently withdrawn), some stakeholders requested that DOE establish a small furnace product class for MHGFs. MHI suggested that DOE should exempt all MHGFs from this rule, but it stated that if MHGFs are included, DOE should adopt a small furnace MHGFs product class with a threshold of 80 kBtu/h. Nortek and MHI commented that tight construction of manufactured homes reduces the structure's air leakage, which results in lower heating loads and negates the need for a more expensive 92-percent AFUE furnace in many climates, especially in the South. (Nortek, No. 300 at p. 2; MHI, No. 282 at p. 2) Nortek and MHI further stated that because the majority of manufactured home buyers are low- to median-income consumers, it is important that any increase in home cost resulting from new energy conservation standards be economically justified and not burden affordability by increasing up-front costs without mitigating resulting access barriers. Nortek stated that without a small MHGFs product class, potential homebuyers with modest incomes will be forced to purchase MHGFs that are unnecessary for their home. (Nortek, No. 300 at pp. 5–6; MHI, No. 282 at p. 4)

Mortex argued that the standard level for MHGFs should not be changed due to the small market size, and the commenter also stated that an input capacity threshold for MHGFs at any level does not make sense because it would create a smaller, less significant market size for each class (above and below the threshold). (Mortex, No. 305 at p. 2)

AHRI stated that DOE must reevaluate its analysis for MHGFs so as to set an appropriate breakpoint for such products that maintains a non-condensing option for that market. (AHRI, No. 303 at p. 1) AHRI and Nortek noted that in previous comments submitted by AHRI in response to the September 2015 NODA, AHRI had requested that DOE analyze potential separate standard levels for small and large MHGF in order to minimize potential negative aspects of the proposed standard in the (now withdrawn) March 2015 NOPR. (AHRI, No. 303 at p. 18; Nortek, No. 300 at p. 3) In particular, AHRI's comments responding to the September 2015 NODA expressed concerns regarding the number of consumers that would be negatively affected or would switch heating fuels if an AFUE standard set at a condensing level were adopted as the minimum efficiency standard for MHGFs. Furthermore, AHRI expressed its concerns with the tools utilized in the (now withdrawn) March 2015 NOPR analysis would apply equally to MHGFs. (AHRI, No. 195 at p. 1)

AHRI and Nortek also argued that DOE reached a number of incorrect conclusions in the September 2016 SNOPR, including: (1) that condensing gas furnaces in new mobile homes will cost about the same as non-condensing models; (2) that replacing an existing non-condensing MHGF with a condensing MHGF would not have a significant increased installation cost; and (3) that very few residents living in mobile homes will experience negative life cycle costs.[40] AHRI and Nortek stated that U.S. Department of Housing and Urban Development (''HUD'') regulations for the construction of mobile (manufactured) homes, require that a MHGF be installed such that it is isolated from the conditioned space of the mobile home, and that all combustion and ventilation air must be taken from the outdoors, and the vent system must vent vertically through a roof jack. Additionally, the commenters noted that the space in which a MHGF is installed is minimized to the smallest size that safety and performance considerations will allow because space is at a premium in mobile homes. (AHRI, No. 303 at pp. 18–19; Nortek, No. 300 at pp. 3–4)

After considering these comments regarding a ''small'' MHGF product class, DOE has preliminarily determined that that some of the potential negative outcomes for MHGF consumers could be mitigated by consideration of a separate standard for ''small'' MHGF similar to the analysis done for NWGF. Accordingly, DOE analyzed a separate standard for small MHGFs for this NOPR. However, as discussed in section IV.A.1.a of this document, after considering the benefits and burdens of potential capacity-based product classes, DOE has decided not to propose to establish classes based on capacity in this document. Section V.C.1 of this document contains discussion that explains DOE's weighting of the burdens and benefits of the potential new and amended energy conservation standards analyzed for this NOPR. Additionally, DOE does not agree that condensing MHGFs are necessarily larger than noncondensing MHGFs. Based on a review of product literature, it appears that noncondensing and condensing MHGFs are often designed with similar cabinet sizes, and, thus, DOE does not expect that replacing a noncondensing MHGF with a condensing MHGF would necessitate a larger footprint.

d. Standby Mode and Off Mode

As discussed in section II.A of this document, EPCA requires any final rule for new or amended energy conservation standards promulgated after July 1, 2010, to address standby mode and off mode energy use. (42 U.S.C. 6295(gg)(3)) Accordingly, this rulemaking considers standby mode and off mode energy consumption of NWGFs and MHGFs, and this notice includes proposed standards for these operational modes.

''Standby mode'' and ''off mode'' energy use are defined in the DOE test procedure for residential furnaces and boilers (*i.e.,* ''Uniform Test Method for Measuring the Energy Consumption of Furnaces and Boilers,'' 10 CFR part 430, subpart B, appendix N). In that test procedure, DOE defines ''standby mode'' for consumer furnaces and boilers as any mode in which the furnace or boiler is connected to a mains power source and offers one or more of the following space heating functions that may persist: (a) To facilitate the activation of other modes (including activation or deactivation of active mode) by remote switch (including thermostat or remote control), internal or external sensors, or timer; and (b) Continuous functions, including information or status displays or sensor based functions. (10 CFR part 430, subpart B, appendix N, section 2.12) ''Off mode'' for consumer furnaces and boilers is defined as a mode in which the furnace or boiler is connected to a mains power source and is not providing any active mode or standby mode function, and where the mode may persist for an indefinite time. The existence of an off switch in off position (a disconnected circuit) is included within the classification of off mode. (10 CFR part 430, subpart B, appendix N, section 2.9) An ''off switch'' is defined as the switch on the furnace or boiler that, when activated, results in a measurable change in energy consumption between the standby and off modes. (10 CFR part 430, subpart B, appendix N, section 2.10.) As discussed

[40] AHRI and Nortek also provided more specific arguments stating that: (1) replacing a non-condensing MHGF with a condensing MHGF is not a simple drop-in; (2) a condensing furnace, with the added heat exchanger needed to achieve condensing operation, may not be dimensionally the same as the original non-condensing furnace installed in the mobile home when it was manufactured; (3) rework may be needed to install the new PVC venting system; and (4) there will be the added cost of the labor to remove the old venting system.

previously, DOE does not currently prescribe standby mode or off mode standards for NWGFs and MHGFs. DOE's analysis of standby mode and off mode standards is discussed further in section IV.C of this document.

2. Technology Options

In the market analysis and technology assessment, DOE has identified 12 technology options that would be expected to improve the AFUE efficiency of NWGFs and MHGFs, as measured by the DOE test procedure: (1) using a condensing secondary heat exchanger; (2) increasing the heat exchanger surface area; (3) heat exchanger baffles; (4) heat exchanger surface feature improvements; (5) two-stage combustion; (6) step-modulating combustion; (7) pulse combustion; (8) premix burners; (9) burner de-rating; (10) insulation improvements; (11) off-cycle dampers; and (12) direct venting. In addition, DOE identified three technologies that would reduce the standby mode and off mode energy consumption of residential furnaces: (1) low-loss linear transformer (''LL–LTX''); (2) switching mode power supply (''SMPS''); and (3) control relay for models with brushless permanent magnet (''BPM'') motors. A detailed discussion of each technology option identified is contained in chapter 3 of the NOPR TSD.

DOE considered each technology further in the screening analysis (see section IV.B of this document or chapter 4 of the NOPR TSD) to determine which could be considered further in the analysis and which should be eliminated.

B. Screening Analysis

DOE uses the following five screening criteria to determine which technology options are suitable for further consideration in an energy conservation standards rulemaking:

(1) *Technological feasibility.* Technologies that are not incorporated in commercial products or in working prototypes will not be considered further.

(2) *Practicability to manufacture, install, and service.* If it is determined that mass production and reliable installation and servicing of a technology in commercial products could not be achieved on the scale necessary to serve the relevant market at the time of the projected compliance date of the standard, then that technology will not be considered further.

(3) *Impacts on product utility or product availability.* If it is determined that a technology would have significant adverse impacts on the utility of the product to significant subgroups of consumers or would result in the unavailability of any covered product with performance characteristics (including reliability), features, sizes, capacities, and volumes that are substantially the same as products generally available in the United States at the time, it will not be considered further.

(4) *Adverse impacts on health or safety.* If it is determined that a technology would have significant adverse impacts on health or safety, it will not be considered further.

(5) *Unique-Pathway Proprietary Technologies.* If a design option utilizes proprietary technology that represents a unique pathway to achieving a given efficiency level, that technology will not be considered further due to the potential for monopolistic concerns. 10 CFR part 430, subpart C, appendix A, sections 6(b)(3) and 7(b).

In summary, if DOE determines that a technology, or a combination of technologies, fails to meet one or more of the above five criteria, it will be excluded from further consideration in the engineering analysis. The reasons for eliminating any technology are discussed in the following sections.

The subsequent sections include comments from interested parties pertinent to the screening criteria, DOE's evaluation of each technology option against the screening analysis criteria, and whether DOE determined that a technology option should be excluded (''screened out'') based on the screening criteria.

1. Screened-Out Technologies

For this NOPR, DOE has screened out the following technologies: pulse combustion, burner de-rating, and control relay to depower BPM motors. Each of these will be discussed in turn.

As mentioned, DOE screened out the use of pulse combustion. Pulse combustion furnaces use self-sustaining pressure waves to draw a fresh fuel-air mixture into the combustion chamber, heat it by way of compression, and then ignite it using a spark. This technology option was screened out due to past reliability and safety issues, which has resulted in manufacturers generally not considering their use a viable option to improve efficiency. In addition, furnace manufacturers can achieve similar or greater efficiencies through the use of other technologies that do not operate with positive pressure in the heat exchanger, such as those relying on induced draft.

DOE also screened out burner de-rating. Burner de-rating reduces the burner firing rate while maintaining the same heat exchanger geometry/surface area and fuel-air ratio, which increases the ratio of heat transfer surface area to energy input, which increases efficiency. This technology option was screened out because it reduces the burner firing rate while maintaining the same heat exchanger geometry/surface area and fuel-air ratio, resulting in less heat being provided to the user than is provided using conventional burner firing rates.

Lastly, DOE screened out use of a control relay to depower BPM motors. For this option, a switch is spring-loaded to a disconnected position and can only close to allow a supply of electrical power to the BPM motor upon an inrush of current. This technology option was screened out because manufacturer interviews previously indicated that using a control relay to depower BPM motors could reduce the lifetime of the motors.

It is noted that in earlier rulemaking analyses (*e.g.,* for the since withdrawn September 2016 SNOPR), DOE had screened out premix burners from further analysis because premix burners had not yet been successfully incorporated into a consumer furnace design, raising concerns about the technological feasibility of premix burners in furnaces. Incorporating this technology into furnaces on a large scale at that time would have required further research and development due to the technical constraints imposed by current furnace burner and heat exchanger design. However, in conducting the market and technology assessment and screening analysis for this NOPR, DOE has now identified NWGF furnaces with premix burners on the market and, therefore, has not screened this technology option out of its analysis, because the technological feasibility and practicability to manufacture such designs has been demonstrated. However, DOE notes that the premix burner designs observed on the market were implemented in ultra low NO_X [41] models, indicating that the development of premix burner designs has been primarily driven by NO_X requirements. The efficiencies of these models are the same as those achieved by more conventional non-premix burner designs used in furnaces. Therefore, while the use of premix burners was not screened out, it was not considered a primary driver for improving efficiency.

The technology options assumed to be implemented to achieve each efficiency

[41] ''Ultra low NO_X'' furnaces produce no more than 14 nanograms of NO_X per Joule.

level are discussed further in section IV.C.1 of this NOPR. Chapter 4 of the TSD includes additional information on the screening analysis.

Based on comments received in response to the September 2016 SNOPR from stakeholders who were concerned that raising standards to condensing levels would result in adverse impacts to safety (*see:* PHCC, No. 298 at pp. 1, 2; Lennox, No. 299 at pp. 19–20; Southern Company, No. 257 at pp. 10–11; Spire, No. 224 at pp. 27, 39; Efficiency Advocates, No. 285 at pp. 4–5), DOE carefully considered the safety of condensing furnaces for this NOPR. DOE notes that condensing furnaces have been in use for decades and have significant market share across the entire United States. These products have been demonstrated to be safe when installed and used in accordance with manufacturer instructions. Some commenters suggested that an increase in the number of condensing furnaces installed would lead to an increase in safety issues due to a higher likelihood of improper venting or use of heat tape. However, the reports cited by commenters, which suggest an increased prevalence of fires and deaths attributable to improper furnace installation, improper maintenance, and improper venting, do not distinguish between instances involving condensing furnaces and instances involving non-condensing furnaces and may encompass both types of units.[42] To the extent that any theoretical safety issues might arise due to inexperience with the installation of condensing furnaces, DOE once again notes that condensing furnaces have achieved substantial market penetration in both the northern and southern United States,[43] and installers will become more familiar with the proper installation methods for these products as their presence continues to increase in the market. The 5-year lead time before compliance is required with any standards arising from this rulemaking provides manufacturers and trade associations sufficient time to educate installers, particularly those less experienced with condensing furnaces, about how to safely install, operate, and repair them.

Commenters also suggested in response to the subsequently withdrawn 2016 SNOPR that the increased cost of furnace replacement could lead consumers to use alternate heat sources that they characterize as less safe, or to conduct an unsafe repair of a malfunctioning furnace rather than replace it. In response, DOE notes that furnace repairs are typically performed by contractors, so it is unlikely that a contractor would opt to repair a furnace in a manner that allows for unsafe operation. In most cases, to do so would be a breach of local codes that have negative consequences for the contractor. Regarding the possibility of a consumer choosing to use an alternate heating source such as a space heater, the reports cited by commenters state that the leading factors contributing to fires resulting from space heaters are the misuse of the product or improper maintenance of the product.[44] The standards proposed in this document do not require consumers to use alternate heating products such as space heaters, let alone use such products in an unsafe manner. Further, there is no indication that the proposed standards would make it more likely that consumers choosing to reply upon such products would do so in an unsafe manner.

2. Remaining Technologies

Through a review of each technology, DOE tentatively concludes that all of the other identified technologies listed in section IV.A.2 of this document met all five screening criteria to be examined further as design options in DOE's analysis. In summary, DOE did not screen out the following technology options to improve AFUE: (1) condensing secondary heat exchanger; (2) increased heat exchanger face area; (3) heat exchanger baffles; (4) heat exchanger surface feature improvements; (5) two-stage combustion; (6) step-modulating combustion; (7) insulation improvements; (8) off-cycle dampers; (9) direct venting; and (10) premix burners. DOE also maintained the following technology options to improve standby mode and off mode energy consumption: (1) low-loss transformer; and (2) switching mode power supply.

DOE has determined that these technology options are technologically feasible because they are being used or have previously been used in commercially-available products or working prototypes. DOE also continues to find that all of the remaining technology options meet the other screening criteria (*i.e.,* practicable to manufacture/install/service, do not result in adverse impacts on consumer utility, product availability, health, or safety, and do not involve a proprietary technology that is a unique pathway to meeting a given efficiency level). For additional details, see chapter 4 of the TSD.

C. Engineering Analysis

The purpose of the engineering analysis is to establish the relationship between the efficiency and cost of NWGFs and MHGFs. There are two elements to consider in the engineering analysis: (1) the selection of efficiency levels to analyze (*i.e.,* the ''efficiency analysis'') and (2) the determination of product cost at each efficiency level (*i.e.,* the ''cost analysis''). In determining the performance of higher-efficiency NWGFs and MHGFs, DOE considers technologies and design option combinations not eliminated by the screening analysis. For each furnace class analyzed for this NOPR, DOE estimates the baseline cost, as well as the incremental cost for the furnace at efficiency levels above the baseline. The output of the engineering analysis is a set of cost-efficiency ''curves'' that are used in downstream analyses (*i.e.,* the LCC and PBP analyses and the NIA).

The methodology for the efficiency analysis and the cost analysis is described in detail in the following sections that immediately follow (sections IV.C.1 and IV.C.2, respectively, of this document). DOE uses its methodology, which consists of the engineering analysis and mark-ups analysis (see section IV.D of this document), to determine the final price of the furnace to the consumer for several reasons. The sales prices of furnaces currently seen in the marketplace, which include both a manufacturer production cost (''MPC'') and various mark-ups applied through the distribution chain, are not necessarily indicative of what the sales prices of those furnaces would be following the implementation of a more-stringent energy conservation standard. At a given efficiency level, MPC depends in part on the production volume. In general, for efficiency levels above the current baseline, the price to

[42] DOE also notes that a more recent report by the National Fire Protection Association (''NFPA'') does not attribute any deaths to fires resulting from heating tape between 2014 and 2018. *See* Richard Campbell, National Fire Protection Association Fire Analysis and Research Division, *Home Heating Fires Supporting Tables* (January 2021) p. 7 (Available at: *www.nfpa.org/news-and-research/fire-statistics-and-reports/fire-statistics/fire-causes/appliances-and-equipment/heating-equipment*) (Last accessed February 15, 2022).

[43] *See* section IV.F.9 of this document for further discussion of the efficiency distribution for the subject furnaces.

[44] FEMA, Heating Fires in Residential Buildings (2010–2012), Topical Fire Report Series (December 2014) p. 7 (Available at: *www.usfa.fema.gov/downloads/pdf/statistics/v15i7.pdf*) (Last accessed February 15 2022); See also, Richard Campbell, NFPA Fire Analysis and Research Division, *Home Heating Fires Supporting Tables* (January 2021) (Available at: *www.nfpa.org/news-and-research/fire-statistics-and-reports/fire-statistics/fire-causes/appliances-and-equipment/heating-equipment*) (Last accessed February 15, 2022).

the consumer at that level may be high relative to what it would be under a more-stringent standard, due to the increase in production volume (and, thus, improved economies of scale and purchasing power for furnace components) which would occur at that level if a Federal standard made it the new baseline efficiency.

DOE notes that the engineering analysis incorporated condensing furnaces without ''premium'' features, and condensing furnaces are more likely to be equipped with ''premium'' features in today's market. One would expect increased designs (and/or sales) with minimal ''premium'' features to cater to cost-sensitive consumers, as compared to the current market, and perhaps redesigns where possible, to minimize costs. In its analysis of AFUE levels, DOE sought to minimize or normalize the presence of additional designs or features that do not affect AFUE, as they can increase costs while not affecting the measured AFUE efficiency. In other words, DOE's analysis of the cost-efficiency relationship is for a product that provides only the basic utility (*i.e.,* heat) without other special features that consumers may find beneficial (*e.g.,* sound reduction or humidity control). Although it may be possible to identify prices for products without premium features, simply aggregating a collection of current furnace sales price information could lead to a higher consumer price than would be expected under an amended standards scenario, as many condensing products available on the market today are bundled with ''premium'' features but under an amended standards scenario, condensing products without as many ''premium'' features may become more common.

As described in section IV.D of this document, under a more-stringent standard, the mark-ups incorporated into the sales price may also change relative to current mark-ups. Therefore, DOE has tentatively concluded that basing the engineering analysis on prices of furnaces as currently seen in the marketplace would be a less accurate method of estimating future furnace prices following an amended standard than DOE's approach of conducting an engineering analysis and mark-ups analysis for this NOPR. (However, as noted in section IV.C.2 of this document, price surveys are sometimes required when other methods are infeasible.)

Furthermore, at earlier stages of the NWGF and MHGF rulemaking, some stakeholders performed cost-benefit analyses that relied on online retail pricing,[45] which raise additional concerns beyond the issues previously discussed (*i.e.,* the data likely includes prices for condensing furnaces with ''premium'' features and does not account for the likely change in designs, market, and pricing that would occur under an amended standard). Differences between online vendors with respect to mark-up and pricing practices could lead to online prices being unrepresentative for the overall market. In addition, manufacturers indicated during interviews (see section IV.C.2.f of this document) that the number of furnaces sold directly to consumers over the internet is very small, and, therefore, DOE questions whether such prices are representative of what most consumers actually pay for these products. For these reasons, it is unlikely that a collection of online price data is truly representative of what consumers are paying for furnaces currently, much less under an amended standards scenario.

Certain stakeholders also urged DOE to improve the transparency of the engineering analysis by releasing certain information currently not available within the public domain. (Spire No. 309–1 at pp. 66–67; APGA, No. 292–1 at p. 41) However, previously during this rulemaking, Rheem objected to DOE publishing any information on the manufacturing costs of Rheem's units. Further, Rheem commented that manufacturers in general will object to having a bill of materials (''BOM'') from a complete teardown analysis of their product(s) being made available to the public. (Rheem, NOPR Public Meeting Transcript, No. 0044, at pp. 74–75)

In response, DOE's analysis and proposal are based, in part, on the aggregated data generated during the engineering analysis. The process by which the aggregated data have been generated is discussed in this document and is the result of the engineering analyses described in chapter 5 of the NOPR TSD. The primary inputs to the engineering analysis are data from the market and technology assessment, input from manufacturers, furnace specifications, and production cost estimates developed based on teardown analysis and consultation with manufacturers. DOE's contractor conducts interviews with manufacturers under non-disclosure agreements (''NDAs'') to determine if the MPCs developed by the analysis reflect the industry average cost rather than current sales prices, and applies mark-ups to determine the expected sales price once a more-stringent standard is implemented. In addition, because the cost estimation methodology uses data supplied by manufacturers under the NDAs (such as raw material and purchased part prices), the resulting individual model cost estimates themselves cannot be published. DOE notes that manufacturers that participated in manufacturer interviews had access to the raw material and purchased part price data underlying the MPC estimates for those models at the time the interviews were conducted. The data resulting from the engineering analysis and which DOE has used as inputs to its modeling are available to the public for comment. Including manufacturer-specific information in the docket would raise serious concerns regarding the business confidentiality of that information and undermine the ability of the Department to gain access to key data based on such specific information going forward. DOE's treatment of confidential business information is governed by the Freedom of Information Act (''FOIA'') and 10 CFR 1004.11. (5 U.S.C. 552(b)(4))

In the present proceeding, as is generally the case in appliance standards rulemakings, manufacturer-specific and product-specific data are presented in aggregate. Given the potential for competitive harm, data are not released outside the aggregated form to DOE or its National Labs. Instead, the BOMs used to estimate the industry-aggregate MPCs are developed by a DOE contractor and are not provided to DOE; DOE only receives the industry-aggregate MPCs from its contractor for use in its analyses, without fear of such sensitive data being released to the public. This approach allows manufacturers to provide candid and detailed feedback under NDA, thereby improving the quality of the analysis. The public is provided the opportunity to comment on the aggregated data that was provided to DOE (*i.e.,* the same data that DOE used in its analyses). Making manufacturer-specific data available would theoretically provide additional background on that data, but it would be merely supplemental to the data upon which DOE relied, and it would certainly have a chilling effect on manufacturers' willingness to share this crucial data going forward. Consequently, DOE plans to retain its

[45] As one example, consider the 2013 Furnace Price Guide, originally published on *www.furnacecompare.com. See: www.amazon.com/Furnace-Price-Guide-Chris-Brooks-ebook/dp/B00GR784IK.* The Gas Technology Institute (GTI) used these data for its report ''Technical Analysis of DOE Supplemental Notice of Proposed Rulemaking on Residential Furnace Minimum Efficiencies.'' (*See:* EERE–2014–BT–STD–0031–0301.)

current and long-standing approach to the engineering analysis.

1. Efficiency Analysis

DOE typically uses one of two approaches to develop energy efficiency levels for the engineering analysis: (1) relying on observed efficiency levels in the market (*i.e.,* the efficiency-level approach), or (2) determining the incremental efficiency improvements associated with incorporating specific design options to a baseline model (*i.e.,* the design-option approach). Using the efficiency-level approach, the efficiency levels established for the analysis are determined based on the market distribution of existing products (in other words, based on the range of efficiencies and efficiency level ''clusters'' that already exist on the market). Using the design option approach, the efficiency levels established for the analysis are determined through detailed engineering calculations and/or computer simulations of the efficiency improvements from implementing specific design options that have been identified in the technology assessment. DOE may also rely on a combination of these two approaches. For example, the efficiency-level approach (based on actual products on the market) may be extended using the design option approach to ''gap fill'' levels (*i.e.,* to bridge large gaps between other identified efficiency levels) and/or to extrapolate to the max-tech level (particularly in cases where the max-tech level exceeds the maximum efficiency level currently available on the market).

DOE conducted separate engineering analyses for analyzing AFUE standards and standby mode/off mode standards for this rulemaking, because these are independent metrics that are improved via application of different technologies, and DOE had different sources of data for the two metrics. For the AFUE engineering analysis, DOE generally employed an efficiency level approach, which identified the intermediate efficiency levels (*i.e.,* levels between baseline and max-tech) for analysis based on the most common efficiency levels on the market. One exception is that DOE analyzed a 90-percent AFUE level for NWGFs and MHGFs despite relatively few models at that level, as it would serve as a minimum condensing level.

For the standby mode and off mode engineering analysis, DOE adopted a design option approach to identify the efficiency levels that would result from implementing certain design options for reducing energy use in standby mode and off mode. DOE decided on this approach because the Department does not have sufficient data to execute an efficiency-level analysis, as manufacturers typically do not rate or publish data on the standby mode and/or off mode energy consumption of their NWGF and MHGF products.

a. Baseline Efficiency Level and Product Characteristics

For each product/equipment class, DOE generally selects a baseline model as a reference point for each class, and measures anticipated changes to the product resulting from potential energy conservation standards against the baseline. The baseline model in each product/equipment class represents the characteristics of a product/equipment typical of that class (*e.g.,* capacity, physical size). Generally, a baseline model is one that just meets current energy conservation standards, or, if no standards are in place, the baseline is typically the most common or least efficient unit on the market.

DOE selected baseline units for the NWGF and MHGF product classes that include characteristics typical of the least-efficient commercially-available consumer furnaces. The baseline unit in each product class represents the basic characteristics of products in that class. Baseline units serve as reference points, against which DOE measures changes resulting from potential amended energy conservation standards. Additional details on the selection of baseline units are in chapter 5 of the NOPR TSD.

AFUE

Table IV.1 presents the baseline AFUE levels identified for each product class of furnaces addressed by this rulemaking. The baseline AFUE levels analyzed are the same as the current Federal minimum AFUE standards for the subject furnaces, as established by the November 2007 final rule. 10 CFR 430.32(e)(1)(ii); 72 FR 65136, 65169 (Nov. 19, 2007).

TABLE IV.1—BASELINE RESIDENTIAL FURNACE AFUE EFFICIENCY LEVELS

Product class	AFUE (percent)
Non-Weatherized Gas Furnaces	80
Mobile Home Gas Furnaces	80

Standby Mode and Off Mode

For the standby mode and off mode analysis, DOE identified baseline components as those that consume the most electricity during the operation of those modes. Because it would not be practical for DOE to test every furnace on the market to determine the baseline efficiency, and because manufacturers do not currently report standby mode and off mode energy consumption of NWGFs and MHGFs, DOE ''assembled'' the most consumptive baseline components from the models selected for investigative testing to model the electrical system of a furnace with the expected maximum system standby mode and off mode energy use observed during testing of furnaces. Through reviewing product literature and discussions with manufacturers, DOE found that furnaces generally do not have a seasonal off switch that would be used to turn the product off during the off season. Further, if a switch is included with a product, it is typically left in the on position during the non-heating season because the indoor blower motor in the furnace is needed to move air for the AC side of the home's HVAC system. DOE found that such switch is typically used only as a service or repair switch. Therefore, DOE concluded that time spent in off mode is expected to be minimal, and the energy consumption in standby mode will always be greater than or equal to the energy consumption in off mode. Accordingly, in the analysis of potential standby mode and off mode energy conservation standards, DOE treated both the standby mode and the off mode energy use for residential furnaces as having the same level of energy consumption, which is typical of standby mode.

The components of the baseline standby mode and off mode energy use level used in this analysis are presented in Table IV.2 of this document.

TABLE IV.2—BASELINE STANDBY MODE AND OFF MODE ENERGY USE FOR NWGFS AND MHGFS

Component	Standby mode and off mode energy use (watts)
Transformer	4
BPM Blower Motor (includes controls)	3
Controls/Other	4
Total (Watts)	11

b. Higher Energy Efficiency Levels

AFUE

Table IV.3 and Table IV.4 show the efficiency levels DOE selected for analysis of amended AFUE standards for NWGFs and MHGFs, respectively,

up to the maximum available efficiency level, along with a description of the typical technological change at each level. The maximum available efficiency level was the highest-efficiency unit available on the market when DOE began this analysis. DOE also defines a ''max-tech'' efficiency level to represent the maximum possible efficiency for a given product.

TABLE IV.3—AFUE EFFICIENCY LEVELS FOR NON-WEATHERIZED GAS FURNACES

Efficiency level (EL)	AFUE (%)	Technology options
0—Baseline	80	Baseline.
1	90	EL0 + Secondary condensing heat exchanger.
2	92	EL1 + Increased heat exchanger area.
3	95	EL2 + Increased heat exchanger area.
4—Max-Tech	98	EL3 + Increased heat exchanger area + Step-modulating combustion + Constant-airflow BPM blower motor.

TABLE IV.4—AFUE EFFICIENCY LEVELS FOR MOBILE HOME GAS FURNACES

Efficiency level	AFUE (%)	Technology options
0—Baseline	80	Baseline.
1	90	EL0 + Secondary condensing heat exchanger.
2	92	EL1 + Increased heat exchanger area.
3	95	EL2 + Increased heat exchanger area.
4—Max-Tech	96	EL3 + Increased heat exchanger area.

Standby/Off Mode

Table IV.5 shows the efficiency levels DOE selected for the analysis of standby mode and off mode standards in this NOPR, along with a description of the design options used to achieve each efficiency level above baseline. The baseline technology options include a linear power supply and a 40VA linear transformer (''LTX''). Technology options that may be used to achieve efficiency levels above baseline include a low-loss LTX (''LL–LTX'') and a switching mode power supply (''SMPS'').

TABLE IV.5—STANDBY MODE AND OFF MODE EFFICIENCY LEVELS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Efficiency level (EL)	Standby mode and off mode energy use (watts)	Technology options
0—Baseline	11	Linear Power Supply with 40VA LTX.
1	9.5	Linear Power Supply with 40VA LL–LTX.
2	9.2	SMPS with 20VA LTX.
3—Max-Tech	8.5	SMPS with 20VA LL–LTX.

2. Cost Analysis

The cost analysis portion of the engineering analysis is conducted using one or a combination of cost approaches. The selection of cost approach depends on a suite of factors, including the availability and reliability of public information, characteristics of the regulated product, and the availability and timeliness of purchasing the product on the market. The available cost approaches are summarized as follows:

- *Physical teardowns:* Under this approach, DOE physically dismantles a commercially-available product, component-by-component, to develop a detailed bill of materials for the product.
- *Catalog teardowns:* In lieu of physically deconstructing a product, DOE identifies each component using parts diagrams (available from manufacturer websites or appliance repair websites, for example) to develop the bill of materials for the product.
- *Price surveys:* If a physical or catalog teardown is infeasible (*e.g.,* for tightly integrated products such as fluorescent lamps, which are infeasible to disassemble and for which parts diagrams are unavailable), cost-prohibitive, or otherwise impractical (*e.g.* large commercial boilers), DOE conducts price surveys using publicly-available pricing data published on major online retailer websites and/or by soliciting prices from distributors and other commercial channels.

In the present case, DOE conducted its cost analysis using a combination of physical and catalog teardowns to assess how manufacturing costs change with increased product efficiency. Products were selected for physical teardown analysis that have characteristics of typical products on the market at a representative input capacity of 80,000 Btu/h (determined based on market data and discussions with manufacturers). Selections spanned the range of efficiency levels analyzed and included most manufacturers. The teardown analysis allowed the creation of detailed BOMs for each product torn down, which included all components and processes used to manufacture the products. DOE used the BOMs from the teardowns as inputs to calculate the MPC for products at various efficiency levels spanning the full range of efficiencies from the baseline to the maximum technology achievable (''max-tech'') level.

During the development of the since withdrawn March 2015 NOPR, interviews were held with NWGF and MHGF manufacturers to gain insight into the residential furnace industry, and to request feedback on the engineering analysis. A second round of interviews were held in 2021 to review updates to the cost analysis since that prepared for the withdrawn March 2015 NOPR. DOE used the information gathered from these interviews, along with the information obtained through the teardown analysis, to develop its MPC estimates. For this NOPR, DOE used eight physical teardowns performed for prior rulemaking stages where the model torn down is still available on the current market by updating the BOM for that model to incorporate the most recent input data (*e.g.,* for raw materials, purchased components, labor). When incorporating teardowns from past analyses into the analysis for this NOPR, DOE only selected the units with designs and components that are the same as units currently on the market. DOE also performed an additional 23 physical teardowns in the spring of 2021 to update the analysis for this NOPR. DOE purposefully selected these particular units for use this NOPR, in an effort to ensure the analysis's representativeness of current furnace designs. For additional detail about the models used, see chapter 5 of the NOPR TSD

a. Teardown Analysis

To assemble BOMs and to calculate the manufacturing costs for the different components in residential furnaces, multiple units were disassembled into their base components, and DOE estimated the materials, processes, and labor required for the manufacture of each individual component, a process referred to as a ''physical teardown.'' Using the data gathered from the physical teardowns, each component was characterized according to its weight, dimensions, material, quantity, and the manufacturing processes used to fabricate and assemble it.

For supplementary catalog teardowns, product data were gathered such as dimensions, weight, and design features from publicly-available information, such as manufacturer catalogs. Such ''virtual teardowns'' allowed DOE to estimate the major physical differences between a product that was physically disassembled and a similar product that was not. For this NOPR, data from a total of 83 physical and virtual teardowns of residential furnaces were used to calculate industry MPCs in the engineering analysis.

The teardown analysis allowed DOE to identify the technologies that manufacturers typically incorporate into their products, along with the efficiency levels associated with each technology or combination of technologies. The end result of each teardown is a structured BOM, which was developed for each of the physical and virtual teardowns. The BOMs incorporate all materials, components, and fasteners (classified as either raw materials or purchased parts and assemblies), and characterize the materials and components by weight, manufacturing processes used, dimensions, material, and quantity. The BOMs from the teardown analysis were then used as inputs to calculate the MPC for each product that was torn down. The MPCs resulting from the teardowns were then used to develop an industry average MPC for each efficiency level of each product class analyzed.

As discussed in section IV.C.2.d of this document, DOE also performed several physical and catalog teardowns of units at input capacities other than the representative input capacity (*i.e.,* 40, 60, 100, and 120 kBtu/h in addition to 80 kBtu/h). These teardowns allowed DOE to develop cost-efficiency curves for NWGFs and MHGFs at different input capacities. For more detailed information on the teardown analysis, see chapter 5 of the NOPR TSD.

b. Cost Estimation Method

The costs of individual models are estimated using the content of the BOMs (*i.e.,* materials, fabrication, labor, and all other aspects that make up a production facility) to generate MPCs. These MPCs hence include overhead and depreciation, for example. DOE collected information on labor rates, tooling costs, raw material prices, and other factors as inputs into the cost estimates. For purchased parts, DOE estimates the purchase price based on volume-variable price quotations and detailed discussions with manufacturers and component suppliers.

For parts fabricated in-house, the prices of the underlying ''raw'' metals (*e.g.,* tube, sheet metal) are estimated on the basis of 5-year averages to smooth out spikes in demand. Other ''raw'' materials, such as plastic resins, insulation materials, etc., are estimated on a current-market basis. The costs of raw materials are based on manufacturer interviews, quotes from suppliers, and secondary research. Past results are updated periodically and/or inflated to present-day prices using indices from resources such as MEPS Intl.,[46] PolymerUpdate,[47] the U.S. geologic survey (''USGS''),[48] and the Bureau of Labor Statistics (''BLS'').[49] The cost of transforming the intermediate materials into finished parts is estimated based on current industry pricing.

c. Manufacturing Production Costs

DOE estimated the MPC at each efficiency level considered for each product class, from the baseline through the max-tech, and then calculated the fractions of the MPC (in percentages) attributable to each cost component (*i.e.,* materials, labor, depreciation, and overhead). These percentages were used to validate analytical inputs by comparing them to manufacturers' actual financial data published in annual reports, along with feedback obtained from manufacturers during interviews. DOE uses these production cost percentages in MIA (see section IV.J of this document).

Table IV.6 and Table IV.7 present DOE's estimates of the MPCs by AFUE efficiency level at the representative input capacity (80 kBtu/h) for both the NWGF and MHGF furnaces in this rulemaking. The MPCs presented incorporate the appropriate design characteristics of NWGFs and MHGFs at each efficiency level. DOE observed both in its market analysis and teardown analysis that products are available on the market across all efficiency levels with a mix of blower motor technologies, including permanent split capacitor (''PSC'') motors, constant torque brushless permanent magnet (''BPM'') motors, and constant airflow BPM motors. To account for the variety of blower motors available on the market, DOE developed cost adjustment factors (''adders'') for each type of blower motor and at each input capacity analyzed (*i.e.,* 40, 60, 80, 100, and 120 kBtu/h) to normalize the blower costs and allow for estimation of the cost differences between models with different blower technologies. DOE normalized the costs of the blower assemblies present in the teardown models when generating the industry-aggregate MPCs, with the exception of

[46] For more information on MEPS Intl, please visit: *www.mepsinternational.com/gb/en* (Last accessed Feb. 16, 2022).

[47] For more information on PolymerUpdate, please visit: *www.polymerupdate.com* (Last accessed Feb. 16, 2022).

[48] For more information on the USGS metal price statistics, please visit *www.usgs.gov/centers/national-minerals-information-center/commodity-statistics-and-information* (Last accessed Feb. 16, 2022).

[49] For more information on the BLS producer price indices, please visit: *www.bls.gov/ppi/* (Last accessed Feb. 16, 2022).

the max-tech level for NWGFs which was always assigned a constant airflow BPM motor. These adders are discussed in more detail in Chapter 5 of the TSD accompanying this notice. As discussed in section IV.F of this document, these adders were applied in the LCC analysis to represent the distribution of blower motor technologies expected on the market.

Similarly, in its market analysis and teardown analysis, DOE observed models across efficiency levels with single-stage, two-stage, and modulating operation. DOE, therefore, also developed a cost adder for two-stage and modulating combustion systems (as compared to single-stage models). The cost to change from a single-stage to a two-stage combustion system includes the cost of a two-stage gas valve, a two-speed inducer assembly, upgraded pressure switch/tubing assembly, and additional controls and wiring. Similarly, the cost to change from a single-stage to a modulating combustion system includes the cost of a modulating gas valve, an upgraded inducer assembly, upgraded pressure switch/tubing assembly, and additional controls and wiring. These cost adders are discussed in more detail in Chapter 5 of the TSD. DOE normalized the burner stages when generating the industry-aggregate MPCs, with the exception of the max-tech level for NWGFs which was assumed to be modulating based on current furnace designs observed at the max-tech level.

Table IV.6 and Table IV.7 present costs for NWGF with a constant-torque BPM and single-stage combustion (except for the max-tech level which, as previously noted, includes a constant airflow BPM and modulating combustion), and for MHGF with an improved PSC and single-stage combustion, respectively. However, as discussed, DOE observed that a variety of products exist on the market that include various blower motor technologies and burner system stages, so the Department developed adders to translate MPCs across various technologies. DOE presents MPCs with these technologies because they are the technologies that DOE has observed are necessary to achieve minimum compliance with the 2014 furnace fan final rule, for which compliance was required beginning on July 3, 2019.[50] 79 FR 38130, 38151 (July 3, 2014). Therefore, DOE believes these designs are likely the most representative of furnaces on the current market, although DOE recognizes there are some exceptions.

TABLE IV.6—MANUFACTURER PRODUCTION COST FOR NON-WEATHERIZED GAS FURNACES AT THE REPRESENTATIVE INPUT CAPACITY OF 80 kBtu/h

Efficiency level	Efficiency level (AFUE) (%)	MPC * (2020$)	Incremental cost above baseline (2020$)
Baseline	80	317	.....
EL1	90	403	86
EL2	92	411	94
EL3	95	422	105
EL4	98	539	222

* The MPCs for the NWGF efficiency levels from Baseline through EL3 include single-stage combustion and incorporation of a constant-torque BPM indoor blower motor. DOE has determined that NWGFs at EL4 incorporate modulating operation and a constant-airflow BPM blower motor.

TABLE IV.7—MANUFACTURER PRODUCTION COST FOR MOBILE HOME GAS FURNACES AT THE REPRESENTATIVE INPUT CAPACITY OF 80 kBtu/h

Efficiency level	Efficiency level (AFUE) (%)	MPC * (2020$)	Incremental cost above baseline (2020$)
Baseline	80	325	.....
EL1	90	414	89
EL2	92	421	97
EL3	95	432	108
EL4	96	436	112

* The MPCs for all MHGF efficiency levels include single-stage combustion and incorporation of an improved PSC indoor blower motor.

Table IV.8 presents DOE's estimates of the incremental MPCs of each standby mode/off mode efficiency level for this rulemaking, relative to the baseline efficiency level. For standby mode and off mode, the design options used to obtain higher efficiencies were composed of purchased parts, so obtaining price quotes on these electrical components was more accurate than attempting to determine their manufacturing costs via a reverse-engineering analysis. Therefore, the incremental MPC shown reflects the price to implement the component necessary to achieve the given efficiency level. DOE also considered whether other design changes would be necessary to accommodate the components at each efficiency level. Based on the LL–LTX designs DOE has reviewed and the furnace products observed during teardowns (which included numerous models across manufacturers and efficiencies), DOE believes that major redesign would not be required to accommodate these components. While it is possible that thicker metal may be required for the mounting brackets, DOE maintains that

[50] The furnace fans final rule set a mandatory fan energy rating (FER) of .044 * Qmax + 182 for NWGF units, .071 * Qmax + 222 for non-condensing MHGF units, and .071 * Qmax + 240 for condensing MHGF units, where Qmax equals the airflow through the furnace at the maximum airflow-control setting operating point. For more information, see the furnace fans rulemaking web page at: *www1.eere.energy.gov/buildings/appliance_standards/rulemaking.aspx/ruleid/41.*

it is more likely that the current mounting brackets are sufficient to support the slight increase in weight and size of LL–LTX. DOE seeks further input on this issue.

TABLE IV.8—INCREMENTAL MANUFACTURER PRODUCTION COST FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES STANDBY MODE AND OFF MODE

Efficiency level	Standby mode and off mode energy use (watts)	Incremental MPC (2020$)
Baseline	11	0
EL1	9.5	0.52
EL2	9.2	1.44
EL3	8.5	2.65

Chapter 5 of the NOPR TSD presents more information regarding the development of DOE's estimates of the MPCs for this proposal. DOE seeks further comment on its estimates for the MPC of consumer furnaces under each standards scenario.

d. Cost-Efficiency Relationship

DOE created cost-efficiency curves representing the cost-efficiency relationships for the product classes that it examined (*i.e.,* NWGFs and MHGFs). To develop the cost-efficiency relationships for NWGFs at the representative capacity (80 kBtu/h), DOE calculated a market-share weighted average MPC for each efficiency level analyzed, based on the units torn down at that efficiency level. As discussed in section IV.C.2.a of this document, DOE performed several physical and catalog teardowns across a range of input capacities in order to develop cost-efficiency curves for NWGFs and MHGFs at different input capacities. These cost-efficiency curves were then used in the downstream analyses. The cost-efficiency curves developed for input capacities other than the representative input capacity are presented in chapter 5 of the NOPR TSD. For MHGFs, DOE performed physical teardowns of several MHGF models and compared them to NWGF teardowns from a common manufacturer and similar design, in order to determine the typical design differences between the two product classes. (A detailed description of the typical differences between MHGF and NWGF is provided in chapter 5 of the TSD.) Using this information, DOE then developed cost adders which it applied to the NWGF MPCs, in order to estimate the MPCs of MHGFs at each of the MHGF efficiency levels. Additional details on how DOE developed the cost-efficiency relationships and related results are available in chapter 5 of the TSD.

As displayed in Table IV.6 and Table IV.7 of this document, the results indicate that cost-efficiency relationships are nonlinear. For both NWGF and MHGF, the cost increase between the non-condensing (80 percent AFUE) and condensing (90 percent AFUE) efficiency levels is due to the addition of a secondary heat exchanger, so there is a large step in both AFUE and MPC. For NWGFs, a significant cost increase also occurs between the 95 percent and 98 percent AFUE levels due to the addition of modulating combustion components paired with a constant airflow BPM indoor blower motor at 98 percent AFUE.

e. Manufacturer Mark-Up

DOE calculates the manufacturer selling price (''MSP'') by multiplying the MPC and the manufacturer markup. The MSP is the price the manufacturer charges its direct customer (*e.g.,* a wholesaler). The MPC is the cost for the manufacturer to produce a single unit of product, accounting for direct costs and overhead associated with the manufacturing facility. The manufacturer markup is a multiplier that accounts for manufacturers' production costs and revenue attributable to the product.

DOE initially developed an average manufacturer mark-up by examining the annual Securities and Exchange Commission (''SEC'') 10–K [51] reports filed by publicly-traded manufacturers primarily engaged in consumer furnace manufacturing and whose product range includes NWGFs and MHGFs. DOE refined its understanding of manufacturer mark-ups by using information obtained during manufacturer interviews. For additional detail on DOE's methodology to determine the no-new-standards case manufacturer markup, see chapter 5 of the NOPR TSD.

To meet new or amended energy conservation standards, manufacturers typically redesign their baseline products in ways that increase the MPC. Depending on the competitive environment for these particular products, some or all of the increased production costs may be passed from manufacturers to retailers and eventually to consumers in the form of higher purchase prices. As production costs increase, manufacturers may also incur additional overhead (*e.g.,* warranty costs). The MSP is typically high enough so that the manufacturer can recover the full cost of the product (*i.e.,* full production and non-production costs) and yield a profit. See chapter 12 of the NOPR TSD for a detailed description of the standards-case manufacturer mark-up calculation.

f. Manufacturer Interviews

Throughout the rulemaking process, DOE sought feedback and insight from interested parties that would improve the information used in its analyses. DOE interviewed NWGF and MHGF manufacturers as a part of the manufacturer impact analysis for the since withdrawn March 2015 NOPR. During these interviews, DOE sought feedback on all aspects of its analyses for residential furnaces. DOE discussed the analytical assumptions and estimates, cost estimation method, and cost-efficiency curves with consumer furnace manufacturers. In 2021, DOE conducted a second series of interviews to obtain feedback on the updates to the cost analysis from the additional teardowns performed in spring 2021. DOE considered all the information manufacturers provided while refining its cost estimates (and underlying data) and analytical assumptions. In order to avoid disclosing sensitive information about individual manufacturers' products or manufacturing processes, DOE incorporated equipment and manufacturing process figures into the analysis as averages. Additional information on manufacturer interviews can be found in chapter 12 of the NOPR TSD.

3. Electric Furnaces

In addition to NWGFs and MHGFs, DOE also estimated the MPCs of electric furnaces. This analysis was performed to develop accurate electric furnace cost data as an input to the product switching analysis (see section IV.F.11 of this document for additional information). To estimate the MPCs of electric furnaces, DOE used information obtained from the teardowns of three modular blower units, as well as a teardown of an electric heat kit assembly, which were all originally used as inputs to the engineering analysis performed for the 2014 furnace fans rulemaking.[52]

The MPCs of electric furnaces were developed by calculating a market share-weighted MPC of the three modular blower units that were torn

[51] U.S. Securities and Exchange Commission's Electronic Data Gathering, Analysis, and Retrieval system (''EDGAR'') database. (Available at: *www.sec.gov/edgar/search/*) (Last accessed Feb. 4, 2022).

[52] Modular blower units with electric heat kits are also referred to as electric furnaces.

down, and then adding the MPC of the electric heat kit to the market share-weighted modular blower MPC. The MPC of the electric heat kit was scaled appropriately in order to approximate the MPCs of different input capacity electric furnaces. Similar to the engineering analysis performed for NWGFs, DOE estimated the MPCs of electric furnaces at input capacities of 40, 60, 80, 100, and 120 kBtu/h. These MPCs are presented in Table IV.9.

TABLE IV.9—ELECTRIC FURNACE MPCS

Input capacity (kBtu/h)	MPC (2020$)
40	261
60	279
80	305
100	316
120	342

Further details regarding the methodology used to estimate electric furnace MPCs are provided in chapter 5 of the NOPR TSD.

D. Mark-Ups Analysis

The mark-ups analysis develops appropriate mark-ups (*e.g.,* wholesalers, distributors, mechanical contractors, remodelers, builder, retailers, mobile home manufacturers, and mobile home dealers) in the distribution chain and sales taxes to convert the MSP estimates derived in the engineering analysis to consumer prices, which are then used in the LCC and PBP analyses. At each step in the distribution channel, companies mark up the price of the product to cover costs. Before developing mark-ups, DOE defines key market participants and identifies distribution channels.

DOE characterized two distribution channel market segments to describe how NWGF and MHGF products pass from the manufacturer to residential and commercial consumers: [53]
(1) replacements and new owners [54] and
(2) new construction.

The NWGF and MHGF replacement/new owners market distribution channel is primarily characterized as follows:

Manufacturer → Wholesaler → Mechanical contractor → Consumer

Based on a 2019 BRG report,[55] 2019 Clear Seas Research HVAC contractor survey,[56] and Decision Analyst's 2019 American Home Comfort Study,[57] DOE determined that the retail distribution channel (including internet sales) has been growing significantly in the last five years (previously it was negligible). Based on these sources, DOE estimated that 15 percent of the replacement market distribution channel will be going through this market channel as follows (including some consumers that purchase directly and then have contractors install it): [58]

Manufacturer → Retailer → Mechanical contractor → Consumer

The NWGF new construction distribution channel is characterized as follows, where DOE assumes that for 25 percent of installations, a larger builder has an in-house mechanical contractor:

Manufacturer → Wholesaler → Mechanical contractor → Builder → Consumer

Manufacturer → Wholesaler → Builder → Consumer

The MHGF new construction distribution channel is characterized as follows:

Manufacturer → Mobile Home Manufacturer → Mobile Home Dealer → Consumer

For replacements, new owners, and new construction, DOE also considered the national accounts or direct from manufacturer distribution channel, where the manufacturer sells directly to a buyer (builder, mechanical contractor, or commercial consumer).[59]

Manufacturer → Wholesaler → Buyer → Consumer (National Account)

At each step in the distribution channel, companies mark up the price of the product to cover costs. DOE developed baseline and incremental mark-ups for each participant in the distribution chain to ultimately determine the consumer purchase cost. Baseline mark-ups are applied to the price of products with baseline efficiency, while incremental mark-ups are applied to the difference in price between baseline and higher-efficiency models (the incremental cost increase). The incremental mark-up is typically less than the baseline mark-up and is designed to maintain similar per-unit operating profit before and after new or amended standards.[60]

To estimate average baseline and incremental mark-ups, DOE relied on several sources, including: (1) the HARDI 2013 Profit Report [61] (for wholesalers); and (1) U.S. Census Bureau 2017 Economic Census data [62] on the residential and commercial building construction industry (for general contractors, mechanical contractors, and mobile home manufacturers). In addition, DOE used the 2005 Air Conditioning Contractors of America's (''ACCA'') Financial Analysis on the Heating, Ventilation, Air-Conditioning, and Refrigeration (''HVACR'') contracting industry [63] to disaggregate the mechanical contractor mark-ups into replacement and new construction markets. DOE also used various sources for the derivation of the mobile home dealer mark-ups (see chapter 6 of the NOPR TSD).

Typically, contractors will mark up equipment and labor differently, with the labor mark-up being greater than the equipment mark-up. For the purposes of the analysis, DOE is treating the furnace installation work, including the equipment and labor components, as one job, and assumes that the mechanical contractors use the same mark-up to account for overhead and profit of the entire job. However, the determination of that overall markup accounts for the different components of

[53] DOE estimates that three percent of NWGFs are installed in commercial buildings. *See* section IV.G of this document for further discussion.

[54] New owners are new furnace installations in buildings that did not previously have a NWGF or MHGF or existing NWGF or MHGF owners that are adding an additional consumer furnace. They primarily consist of households that add or switch to NWGFs or MHGFs during a major remodel.

[55] BRG Building Solutions, The North American Heating & Cooling Product Markets (2020 Edition) (Available at: *www.brgbuildingsolutions.com/reports-insights*) (Last accessed February 15, 2022).

[56] Clear Seas Research, 2019 Unitary Trends (Available at: *clearseasresearch.com/?attachment_id=2311*) (Last accessed February 15, 2022).

[57] Decision Analyst, 2019 American Home Comfort Studies (Available at: *www.decisionanalyst.com/syndicated/homecomfort/*) (Last accessed February 15, 2022).

[58] The Do-It-Yourself (''DIY'') market is very small (only represents about 1–2% of the whole gas furnace market) and is not analyzed by DOE in this analysis.

[59] The national accounts channel where the buyer is the same as the consumer is mostly applicable to NWGFs installed in small to mid-size commercial buildings, where on-site contractors purchase equipment directly from wholesalers at lower prices due to the large volume of equipment purchased, and perform the installation themselves. Overall, DOE's analysis assumes that approximately 15 percent of NWGFs installed in the residential and commercial sector use national accounts.

[60] Because the projected price of standards-compliant products is typically higher than the price of baseline products, using the same mark-up for the incremental cost and the baseline cost would result in higher per-unit operating profit. While such an outcome is possible, DOE maintains that in markets that are reasonably competitive, it is unlikely that standards would lead to a sustainable increase in profitability in the long run.

[61] Heating, Air Conditioning & Refrigeration Distributors International (''HARDI''), *2013 HARDI Profit Report* (Available at: *www.hardinet.org/*) (Last accessed February 15, 2022).

[62] U.S. Census Bureau, *2017 Economic Census Data* (Available at *www.census.gov/econ/*) (Last accessed February 15, 2022).

[63] Air Conditioning Contractors of America (''ACCA''), *Financial Analysis for the HVACR Contracting Industry (2005)* (Available at: *www.acca.org/store*) (Last accessed February 15, 2022).

the job. After reviewing the available 2017 economic census data,[64] DOE adjusted the mechanical contractor mark-up to take into account that a fraction of the fringe costs related to the direct construction labor are part of the labor cost. This better matches the approach used in RS Means [65] and other cost books [66] on how the overall contractor mark-up is determined. Based on this methodology, the average baseline mark-up for mechanical contractors is 1.47 for replacements and 1.38 for new construction, while the incremental mark-up for mechanical contractors is 1.27 for replacements and 1.20 for new construction. The overall baseline mark-up is 2.68 for NWGFs and 2.48 for MHGFs, while the incremental mark-up is 1.98 for NWGFs and 1.88 for MHGFs. See chapter 6 of the NOPR TSD for more details.

In addition to the mark-ups, DOE obtained State and local taxes from data provided by the Sales Tax Clearinghouse.[67] These data represent weighted average taxes that include county and city rates. DOE derived shipment-weighted average tax values for each region considered in the analysis.

DOE acknowledges that there is uncertainty regarding the appropriate mark-ups to use, so the Department conducted a sensitivity analysis in which the same average mark-up is applied to baseline and higher-efficiency products. Appendix 6B of the NOPR TSD describes this analysis and how the associated LCC results differ from the results using the incremental mark-up approach. The relative comparison of the different efficiency levels remains similar, however, and the proposed energy conservation standard level remains economically justified regardless of which mark-up scenario is utilized.

Chapter 6 of the NOPR TSD provides details on DOE's development of mark-ups for NWGFs and MHGFs.

E. Energy Use Analysis

The purpose of the energy use analysis is to determine the annual energy consumption of NWGFs and MHGFs at different efficiencies in representative U.S. single-family homes, multi-family residences, mobile homes, and commercial buildings, and to assess the energy savings potential of increased furnace efficiency. The energy use analysis estimates the range of energy use of NWGFs and MHGFs in the field (*i.e.,* as they are actually used by consumers). The energy use analysis provides the basis for other analyses DOE performed, particularly assessments of the energy savings and the savings in consumer operating costs that could result from adoption of amended or new standards.

DOE estimated the annual energy consumption of NWGFs and MHGFs at specific energy efficiency levels across a range of climate zones, building characteristics, and heating applications. The annual energy consumption includes the natural gas, liquid petroleum gas (''LPG''), and electricity used by the furnace.

Chapter 7 of the NOPR TSD provides details on DOE's energy use analysis for NWGFs and MHGFs.

1. Building Sample

To determine the field energy use of residential furnaces used in homes, DOE established a sample of households using NWGFs and MHGFs from EIA's 2015 Residential Energy Consumption Survey (''RECS 2015'').[68] DOE assumed that furnaces in residential buildings smaller than 10,000 sq. ft. are consumer furnaces subject to this rulemaking. The RECS data provide information on the vintage of the home, as well as heating energy use in each household. DOE used the household samples not only to determine furnace annual energy consumption, but also as the basis for conducting the LCC and PBP analyses. DOE projected household weights and household characteristics in 2029, the first year of compliance with any amended or new energy conservation standards for NWGFs and MHGFs. To characterize future new homes, DOE used a subset of homes in RECS 2015 that were built after 2000.

On November 2016, AHRI provided regional shipment data (North vs. Rest of Country) up to 2015, and DOE also used HARDI shipments data by State and region from 2013–2020.[69] Based on these recent shipments data and the updated shipments analysis (as explained in section IV.G of this document), DOE determined shipment weights for the North and Rest of Country, projected to 2029. For NWGFs, 57 percent of shipments are projected to be in the North and 43 percent in the Rest of Country. For MHGFs, 51 percent of shipments are projected to be in the North and 49 percent in the Rest of the Country. Further details about the development of these numbers is available in appendix 7A of the NOPR TSD.

Based on DOE's shipments model, DOE estimated that 19 percent of NWGF installations in 2029 would be in new construction and that 81 percent would be for replacement and new owners. DOE further estimated that 43 percent of MHGF installations in 2029 would be in new construction and that 57 percent would be for replacement and new owners. See section IV.G of this document and chapter 9 of the NOPR TSD for further details.

To determine the field energy use of NWGFs used in commercial buildings, DOE established a sample of buildings using NWGFs from EIA's 2012 Commercial Building Energy Consumption Survey (''CBECS 2012''), which is the most recent such survey that is currently available.[70] See appendix 7A of the NOPR TSD for details about the CBECS 2012 sample.

2. Furnace Sizing

DOE assigned an input capacity for the existing NWGF or MHGF of each housing unit based on an algorithm that correlates the heating square footage provided by RECS 2015 or CBECS 2012 and the outdoor design temperature for heating,[71] based on the estimated location of the RECS 2015 household or CBECS 2012 building, with the distribution of input capacities of furnaces based on a reduced set of models from DOE's 2021 Compliance

[64] U.S. Census Bureau, *2017 Economic Census Data* (Available at: *www.census.gov/econ/*) (Last accessed February 15, 2022).

[65] RS Means Company Inc., *2021 RS Means Mechanical Cost Data. Kingston,* MA (2021) (Available at: *www.rsmeans.com/products/books/*) (Last accessed February 15, 2022).

[66] Craftsman Book Company, 2021 National Construction Estimator, CA (2021) (Available at: *craftsman-book.com/books-and-software/shop-by-type/shop-estimating-books*) (Last accessed February 15, 2022).

[67] Sales Tax Clearinghouse Inc., *State Sales Tax Rates Along with Combined Average City and County Rates* (February 8, 2021) (Available at: *www.thestc.com/STrates.stm*) (Last accessed February 15, 2022).

[68] Energy Information Administration (''EIA''), 2015 Residential Energy Consumption Survey (''RECS'') (Available at: *www.eia.gov/consumption/residential/*) (Last accessed Feb. 15, 2022).

[69] Heating, Air-conditioning and Refrigeration Distributors International (''HARDI''), DRIVE portal (HARDI Visualization Tool managed by D+R International), Gas Furnace Shipments Data from 2013–2020 (Available at: *www.drintldata.com*) (Last accessed Feb. 15, 2022).

[70] U.S. Department of Energy: Energy Information Administration, Commercial Buildings Energy Consumption Survey (2012) (Available at: *www.eia.gov/consumption/commercial/data/2012/index.php?view=microdata*) (Last accessed Feb. 15, 2022). EIA has published building characteristics data for the 2018 CBECS. However, DOE utilizes the energy consumption microdata for the energy use analysis. The 2018 CBECS energy consumption microdata are expected to be fully released later in 2022. Until that time, 2012 CBECS remains the most recent full data release. For future analyses, DOE plans to consider using the complete CBECS 2018 microdata when available.

[71] This is the temperature that is exceeded by the 30-year minimum average temperature one percent of the time.

Certification Management System database for furnaces [72] and from AHRI's 2021 residential furnace certification directory.[73] DOE assumed that for the new furnace installation, the output capacity would remain similar to the output capacity for the existing furnace. DOE distributed the NWGF input capacities based on shipments data by input capacity bins provided by AHRI from 1995–2014,[74] HARDI shipments data by capacity and region from 2013–2020,[75] and manufacturer input from manufacturer interviews. The shipments data by input capacity was further disaggregated into 5-kBtu/h bins using the reduced set of models.

DOE further refined the methodology to capture the degree of insulation type and other household characteristics by adding ACCA Manual J calculation methods to more accurately determine the design heating load requirements of each household based on all available RECS 2015 household characteristics. The households' calculated design heating load values are then rank ordered to match actual shipments distributions to determine the assigned furnace input capacity. This improved methodology, applied to both NWGFs and MHGFs, allows for older, less-insulated homes to be assigned larger furnaces compared to similar newly-built homes.

The ACCA Manual J process is the most widely accepted method to calculate heating and cooling requirements for the house by using well-documented values and building codes, based on experimental data and extreme conditions (worst-case assumptions). For the NOPR analysis, the actual sizing in the field is accomplished by matching the household Manual J heating load calculations to actual shipments data by capacity. This methodology takes into account the actual field conditions where some households have a greater oversizing factor than recommended by ACCA, which could occur due to old furnaces being replaced by a much more efficient furnace and/or improvements to the building shell since the last furnace installation. This methodology also accounts for regional differences in building shells, which show that, on average, Southern homes are not as well insulated as Northern homes. Regional differences in peak heating load are also captured in the sizing methodology by using the outdoor design temperature that best matches the household location and climate characteristics. Regarding the use of factors for adjusting the annual heating load (such as heating degree day, or ''HDD,'' adjustment to average climate conditions, HDD trends based on climate change, and the adjustment based on the building shell index), DOE notes that these are only used to adjust the annual heating load to account for changes in the energy use required for heating in a given year. In contrast, the furnace size is determined by calculating the design heating load, which is based on outdoor design temperature and other household characteristics which are not adjusted by these annual heating load factors.

DOE also accounted for the air conditioning sizing when determining the input capacity size of the furnace. DOE acknowledges that currently, there are few low-input-capacity furnace models with large furnace fans. For some installations, particularly in the South, a large furnace fan is required to meet the cooling requirements. DOE accounted for the fact that some furnace installations in the South have a larger input capacity than determined by the peak heating load calculations by calculating the size of the furnace fan required to meet the cooling requirements of the household by using the AHRI shipments data [76] and the HARDI furnace shipments by input capacity and region.[77] DOE notes that this will primarily affect furnaces located in warmer areas of the country (with higher cooling loads), which potentially lead to a higher amount of oversizing than is assumed in the analysis for these households. DOE performed a sensitivity analysis to assess the impact of furnace fan cooling requirements and the pending changes in furnace fan design as part of its furnace sizing methodology by primarily using 2013–2020 HARDI regional shipments data by capacity. DOE notes that the Federal furnace fan standards that took effect in July 2019 require fan motor designs that can more efficiently adjust the amount of air depending on both heating and cooling requirements. Thus, the size of the furnace fan (and the furnace capacity) will be able to better match both the heating and cooling requirements of the house. DOE acknowledges that in the future, there might be greater availability of small furnaces with larger furnace fans, but for this NOPR, DOE made a conservative assumption that larger furnace input capacities will be necessary to satisfy these cooling requirements. See chapter 7 of the NOPR TSD for further detail.

3. Furnace Active Mode Energy Use

To estimate the annual energy consumption in active mode of furnaces meeting the considered efficiency levels, DOE first calculated the annual household/building heating load using the RECS 2015 and CBECS 2012 estimates of household or building furnace annual energy consumption,[78] the existing furnace's estimated capacity and efficiency (AFUE), and the heat generated from the electrical components. The analysis assumes that some homes have two or more furnaces, with the heating load split evenly between them. The estimation of furnace capacity is discussed in the previous section. The AFUE of the existing furnaces was estimated using the furnace vintage (the year of installation) provided by RECS and historical data on the market share of furnaces by AFUE by region (see section IV.F.10 of this document). DOE then used the household/building heating load to calculate the burner operating hours at each considered efficiency level, which were then used to calculate the fuel and electricity consumption based on the DOE residential furnace test procedure.

a. Adjustments to Energy Use Estimates

DOE adjusted the energy use estimates in RECS 2015 (for the year 2015) and in CBECS 2012 (for the year 2012) to ''normal'' weather using long-term heating degree-day (''HDD'') data for each geographical region.[79] For this

[72] U.S. Department of Energy, Compliance Certification Management System (Available at: *www.regulations.doe.gov/certification-data/*) (Last accessed Feb. 15, 2022).

[73] AHRI, Directory of Certified Product Performance: Residential Furnaces (Available at: *www.ahridirectory.org/Search/QuickSearch?category=8&searchTypeId=3&producttype=32*) (Last visited Feb. 15, 2022).

[74] AHRI, Attachment A: Percentage of Residential Gas Furnace Shipments by Input Ranges, 20 Year Average (1995–2014) (October 14, 2015) (Available at: *www.regulations.gov/comment/EERE-2014-BT-STD-0031-0181*) (Last accessed Feb. 15, 2022).

[75] Heating, Air-conditioning and Refrigeration Distributors International (''HARDI''), DRIVE portal (HARDI Visualization Tool managed by D+R International), Gas Furnace Shipments Data from 2013–2020 (Available at: *www.drintldata.com*) (Last accessed Feb. 15, 2022).

[76] AHRI, Attachment A: Percentage of Residential Gas Furnace Shipments by Input Ranges, 20 Year Average (1995–2014) (Oct. 14, 2015) (Available at: *www.regulations.gov/comment/EERE-2014-BT-STD-0031-0181*) (Last accessed Feb. 15, 2022).

[77] Heating, Air-conditioning and Refrigeration Distributors International (''HARDI''), DRIVE portal (HARDI Visualization Tool managed by D+R International), Gas Furnace Shipments Data from 2013–2020 (Available at: *www.drintldata.com*) (Last accessed Feb. 15, 2022).

[78] EIA estimated the equipment's annual energy consumption from the household's utility bills using conditional demand analysis.

[79] National Oceanic and Atmospheric Administration (NOAA), NNDC Climate Data

Continued

NOPR, DOE then applied an HDD correction factor from *AEO2021* [80] that accounts for projected population migrations across the Nation and continues any realized historical changes in degree days at the State level.

DOE accounted for changes in building shell efficiency between 2015 (for RECS 2015) or 2012 (for CBECS 2012) and the compliance year by applying the shell integrity indexes associated with *AEO2021.* The indexes consider projected improvements in building shell efficiency due to improvements in home insulation and other thermal efficiency practices. EIA provides separate indexes for new buildings and existing buildings for a given year, for both residential homes and commercial buildings. For the year 2029, the factor applied for homes is 0.98 for residential replacements and 0.97 for residential new construction. The factor applied for commercial building replacements depend on building type and Census Division, ranging from 0.81 to 0.97 (on average 0.91). For new construction commercial buildings, the factor used ranged from 0.31 to 0.86, depending on building type and Census Division (on average 0.63). See chapter 7 of the NOPR TSD for more details.

Building codes and building practices vary widely across the U.S. For example, as of November 2021, more than half of the States were still under the 2009 International Energy Conservation Code (''IECC'') or older codes instead of the 2012 IECC, 2015 IECC, or 2018 IECC.[81] EIA's building shell index for new construction takes into account regional differences in building codes and building practices by including both homes that meet IECC requirements and homes that are built with the most efficient shell components, as well as non-compliant homes that fail to meet IECC requirements. It is uncertain how these building codes and building practices will change over time, so EIA uses technical and economic factors to project change in the building shell integrity indexes. For new home construction, EIA determined the building shell efficiency by using the relative costs and energy bill savings in conjunction with the building shell attributes. For commercial buildings, the shell efficiency factors vary by building type and region, and they take into account significant improvements to the commercial building shell, particularly in new commercial buildings.

4. Furnace Electricity Use

DOE's analysis of furnace electricity consumption takes into account the electricity used by the furnace's electrical components (such as blower, the draft inducer, and the ignitor). DOE determined furnace fan electricity consumption using field data on static pressures of duct systems and furnace fan performance data from manufacturer literature. As noted in section IV.C of this document, the furnace designs used in DOE's analysis incorporate furnace fans that meet the energy conservation standards for those covered products that took effect in 2019.[82] DOE accounted for furnace fan energy use during heating mode, as well as for the difference in furnace fan electricity use between a baseline furnace (80-percent AFUE) and a more efficient furnace during cooling and continuous fan circulation. DOE also accounted for increased furnace fan energy use in condensing furnaces to produce the equivalent airflow output compared to a similar non-condensing furnace, since condensing furnaces tend to have a more restricted airflow path than non-condensing furnaces due to the presence of a secondary heat exchanger. To calculate electricity consumption for the inducer fan, ignition device, gas valve, and controls, DOE used the calculation described in DOE's furnaces test procedure,[83] as well as in DOE's 2021 reduced furnace model dataset and manufacturer product literature. The electricity consumption of condensing furnaces also reflects the use of condensate pumps and heat tape.

DOE accounts for the increased electricity use of condensing furnaces in heating, cooling, and continuous fan circulation due to larger internal static pressure (a more restricted airflow path due to the presence of a secondary heat exchanger). DOE notes that the furnace fan energy conservation standards that took effect in 2019 (for both non-condensing and condensing NWGFs [84]) can be met using constant-torque brushless permanent magnet (''BPM'') motors, which do not require increasing the size of an undersized duct since the speed of the motor is kept constant with increased static pressure. DOE also accounts for higher energy use for a fraction of installations that include a constant airflow BPM (variable speed motor) that can increase the speed of the motor to compensate for high static pressures. See appendix 7C of the NOPR TSD for more details.

As stated previously, a condensing furnace uses more electricity than an equivalent non-condensing furnace but uses significantly less natural gas or LPG. DOE accounted for the additional heat released by the furnace fan motor, which must be compensated by the central air conditioner during the cooling season, based on the 2014 furnace fan final rule analysis.[85] DOE also accounted for additional electricity use by the furnace fan during continuous fan operation throughout the year.

5. Standby Mode and Off Mode

DOE calculated annual standby mode energy use by multiplying the standby power consumption at each efficiency level by the number of standby mode hours, for each technology option identified in the engineering analysis. DOE assumed that furnaces are not usually equipped with an off mode, so only standby mode energy use was considered. To calculate the annual number of standby mode hours for each sampled household, DOE subtracted the estimated total furnace fan operating hours from the total hours in a year (8,760). The total furnace fan operating hours are the sum of the furnace fan operating hours during heating, cooling, and continuous fan modes. It is noted that DOE did account for the additional electricity use of brushless permanent magnet motors in standby mode. Chapter 7 of this NOPR TSD describes this methodology in more detail.

F. Life-Cycle Cost and Payback Period Analyses

DOE conducted LCC and PBP analyses to evaluate the economic impacts on individual consumers of potential energy conservation standards for NWGFs and MHGFs. The effect of new or amended energy conservation standards on individual consumers usually involves a reduction in

Online (Available at: *www.ncdc.noaa.gov/cdo-web/search*) (Last accessed Feb. 15, 2022).

[80] U.S. Department of Energy, Energy Information Administration, *Annual Energy Outlook 2021* (Available at: *www.eia.gov/outlooks/aeo/*) (Last accessed Feb. 15, 2022).

[81] DOE Building Energy Codes Program, Status of State Energy Code Adoption (Available at: *www.energycodes.gov/status*) (Last accessed Feb. 15, 2022).

[82] *See* 10 CFR 430.32(y).

[83] Found in 10 CFR part 430, subpart B, appendix N, section 10.

[84] The furnace fan energy conservation standards relevant to condensing and non-condensing MHGFs can be met using improved PSC motors and, therefore, these considerations do not apply.

[85] U.S. Department of Energy—Office of Energy Efficiency and Renewable Energy, Energy Conservation Program for Consumer Products: Technical Support Document: Energy Efficiency Standards for Consumer Products: Residential Furnace Fans Including: Regulatory Impact Analysis (July 2014) (Available at: *www.regulations.gov/document/EERE-2010-BT-STD-0011-0111*) (Last accessed Feb. 15, 2022).

operating cost and an increase in purchase cost. DOE used the following two metrics to measure consumer impacts:

• *Life-cycle cost* (LCC) is the total consumer expense of an appliance or product over the life of that product, consisting of total installed cost (manufacturer selling price, distribution chain mark-ups, sales tax, and installation costs) plus operating costs (expenses for energy use, maintenance, and repair). To compute the operating costs, DOE discounts future operating costs to the time of purchase and sums them over the lifetime of the product.

• *Payback period* (PBP) is the estimated amount of time (in years) it takes consumers to recover the increased purchase cost (including installation) of a more-efficient product through lower operating costs. DOE calculates the PBP by dividing the change in purchase cost at higher efficiency levels by the change in annual operating cost for the year that amended or new standards are assumed to take effect.

For any given efficiency level, DOE measures the change in LCC relative to the LCC in the no-new-standards case, which reflects the estimated efficiency distribution of NWGFs and MHGFs in the absence of new or amended energy conservation standards. In contrast, the PBP for a given efficiency level is measured relative to the baseline product.

1. General Method

For each considered efficiency level in each product class, DOE calculated the LCC and PBP for a nationally representative set of housing units and, for NWGFs, commercial buildings. As stated previously, DOE developed household samples from RECS 2015 and CBECS 2012. For each sample household, DOE determined the energy consumption of the furnace and the appropriate natural gas, LPG, and electricity price. By developing a representative sample of households, the analysis captured the variability in energy consumption and energy prices associated with the use of NWGFs and MHGFs.

Inputs to the LCC calculation include the installed cost to the consumer, operating expenses, the lifetime of the product, and a discount rate. Inputs to the calculation of total installed cost include the cost of the product—which includes MPCs, manufacturer markups, product price projections, wholesaler and contractor markups, and sales taxes (where appropriate)—and installation costs. Inputs to the calculation of operating expenses include annual energy consumption, energy prices and price projections, repair and maintenance costs, product lifetimes, and discount rates. Inputs to the payback period calculation include the installed cost to the consumer and first year operating expenses. DOE created distributions of values for installation cost, repair and maintenance, product lifetime, and discount rates, with probabilities attached to each value, to account for their uncertainty and variability. In addition, DOE established the efficiency in the no-new-standards case using a distribution of furnace efficiency values.

The computer model DOE uses to calculate the LCC and PBP relies on Monte Carlo simulations to incorporate uncertainty and variability into the analysis. The Monte Carlo simulations randomly sample input values from the probability distributions and NGWF and MHGF user samples. For this rulemaking, the Monte Carlo approach is implemented in MS Excel together with the Crystal Ball™ add-on.[86] The model calculated the LCC and PBP for products at each efficiency level for 10,000 furnace installations per simulation run. The analytical results include a distribution of 10,000 data points showing the range of LCC savings for a given efficiency level relative to the no-new-standards case efficiency distribution. In performing an iteration of the Monte Carlo simulation for a given consumer, product efficiency is chosen based on its probability. If the chosen product efficiency is greater than or equal to the efficiency of the standard level under consideration, the LCC and PBP calculation reveals that a consumer is not impacted by the standard level. By accounting for consumers who already purchase more-efficient products, DOE avoids overstating the potential benefits from increasing product efficiency.

DOE calculated the LCC and PBP for all consumers of NWGFs and MHGFs as if each were to purchase a new product in the first year of required compliance with new or amended standards. Any amended standards would apply to NWGFs and MHGFs manufactured 5 years after the date on which any new or amended standard is published. (42 U.S.C. 6295(f)(4)(C)) For the reasons described previously, DOE used 2029 as the first year of compliance with amended or new standards for NWGFs and MHGFs.

DOE recognizes the uncertainties associated with some of the parameters used in the analysis. To assess these uncertainties, DOE has performed sensitivity analyses for key parameters such as energy prices, condensing furnace market penetration, consumer discount rates, lifetime, installation costs, downsizing criteria, and product switching criteria. DOE notes that the analysis is based on a Monte Carlo simulation approach, which uses the Crystal Ball™ add-on as a tool to more easily apply probability distributions to various parameters in the analysis. See appendix 8B of the NOPR TSD and relevant analytical sections of this document for further details about uncertainty, variability, and sensitivity analyses in the LCC analysis.

DOE's LCC analysis results at a given efficiency level account for the households that will not install condensing NWGFs unless the standard is changed, based on the no-new-standards case efficiency distribution described in section IV.F.9 of this document. This approach reflects the fact that some consumers may purchase products with efficiencies greater than the baseline levels.

DOE's analysis models the expected product lifetime, not the expected period of homeownership. DOE recognizes that the lifetime of a gas furnace and the residence time of the purchaser may not always overlap. However, EPCA requires DOE to consider the savings in operating costs throughout the estimated average life of the covered product compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered product that are likely to result from a standard. (42 U.S.C. 6295(o)(2)(B)(i)(II)) In the context of this requirement, the expected product lifetime, not the expected period of homeownership, is the appropriate modeling period for the LCC, as energy cost savings will continue to accrue to the new owner/occupant of a home after its sale. If some of the price premium for a more-efficient furnace is passed on in the price of the home, there would be a reasonable matching of costs and benefits between the original purchaser and the home buyer. To the extent this does not occur, the home buyer would gain at the expense of the original purchaser.

As discussed in section IV.F.12 of this document, in its LCC analysis, DOE considered the possibility that some consumers may switch to alternative heating systems under a standard that requires condensing technology in its

[86] Crystal Ball™ is a commercially-available software tool to facilitate the creation of these types of models by generating probability distributions and summarizing results within Excel (Available at: *www.oracle.com/technetwork/middleware/crystalball/overview/index.html*) (Last accessed Feb. 15, 2022).

LCC analysis. The LCC analysis showed that some consumers who switch end up with a reduction in the LCC relative to their projected purchase in the no-new-standards case.

As part of the determination of whether a potential standard is economically justified, EPCA directs DOE to consider, to the greatest extent practicable, the savings in operating costs throughout the estimated average life of the covered product in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered products which are likely to result from imposition of the standard. (42 U.S.C. 6295(o)(2)(B)(i)(II)) EPCA does not expressly limit consideration of the covered product or covered products likely to result under an amended standard to the covered product type (or class) of that would be subject to the amended standard (*i.e.,* no prohibition on consideration of the potential for product switching due to new or amended standards). EPCA indicates that the timeframe of the LCC analysis is based on the estimated average life of the covered product subject to the standard under consideration for amendment. (*Id.*) However, the use of ''covered products'' in the plural for what is to be considered as resulting from an amended standard suggests that DOE could consider covered products other than that subject to the standard. In the present case, were DOE not to consider the potential for consumers switching products in response to an amended standard, the analysis would not capture what could be expected to occur in actual practice. Given that understanding, DOE performed a sensitivity analysis without product switching for the LCC analysis (presented in section V.B.1.a of this document and in appendix 8J of the NOPR TSD) and for the NIA as well (presented in section V.B.3.a of this document, section V.B.3.b and in appendix 10E of the NOPR TSD). The economic justifications for the proposed energy conservation standards for NWGFs and MHGFs are similar with either no product switching or with product switching, and the relative comparison between the TSLs remains similar.

EPCA also establishes, as noted above in section III.E.2 of this document, a rebuttable presumption that a standard is economically justified if the Secretary finds that the additional cost to the consumer of purchasing a product complying with an energy conservation standard level will be less than three times the value of the energy (and, as applicable, water) savings during the first year that the consumer will receive as a result of the standard. (42 U.S.C. 6295(o)(2)(B)(iii)) As with the LCC analysis, accounting for the potential for switching in the PBP analysis provides a payback that is representative across consumers.

Table IV.10 summarizes the approach and data DOE used to derive inputs to the LCC and PBP calculations. The subsections that follow provide further discussion. Details of the spreadsheet model, and of all the inputs to the LCC and PBP analyses, are contained in chapter 8 of the TSD for this NOPR and its appendices.

TABLE IV.10—SUMMARY OF INPUTS AND METHODS FOR THE LCC AND PBP ANALYSES

Inputs	Source/method
Product Cost	Derived by multiplying MPCs by manufacturer, wholesaler, and contractor mark-ups and sales tax, as appropriate. Used historical data to derive a price scaling index to forecast product costs.
Installation Costs	Baseline installation cost determined with data from 2021 RS Means. Assumed variation in cost with efficiency level.
Annual Energy Use	Total annual energy use based on the annual heating load, derived from the building samples. Electricity consumption based on field energy use data. Variability: Based on the RECS 2015 and CBECS 2012.
Energy Prices	Natural Gas: Based on EIA's Natural Gas Navigator data for 2020 and RECS 2015 billing data. Propane: Based on EIA's State Energy Data System (''SEDS'') for 2019. Electricity: Based on EIA's Form 861 data for 2020 and RECS 2015 billing data. Variability: Regional energy prices determined for 30 regions for residential applications and 9 regions for commercial applications. Marginal prices used for natural gas, propane, and electricity prices.
Energy Price Trends	Based on *AEO2021* price projections.
Repair and Maintenance Costs	Based on 2021 RS Means data and other sources. Assumed variation in cost by efficiency.
Product Lifetime	Based on shipments data, multi-year RECS, American Housing Survey, American Home Comfort Survey data. Mean lifetime of 21.4 years.
Discount Rates	Residential: approach involves identifying all possible debt or asset classes that might be used to purchase the considered appliances, or might be affected indirectly. Primary data source was the Federal Reserve Board's Survey of Consumer Finances. Commercial: Calculated as the weighted average cost of capital for businesses purchasing NWGFs. Primary data source was Damodaran Online.
Compliance Date	2029.

Note: References for the data sources mentioned in this table are provided in the sections following the table or in chapter 8 of the TSD.

2. Consumer Product Cost

To calculate consumer product costs, DOE multiplied the MPCs developed in the engineering analysis by the mark-ups described in section IV.D of this document (along with sales taxes). DOE used different mark-ups for baseline products and higher-efficiency products, because DOE applies an incremental mark-up to the increase in MSP associated with higher-efficiency products.

For the default price trend for residential furnaces, DOE derived an experience rate based on an analysis of long-term historical data. As a proxy for manufacturer price, DOE used Producer Price Index (''PPI'') data for warm-air furnace equipment from the Bureau of Labor Statistics from 1990 through 2020.[87] An inflation-adjusted PPI was calculated using the implicit price deflators for GDP for the same years. To calculate an experience rate, DOE performed a least-squares power-law fit on the inflation-adjusted PPI versus

[87] U.S. Department of Labor, Bureau of Labor Statistics, Produce Price Indices Series ID PCU333415333415C (Available at: *www.bls.gov/ppi/*) (last accessed Feb. 15, 2022).

cumulative shipments of residential furnaces, based on a corresponding series for total shipments of residential furnaces (see section IV.G of this document for discussion of shipments data). Using the most recent data available, DOE fitted a power-law function to the deflated warm air furnace PPI and cumulative furnace shipments time series data between 1990 and 2020. The resulting power-law model has an R-square of 84 percent, indicating that the model explains 84 percent of the variability of the observations around the mean. DOE then derived a price factor index, with the price in 2020 equal to 1, to forecast prices in 2029 for the LCC and PBP analyses, and, for the NIA, for each subsequent year through 2058. The index value in each year is a function of the experience rate and the cumulative production through that year. To derive the latter, DOE combined the historical shipments data with projected shipments in the no-new-standards case determined for the NIA (see section IV.H of this document).

DOE's learning curve methodology was developed by examining the literature on accounting for technological change and empirical studies of energy technology learning rates.[88] DOE utilized the most extensive time series data available specific to residential furnaces.

Furnace prices can be affected by a variety of factors, and the cost of commodity materials is one of them. The nominal commodity PPI data for copper wire and cable, iron and steel, and aluminum wire and cable indicate that the nominal indices rose substantially between the early 2000s and 2011, which is primarily attributed to an increasing demand for such commodities from rapid industrialization in China, India, and other emerging economies. During the same period, the nominal warm air furnace PPI increased by 16 percent. However, these commodity indices have trended downward since 2011, and the nominal warm air furnace PPI has steadily trended upward during this period. Based on these observations, DOE contends that even though the warm air furnace PPI, to a certain extent, is influenced by commodity indices, other factors impact furnace prices. In addition, due to the long-term nature of DOE's analysis, it would be inappropriate to make assumptions based on recent, short-term trends only.

The learning curve methodology implemented in this proposed rule is based on sound economic theory, empirical evidence, and historical data. Based on the historical PPI data, the cost of commodity materials can only partially explain the furnace price trend, particularly when considering the recent trend observed in commodity and furnace price indices. The experience curve model that DOE developed, using the most recent data available, shows strong explanatory power and high statistical significance. DOE welcomes information that could support improvement in its methodology.

DOE acknowledges that the prices of non-condensing and condensing furnaces may not change at the same rate and using a trend for all NWGFs and MHGFs to represent the price trend of condensing furnaces may underestimate the future decline in the cost of condensing furnaces. It also acknowledges that an increase in production and innovation due to a condensing standard could result in a decline in the cost of condensing furnaces. However, DOE could not find detailed data that would allow for a price trend projection for condensing NWGFs and MHGFs that may differ from non-condensing NWGFs and MHGFs. Thus, for this NOPR, it used the same price trend projection for condensing and non-condensing NWGFs and MHGFs. Although DOE was not able to find information or data regarding price trends related to different furnace technologies, DOE is exploring ways to estimate learning rates for different technologies.[89]

A detailed discussion of DOE's derivation of the experience rate is provided in appendix 8C of the NOPR TSD.

DOE requests data and information on the price trend for condensing NWGFs as compared to the trend for non-condensing NWGFs.

3. Installation Cost

The installation cost is the cost to the consumer of installing the furnace, in addition to the cost of the furnace itself. The cost of installation covers all labor, overhead, and material costs associated with the replacement of an existing furnace or the installation of a furnace in a new home, as well as delivery of the new furnace, removal of the existing furnace, and any applicable permit fees. Higher-efficiency furnaces may require one to incur additional installation costs. DOE's analysis of installation costs estimated specific installation costs for each sample household based on building characteristics given in RECS 2015. For this NOPR, DOE used 2021 RS Means data for the installation cost estimates, including labor costs.[90] [91] [92] [93] DOE's analysis of installation costs accounted for regional differences in labor costs by aggregating city-level labor rates from RS Means into 30 distinct State or multi-State regions to match RECS 2015 data and into the nine Census Divisions to match CBECS 2012 data.

DOE conducted a detailed analysis of installation costs for all potential installation cases, including when a non-condensing gas furnace is replaced with a non-condensing gas furnace, and when a non-condensing gas furnace is replaced with a condensing gas furnace. For the latter, particular attention was paid to venting issues in replacement applications, including adding a new flue venting (PVC), combustion air venting (PVC), concealing vent pipes, addressing an orphaned water heater (by updating flue vent connectors, vent resizing, or chimney relining), as well as condensate removal. DOE also included additional installation costs (''adders'') for new construction installations. These are described below.

a. Basic Installation Costs

DOE's analysis estimated basic installation costs for replacement, new owner, and new home applications. These costs, which apply to both condensing and non-condensing gas furnaces, include furnace set-up and transportation, gas piping, ductwork, electrical hook-up, permit and removal/disposal fees, and where applicable, additional labor hours for an attic installation.

DOE's installation costs account for cases where significant ductwork redesign is required, including when

[88] Taylor, M. and K.S. Fujita, Accounting for Technological Change in Regulatory Impact Analyses: The Learning Curve Technique, Lawrence Berkeley National Laboratory, Report No. LBNL–6195E (2013) (Available at: *eta-publications.lbl.gov/sites/default/files/lbnl-6195e_.pdf*) (Last accessed Feb. 15, 2022).

[89] Taylor, M. and K.S. Fujita, Accounting for Technological Change in Regulatory Impact Analyses: The Learning Curve Technique, Lawrence Berkeley National Laboratory, Report No. LBNL–6195E (2013) (Available at: *eta-publications.lbl.gov/sites/default/files/lbnl-6195e_.pdf*) (Last accessed Feb. 15, 2022).

[90] RS Means Company Inc., *RS Means Mechanical Cost Data.* Kingston, MA (2021) (Available at: *www.rsmeans.com/products/books/2021-cost-data-books*) (Last accessed Sept. 9, 2021).

[91] RS Means Company Inc., *RS Means Residential Repair & Remodeling Cost Data. Kingston,* MA (2021) (Available at: *www.rsmeans.com/products/books/2021-cost-data-books*) (Last accessed Feb. 15, 2022).

[92] RS Means Company Inc., *RS Means Plumbing Cost Data.* Kingston, MA (2021) (Available at: *www.rsmeans.com/products/books/2021-cost-data-books*) (Last accessed Feb. 15, 2022).

[93] RS Means Company Inc., *RS Means Electrical Cost Data.* Kingston, MA (2021) (Available at: *www.rsmeans.com/products/books/2021-cost-data-books*) (Last accessed Feb. 15, 2022).

furnaces with variable speed motors are utilizing undersized ducts. DOE notes that this cost is applicable to variable speed motors installed in either condensing or non-condensing furnaces. Variable speed furnace blowers will try to maintain the same air flow at high static pressure (especially if the variable speed blower is designed with a high cut-off or no cut-off static pressure),[94] which could lead to noise issues in smaller ducts due to the increased speed of moving the air. However, the Federal furnace fan standard that took effect in 2019 requires constant torque furnace fans (with X13 motors), which have similar performance curves as PSC motors.[95]

DOE notes that asbestos presents a safety hazard that must be properly abated for all retrofit installations where it is present. As explained above, DOE recognizes that potential ductwork modifications typically occur due to the furnace fan requirements and not necessarily due to the installation of a condensing furnace. DOE included the cost of asbestos abatement for a fraction of both non-condensing and condensing NWGF installations. See appendix 8D of the NOPR TSD for more details.

b. Additional Installation Costs for Non-Weatherized Gas Furnaces

For replacement applications, DOE included a number of adders for a fraction of the sample households. For non-condensing gas furnaces, these additional costs included updating flue vent connectors, vent resizing, and chimney relining. For condensing gas furnaces, DOE included adders for flue venting (PVC), combustion air venting (PVC), concealing vent pipes, addressing an orphaned water heater (by updating flue vent connectors, vent resizing, or chimney relining), and condensate removal.

Replacement Installations: Non-Condensing to Non-Condensing Non-Weatherized Gas Furnace

For non-condensing non-weatherized gas furnace replacements, DOE added additional costs to a small fraction of installations that involve updating flue vent connectors, vent resizing, and chimney relining. These costs are most commonly applied to older furnace installations, such as natural draft furnace installations, furnaces not installed according to the current codes, and furnace installations that do not meet manufacturers' installation requirements. In total, these costs for vent resizing or chimney relining are applied to less than 5 percent of non-condensing to non-condensing furnace replacement installations in 2029, with an average cost of $755. In addition, DOE estimated that 24 percent of installations of non-condensing to non-condensing furnace replacement installations in 2029 would require updating flue vent connectors, with an average cost of $284.

Replacement Installations: Non-Condensing to Condensing Non-Weatherized Gas Furnace

DOE assumed that condensing furnaces that replace non-condensing furnaces do not utilize the existing venting system, but instead require new, dedicated plastic venting that meets all applicable building codes and manufacturer instructions. In determining these installation costs, DOE takes into account vent length, vent diameter, vent termination, the potential need to create openings in walls or floors for the vent system, additional vent costs for housing units with shared walls, vent resizing in the case of an orphaned water heater, and concealment work cost increases in some installations.

Appendix 8D in the TSD for this NOPR describes the methodology used to determine the installation costs for all of the issues described in the paragraphs that follow.

(a) Flue Venting

DOE assumed that condensing furnaces do not utilize the existing venting system but instead require new, dedicated plastic venting that meets all applicable building codes and manufacturer instructions. Accordingly, DOE determined whether a condensing furnace is horizontally or vertically vented based on the shortest vent length. DOE's analysis estimated that 70 percent of condensing furnaces will be installed with a horizontal vent.

DOE assumed that vent length varies depending on where a suitable wall is located relative to the furnace. In addition, when applicable, DOE accounts for use of a snorkel termination to meet minimum clearances to sidewalks, average snow accumulation level, overhangs, and air intake sources, including operable doors and windows, building corners, and gas meter vents. In DOE's analysis, snorkel termination is more frequently needed in situations where the furnace is below the snow line (such as in basements or crawl spaces). DOE assumed that the replacement furnace would remain in the same location as the existing furnace and accounted for the new vent length and structural changes, such as wall knockouts, to install new venting. In some installations, it might be easier and cheaper to change the furnace location, but this would require both gas line extensions and ductwork modifications, which were not modeled in DOE's installation cost analysis. DOE accounted for additional vent length for housing units with shared walls. DOE also accounted for the cost of vent resizing in the case of an orphaned water heater and the cost of concealment work in some installations.

The vent pipe length limitations depend on a number of factors including number of elbows, vent diameter, horizontal vs. vertical length, as well as combustion fan size. A review of several manufacturer installation manuals shows that the maximum vent lengths range from 30 to 130 feet, depending primarily on the vent diameter. For a fraction of installations, DOE increased the vent diameter in order to be able to extend the vent length according to manufacturer specifications.

(b) Common Venting Issues (Including Orphaned Water Heaters)

Common venting provides a single exhaust flue for multiple gas appliances. In some cases, a non-condensing NWGF is commonly vented with a gas-fired water heater. When the non-condensing NWGF is replaced with a condensing NWGF, the new condensing furnace and the existing water heater can no longer be commonly vented due to different venting requirements,[96] and the water heater becomes ''orphaned.'' The existing vent may need to be modified to safely vent the orphaned water heater, while a new vent is installed for the condensing NWGF. DOE accounted for a fraction of installations that would require chimney relining or vent resizing for the orphaned water heater,

[94] Newer variable speed motors are designed with lower cut-off static pressures to deal with this issue. In addition, the installer can easily decrease the airflow to address the issue by changing the airflow speed control setting (tap) on the furnace motor.

[95] For further details, see the Technical Support Document for the July 2014 final rule for furnace fans. (Available at: *www.regulations.gov/document/EERE-2010-BT-STD-0011-0111*) (Last accessed Feb. 15, 2022).

[96] The ANSI Z223.1/NFPA 54 Natural Fuel Gas Code (''NFGC'') venting requirements refer to Category I, II, III, and IV gas appliances. Category I gas appliances, such as natural draft gas water heaters, exhaust high-temperature flue gases and are vented using negative static pressure vents designed to avoid excessive condensate production in the vent. Category IV gas appliances, such as condensing furnaces, exhaust low temperature flue gases and are vented using positive static pressure corrosion-resistant vents. Due to the different venting requirements, the NFGC does not allow common venting of condensing and non-condensing appliances. The 2021 Edition is available at *www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards/detail?code=54* (Last accessed Feb. 15, 2022).

including updating flue vent connectors, resizing vents, or relining chimneys when applicable based upon the age of the furnace and the home.

DOE accounted for the probability that in some cases, replacing a non-condensing furnace with a condensing furnace may require significant modifications to the existing vent system for the commonly-vented gas water heater. DOE accounted for costs related to updating the vent connector, relining the chimney, and resizing the vent, which would satisfy the installation requirements of the Natural Fuel Gas Code. DOE understands that a potential option would be to install either a storage or tankless power-vented water heater to avoid the cost of a chimney or metal flue vent modification just for the gas water heater, or to switch to an electric storage water heater. DOE recognizes that the frequency of chimney relining and vent resizing may decrease slightly due to the increase in adoption of high-efficiency gas water heaters. However, DOE did not find any additional information or data [97] to project the market share of high-efficiency water heaters in 2029 or the decrease in the fraction of installations with common vents. Therefore, DOE did not consider the power-vented gas storage or other higher-efficiency water heater options. Instead, DOE either added additional installation costs associated with venting a Category I water heater, such that the orphaned water heater could be vented through the chimney, or accounted for the installation of an electric storage water heater as an alternative. For new owners and new construction installations, DOE applied a venting cost differential if the owner/builder was planning to install a commonly-vented non-condensing furnace and water heater.

DOE acknowledges that multi-family buildings may require additional measures to replace non-condensing furnaces with condensing furnaces. Such measures include the vent length, existing common vents, and horizontal venting. For this NOPR, DOE assigned additional venting installation costs (on average $248) for a quarter of replacement installations [98] in multi-family buildings to account for modifying the existing vent systems to accommodate a condensing furnace installation.

(c) New Venting Technologies

To address certain difficult installation situations, new venting technologies are being developed to vent a condensing residential furnace and an atmospheric combustion water heater through the same vent by reusing the existing metal vent or masonry chimney with a new vent cap and appropriate liner(s).[99] [100] In 2015, the FasNSeal 80/90 venting system was introduced commercially by M&G DuraVent, a new venting system that uses a unique, pipe-within-a-pipe design to vent a condensing furnace and a natural draft water heater.[101] FasNSeal 80/90 is UL-approved. An additional venting solution known as EntrainVent is available as a pre-commercial prototype by Oak Ridge National Laboratory.[102] DOE conducted a sensitivity analysis to estimate the impact of such technologies on the installation cost of a condensing NWGF, but did not include the technologies in the primary analysis.

DOE recognizes that there are currently limitations to DuraVent's new FasNSeal 80/90 venting technology related to venting in masonry chimneys and that currently there are limited field performance data.[103] Because of the uncertainty regarding applicability of FasNSeal 80/90 and other new venting technologies, DOE only considered using this option in a sensitivity analysis. DOE conducted two additional sensitivity analyses: (1) the FasNSeal 80/90 option is applied to installations that can currently meet the FasNSeal 80/90 installation requirements (metal vents only); and (2) all new venting technology options are applied to installations that could meet the respective installation requirements (metal vents and masonry chimney installations, including installations with more horizontal sections). DOE notes that while new venting technologies could lower installation costs, DOE must base its approach on currently available data rather than make assumptions as to future developments in advanced venting technologies. DOE welcomes any available data on the use of new venting technologies.

(d) Combustion Air Venting

DOE's analysis accounts for the additional cost associated with direct vent installations that use combustion air intake. Direct vent or sealed combustion is not required for condensing installations, but it is recommended for any condensing furnace to utilize ''sealed combustion.'' All condensing furnaces come with this feature (which requires an opening for the intake combustion air pipe/vent). Condensing furnaces will often be installed as direct vent furnaces since it offers significant energy savings [104] and safety [105] advantages.[106] [107]

DOE's analysis assumes that two-thirds of condensing furnaces will be installed with the direct vent feature. Typically, the combustion air intake pipe will go in the same direction of the flue vent or can be in a concentric vent.

(e) Condensate Withdrawal

DOE accounted for the cost of condensate removal for condensing

[97] Data from the residential water heater final rule were used in this analysis. 75 FR 20112 (April 16, 2010).

[98] This fraction accounts for buildings without common venting; buildings where all/most furnaces are replaced at the same time (many rentals/HOA situations); smaller multi-family units/smaller number of floors; and situations where disconnecting one furnace from the common vent does not impact the common venting for remaining furnaces. This fraction is also based on 2015 RECS data regarding the number of apartments/units and the number of stories per multi-family building.

[99] Oak Ridge National Laboratory, Condensing Furnace Venting Part 1: The Issue, Prospective Solutions, and Facility for Experimental Evaluation (October 2014) (Available at: *web.ornl.gov/sci/buildings/docs/Condensing-Furnace-Venting-Part1-Report.pdf*) (Last accessed Feb. 15, 2022).

[100] Oak Ridge National Laboratory, Condensing Furnace Venting Part 2: Evaluation of Same-Chimney Vent Systems for Condensing Furnaces and Natural Draft Water Heaters (February 2015) (Available at: *web.ornl.gov/sci/buildings/docs/Condensing-Furnace-Venting-Part2-Report.pdf*) (Last accessed Feb. 15, 2022).

[101] M&G DuraVent's FasNSeal 80/90 Combination Cat I and Cat IV gas vent system is UL listed to applicable portions of ULC S636/UL1738, UL1777, and UL441 (Available at: *www.duravent.com/fasnseal-80–90/*) (Last accessed Feb. 15, 2022).

[102] Oak Ridge National Laboratory, Condensing Furnace Venting Part 2: Evaluation of Same-Chimney Vent Systems for Condensing Furnaces and Natural Draft Water Heaters (February 2015) (Available at: *web.ornl.gov/sci/buildings/docs/Condensing-Furnace-Venting-Part2-Report.pdf*) (Last accessed Feb. 15, 2022).

[103] Oak Ridge National Laboratory, Furnace and Water Heater Venting Field Demonstration (May, 2019) (Available at: *www.ornl.gov/publication/furnace-and-water-heater-venting-field-demonstration*) (Last accessed Feb. 15, 2022).

[104] A non-direct vent furnace increases the air infiltration that the house experiences since for every cubic foot of air that leaves the house, another cubic foot of air comes in. Thus, a direct vent furnace avoids using heated indoor air for combustion.

[105] By separating the combustion air from indoor household air, the furnace is not affected by other home appliances in a tight home. A direct vent furnace reduces the danger of any potential backdrafts (pulling exhaust gases down the chimney), as well as reducing the danger of foreign gases in the combustion air. For example, a furnace could be damaged by vapors from laundry products, as these vapors can mix with indoor combustion air to corrode furnace components.

[106] DOE, Technology Fact Sheer. Combustion Equipment Safety: Provide Safe Installation for Combustion Appliances (October 2000) (DOE/GO–102000–0784) (Available at: *www1.eere.energy.gov/buildings/publications/pdfs/building_america/26464.pdf*) (Last accessed Feb. 15, 2022).

[107] DOE, Furnace and Boilers (Available at: *www.energy.gov/energysaver/home-heating-systems/furnaces-and-boilers*) (Last accessed Feb. 15, 2022).

NWGF installations, including, when applicable, a condensate drain, condensate pump, freeze protection (heat tape),[108] drain pan, condensate neutralizer, and an additional electric outlet for the condensate pump.

DOE acknowledges that condensate management can be costly for some installations (*e.g.,* multi-family units) and very difficult in rare cases. DOE's current installation cost approach accounts for these costs. However, DOE added a sensitivity analysis with additional condensate costs.

The use of heat tape to prevent condensate pipes from freezing is standard installation practice.[109] [110] DOE's analysis accounts for the use of heat tape typical in unconditioned attic installations, which are more likely to face freezing conditions. DOE acknowledges that other unconditioned locations could also face freezing, but it is far less common.[111] DOE also included heat tape to installations in additional non-conditioned spaces such as crawl spaces, non-conditioned basements, and garages that are in regions that could be exposed to freezing conditions. DOE accounted for the additional installation cost and energy use of the heat tape. Additionally, because it is recommended practice that heat tape be plugged into a ground fault circuit interrupter (''GFCI'') circuit, DOE included the cost of adding a GFCI circuit for the fraction of households that do not have one available. DOE also conducted a sensitivity analysis with an additional fraction of installations necessitating the use of heat tape.

To address situations where condensate must be treated before disposal (*e.g.,* due to a local regulation), DOE assumed that a fraction of installations require condensate neutralizer for condensate withdrawal. As discussed in appendix 8D of the TSD for this NOPR, the fraction of installations that require condensate neutralizer used in the analysis is representative of the current use. DOE includes the cost of using non-corrosive drains for an additional fraction of installations. Additionally, DOE conducted a sensitivity analysis assuming a high fraction of installations use condensate neutralizer or are installed with a non-corrosive drain.

(f) Difficult Installations

DOE considered the potential need for additional vent length to reach a suitable location on an outside wall where the vent termination could be located, as well as the potential need for wall penetrations and/or concealing of flue vents in conditioned spaces.

DOE used the best available information and data to characterize the likely nature and cost of installations of a condensing furnace as a replacement for a non-condensing furnace in its consumer sample. DOE estimates that 51 percent of replacements could be labeled as ''difficult'' installations,[112] with an average incremental installation cost of $1,003 relative to the baseline 80 percent AFUE NWGF (compared to an incremental cost of $262 for all other replacement installations).

DOE is not aware of any physical limitations or building code issues that would preclude the installation of a condensing NWGF in multi-family buildings, townhomes, and row houses.

DOE sought any information or data regarding potential physical limitations when installing a new condensing furnace. In consumer [113] and contractor [114] surveys, relocation was not mentioned as an issue for furnace installation.[115] DOE recognizes that in some cases, homeowners could elect to relocate their furnace when replacing a non-condensing NWGF with a condensing NWGF, especially if the relocation is part of a planned remodel of the home. In such cases, the cost of relocation is likely to be comparable to the costs that DOE estimated for difficult installations.

(g) Emergency Replacements

DOE acknowledges that installation costs could increase for condensing furnaces in an unplanned emergency situation for the reasons that follow. While it is not possible to estimate the share of installations that would constitute an emergency (unplanned during the heating season), Decision Analyst's 2019 American Home Comfort Study (''AHCS'') [116] reported that unplanned replacements accounted for one third of gas furnace installations. For this NOPR, DOE included labor costs for unplanned replacements to account for additional contractor labor needed to finish the installation, factoring in the difficulty of accessing the roof during periods of snow or ice accumulation. In addition, to address periods without heat during the replacement, DOE considered the costs of the temporary use of small electric resistance space heaters or secondary/back-up heaters.

(h) Incremental Installation Cost for Condensing Furnaces

DOE estimated that the incremental retrofit installation cost for condensing furnaces was $644. For new construction and new owners, the incremental installation cost was estimated to be, on average, −$647.[117] Since 26 percent of shipments were assumed to be in the new construction and new owners market, the resulting average incremental installation cost was $301. The incremental installation cost estimates reflect labor cost and installation material cost data from 2021 RS Means.

(i) New Construction or New Owner Installations

It is common practice in new construction, when possible, to avoid vertical venting in order to limit roof penetrations and reduce potential liability issues (*e.g.,* water leakage through new roof penetrations).[118] Condensing furnaces have the flexibility of being vented either horizontally or vertically. When presented with this option in new construction, it is reasonable to conclude that most

[108] Heat tape is also referred to as heating cable and provides electric heating.

[109] ICP, Installation Instructions for Condensate Freeze Protection Kit (2012) (Available at: *www.icptempstarparts.com/mdocs-posts/naha00201hh-condensate-freeze-protection-kit-installation-instructions/*) (Last accessed Feb. 15, 2022).

[110] Bryant, Installation Instructions: Condensate Drain Protection (2008) (Available at: *www.questargas.com/ForEmployees/qgcOperationsTraining/Furnaces/Bryant_355AAV.pdf*) (Last accessed Feb. 15, 2022).

[111] Brand, L. and W. Rose, Strategy Guideline: Accurate Heating and Cooling Load Calculations. Partnership for Advanced Residential Retrofits (October 2012) (Available at: *www.nrel.gov/docs/fy13osti/55493.pdf*) (Last accessed Feb. 15, 2022).

[112] DOE considered an installation to be ''difficult'' if there is an orphaned water heater, a long PVC vent connection though multiple walls, or in households with condensate issues (*e.g.,* ones requiring heat tape or a condensate pump).

[113] Decision Analyst, Homeowner ''Spotlight'' Report: Equipment Switching, Repair Profile and Energy Efficiency (August 2011). (*www.decisionanalyst.com/*) (Last accessed Feb. 15, 2022).

[114] Decision Analyst, Contractor ''Spotlight'' Report: Energy Efficiency and Installation Profile (August 2011). (*www.decisionanalyst.com/*) (Last accessed Feb. 15, 2022).

[115] This finding is supported by an expert consultant (EER Consulting).

[116] Decision Analysts, 2019 American Home Comfort Studies (Available at: *www.decisionanalyst.com/syndicated/homecomfort/*) (Last accessed Feb. 15, 2022).

[117] DOE calculated that on average condensing NWGF installation costs are lower in the new construction market compared to non-condensing NWGFs, since high-efficiency NWGF can be vented either horizontally or vertically (whichever is most cost-effective), and, therefore, a vertical buildout with roof penetration is not required. *See* appendix 8D of the TSD for this NOPR for more details regarding new construction installation costs.

[118] Lekov A., V. Franco, G. Wong-Parodi, J. McMahon, P. Chan, Economics of residential gas furnaces and water heaters in US new construction market,. Energy Efficiency (September 2010) Volume 3, Issue 3, pp 203–222 (Available at: *link.springer.com/article/10.1007/s12053-009-9061-y*) (Last accessed Feb. 15, 2022).

designers, architects, builders, contractors, and/or homeowners would opt for the most cost-effective installation. Current building practices are likely to evolve as the market changes in response to any amended energy conservation standards for the subject furnaces.

For new owner and new construction installations, DOE applied an incremental venting cost if the owner/builder had been planning to install a commonly-vented non-condensing furnace and water heater.

c. Additional Installation Costs for Mobile Home Gas Furnaces

DOE included the same basic installation costs for MHGFs as described previously for NWGFs. DOE also included costs for venting and condensate removal. Protection from freezing (heat tape), a condensate pipe, condensate neutralizer, and an additional electrical connection are accounted for in the cost of condensate removal, where applicable.

DOE notes that MHGFs are usually installed in tight spaces and often require space modifications if the replacement furnace dimensions are different from those of the existing furnace. DOE notes that most of the MHGF models at the proposed standard level of 95-percent AFUE are similar in size to the existing non-condensing MHGFs. However, some condensing furnaces in the manufacturer literature are wider and shorter than existing non-condensing furnaces. Accordingly, DOE increased the installation costs for a fraction of installations to address the impacts related to space constraints or condensate withdrawal that may be encountered when a condensing MHGF replaces an older mobile-home-specific furnace. DOE also adjusted the installation cost for the dedicated vent system for condensing MHGFs by including an additional cost to remove the old venting system. Mobile homes must be approved, as required by the U.S. Department of Housing and Urban Development, to ensure compliance with the HUD Code (24 CFR 3282.203), which requires special sealed combustion venting for MHGFs that cannot be commonly vented with other gas-fired equipment (such as a gas-fired water heater). DOE also adjusted the condensate withdrawal installation costs to account for a fraction of installations that encounter difficulty installing the condensate drain.

d. Contractor Survey and DOE's Sources

AHRI and Carrier commented that DOE dismissed industry survey data (the ACCA/AHR/PHCC contractor survey), and that such dismissal is unreasonable, arbitrary and capricious. These commenters stated that DOE was unreasonable to rely on eight websites in lieu of over 700 contractors with experience in the field, and that the websites relied upon, in fact, indicate that the cost of a new furnace installation is much higher than DOE estimates. These commenters stated that a survey seeking average installation costs for the purposes of information collection, rather than lead-generation, is implicitly more reliable that what amounts to online advertisements. AHRI and Carrier also stated that the estimated costs presented by these websites suggest that furnace installation is far more expensive that DOE estimates, with incremental costs potentially ranging from $800 to $4,500. (AHRI, No. 303 at p. 12; Carrier, No. 302 at pp. 6–7) Lennox also criticized DOE for failing to consider data from the contractor survey and commented that the sources DOE quotes in its analysis actually support much higher installation costs and require further review and analysis. (Lennox, No. 299 at pp. 13–14, 30)

AHRI continues to object to the methodology used by DOE to determine installation costs, which it asserts is disassociated from actual costs. AHRI also stated that the differences between the installation costs developed by DOE and those from the marketplace as measured by the ACCA/AHRI/PHCC contractor survey are huge. (AHRI, No. 303 at p. 41) Spire suggested that DOE should rely on actual field installation costs rather than estimating the installation cost. (Spire, September 2016 SNOPR Public Meeting Transcript, No. 243 at p. 88) Spire stated that there is nothing in the record to show what input DOE's consultants actually sought or obtained on installation costs, and that the only manufacturer input that is available on the record is comments from manufacturers stating that DOE's installed cost estimates are gross underestimates of actual installed costs. (Spire, No. 309–1 at p. 92) HARDI stated that DOE should not rely on installation information available on the internet, but rather should speak with installing contractors across diverse sections of the country, in addition to contractor organizations, to assess and verify the information obtained online. HARDI also stated that the online lead generation and price quoting mechanisms cited by DOE are responsible for less than five percent of sales amongst HARDI's customers and are not reflective of industry norms, and the quality and reliability of participants are unknown. Instead, HARDI urged DOE to consult the comments by PHCC, ACCA, and AHRI to assess true installation costs. (HARDI, No. 271 at p. 3)

Rheem asserted that the installation cost data referenced by DOE in the September 2016 SNOPR were incomplete and vague, that the data did not always differentiate between condensing and non-condensing NWGFs, and that the cited costs ranged wildly. Rheem also stated that applications were mixed between furnace only and furnace and central air conditioners (''CAC'') combinations. (Rheem, No. 307 at pp. 7–8)

In response, DOE notes that its focus for installation costs is to estimate the incremental cost between different efficiency levels. However, DOE used the results of the contractor survey to validate its estimates of the average total installed cost for condensing furnaces in replacement applications, as well as the average incremental installation cost. DOE examined the ACCA/AHRI/PHCC survey of contractors but was unable to use the data directly in the LCC analysis because only aggregate values were reported. The ACCA/AHRI/PHCC survey results are binned in wide bins of $250, and the sample is heavily weighted towards the north (339 responses in the North and 181 in the South). As noted previously, installation costs vary widely for different contractors and areas of the country. The installation costs in the Northern region will tend to be much higher than those reported in the Rest of the Country (as defined in the LCC analysis). For this NOPR, DOE revised its installation cost methodology to account for various factors affecting both non-condensing and condensing NWGFs, such as: the cost of ductwork upgrades; baseline electrical installation costs; additional labor required for baseline installations; the cost of relining, resizing, and/or other adjustments of metal venting for baseline installations; premium installation costs for emergency replacements; and other premium installation costs for comfort-related features (*e.g.,* advanced thermostats, zoning, hypoallergenic filters, humidity controls). For this NOPR, DOE also compared its average estimates to the AHRI/ACCA/PHCC contractor survey report and other sources such as Home Advisor,[119] ImproveNet,[120] Angie's

[119] Home Advisor, How Much Does a New Gas Furnace Cost? (Available at: *www.homeadvisor.com/cost/heating-and-cooling/gas-furnace-prices/*) (Last accessed February 15, 2022).

[120] *www.improvenet.com/* (Last accessed Feb. 15, 2022).

List,[121] HomeWyse,[122] Cost Helper,[123] Fixr,[124] CostOwl,[125] and Gas Furnace Guide,[126] and also consulted with RS Means staff. In addition, DOE was able to obtain installation costs disaggregated for households installing only a furnace versus installing both a furnace and air conditioner from the 2016 AHCS. For this NOPR, the average incremental installation cost for a condensing NWGF in a retrofit installation was $644 (in 2020$), which is consistent with the AHRI/ACCA/PHCC contractor survey and data provided by SoCalGas, as well as the other sources listed above. Therefore, DOE concludes that the industry-supplied data support its installation cost methodology.

e. Summary of Installation Costs

Table IV.12 shows the fraction of installations impacted and the average cost for each of the installation cost adders in replacement applications (not including new owners). The estimates of the fraction of installations impacted were based on the furnace location (primarily derived from information in RECS 2015) and a number of other sources that are described in chapter 8 of this NOPR TSD.

TABLE IV.12—ADDITIONAL INSTALLATION COSTS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES IN REPLACEMENT APPLICATIONS

Installation cost adder	NWGFs		MHGFs	
	Replacement installations impacted (percent)	Average cost (2020$)	Replacement installations impacted (percent)	Average cost (2020$)
Non-Condensing Furnaces				
Updating Vent Connector	24	284	.....	.....
Updating Flue Vent *	5	751	100	195
Condensing Furnaces				
New Flue Venting (PVC)	100	301	100	47
Combustion Air Venting (PVC)	57	298	100	47
Concealing Vent Pipes	7	551	.....	.....
Orphaned Water Heater	18	747	.....	.....
Condensate Removal	100	95	100	201
Multi-Family Adder	4	248	.....	.....
Mobile Home Adder	.....	.....	25	236

* For a fraction of installations, this cost includes the commonly-vented water heater vent connector, chimney relining, and vent resizing. For mobile home gas furnaces, DOE assumed that flue venting has to be upgraded for all replacement installations.

Table IV.13 shows the estimated fraction of new home installations impacted and the average cost for each of the adders.

TABLE IV.13—ADDITIONAL INSTALLATION COSTS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES IN NEW CONSTRUCTION AND NEW OWNER APPLICATIONS

Installation cost adder	NWGFs		MHGFs	
	New installations impacted (percent)	Average cost (2020$)	New installations impacted (percent)	Average cost (2020$)
Non-Condensing Furnaces				
New Flue Vent (Metal) *	100	$1,520	100	$259
Condensing Furnaces				
New Flue Venting (PVC)	100	167	100	23
Combustion Air Venting (PVC)	57	162	100	23
Concealing Vent Pipes *	2	209	.....	.....
Orphaned Water Heater	47	1,150	.....	.....
Condensate Removal	100	66	100	111

* Applied to new owner installations only.

[121] Angie's List, How Much Does it Cost to Install a New Furnace (Available at: *www.angieslist.com/articles/how-much-does-it-cost-install-new-furnace.htm*) (Last accessed Feb. 15, 2022).

[122] HomeWyse, Cost to Install a Furnace (Available at: *www.homewyse.com/services/cost_to_install_furnace.html*) (Last accessed Feb. 15, 2022).

[123] Cost Helper, How Much Does a Furnace Cost? (Available at: *home.costhelper.com/furnace.html*) (Last accessed Feb. 15, 2022).

[124] FIXr, Gas Central Heating Installation Cost (Available at: *www.fixr.com/costs/gas-central-heating-installation*) (Last accessed Feb. 15, 2022).

[125] *CostOwl.com,* How much Does a New Furnace Cost? (Available at: *www.costowl.com/home-improvement/hvac-furnace-replacement-cost.html*) (Last accessed Feb. 15, 2022).

[126] Gas Furnace Guide, Gas Furnace Prices and Installation Cost Comparison (Available at: *www.gasfurnaceguide.com/compare/*) (Last accessed Feb. 15, 2022).

4. Annual Energy Consumption

For each sampled residential furnace installation, DOE determined the energy consumption for a NWGF or MHGF at different efficiency levels using the approach described above in section IV.E of this document.

Higher-efficiency furnaces reduce the operating costs for a consumer, which can lead to greater use of the furnace. A direct rebound effect occurs when a product that is made more efficient is used more intensively, such that the expected energy savings from the efficiency improvement may not fully materialize. At the same time, consumers benefit from increased utilization of products due to rebound. Overall consumer surplus (taking into account additional costs and benefits) is generally understood to increase from rebound. DOE examined a 2009 review of empirical estimates of the rebound effect for various energy-using products.[127] This review concluded that the econometric and quasi-experimental studies suggest a mean value for the direct rebound effect for household heating of around 20 percent. DOE also examined a 2012 ACEEE paper [128] and a 2013 paper by Thomas and Azevedo.[129] Both of these publications examined the same studies that were reviewed by Sorrell, as well as Greening *et al.,*[130] and identified methodological problems with some of the studies. The studies believed to be most reliable by Thomas and Azevedo show a direct rebound effect for heating products in the 1-percent to 15-percent range, while Nadel concludes that a more likely range is 1 to 12 percent, with rebound effects sometimes higher for low-income households who could not afford to adequately heat their homes prior to weatherization. Based on DOE's review of these recent assessments, DOE used a 15-percent rebound effect for NWGFs and MHGFs. This rebound is the same as assumed in EIA's National Energy Modeling System (''NEMS'') for residential space heating.[131] However, for commercial applications DOE applied no rebound effect, consistent with other recent energy conservation standards rulemakings.[132] [133] [134]

The LCC analysis is an analysis that does not account for consumer behavior; as a result, DOE does not include the rebound effect in the LCC. Some households may increase their furnace use in response to increased efficiency, and as a result, not all households will realize the LCC savings represented in section V.B of this document. DOE does include rebound in the NIA for a conservative estimate of national energy savings and the corresponding impact to consumer NPV. See section IV.H of this document.

EPCA requires that in its evaluation of proposed energy conservation standards, DOE must consider the savings in operating costs throughout the estimated average life of the covered product in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the covered products which are likely to result from the imposition of the standard. (42 U.S.C. 6295(o)(2)(B)(i)(II)) That is, DOE must consider the savings resulting from operating a covered product that the consumer would purchase under the proposed standard and the costs that the consumer would realize from operating such a product, as compared to the costs that the consumer would realize from operating a product under the current standard. This consideration is to inform the determination of whether an amended standard would be economically justified. EPCA does not prohibit this consideration from monetizing additional benefits that the consumer may receive from a covered product that complies with a proposed improvement in efficiency.

EPCA directs DOE to consider ''savings in operating costs'' with no reference as to how DOE is to consider any potential increase in value provided to the consumer under a proposed standard. (*See,* 42 U.S.C. 6295(o)(2)(B)(i)(II)) In evaluating potential changes in the operating costs, DOE has considered the useful output of a furnace provided to the consumer. The rebound effect does not capture an external benefit, but reflects a benefit directly realized by the consumer in the form of increased comfort. Were DOE to adopt an approach that did not include a value for the additional comfort provided by a more-efficient furnace, the economic benefits from the proposed standard would have been underestimated. DOE's evaluation of the economic impact of a proposed standard would include the cost of additional fuel consumption resulting from the rebound effect, but would fail to recognize the additional welfare provided directly to the consumer from a NWGF or MHGF that complies at the proposed efficiency level.

In addition to the consideration required by 42 U.S.C. 6295(o)(2)(B)(i)(II), EPCA directs DOE to consider the economic impact of the standard on manufacturers and on the consumers of the products subject such standard. (42 U.S.C. 6295(o)(2)(B)(i)(I)) The economic impact is not narrowly defined to include only costs related to energy consumption. The occurrence of a rebound effect demonstrates that consumers value the additional output (*i.e.,* heat) as they are paying for the additional heat, and resulting increase in comfort, reflected in their energy bills. To quantify the effects of rebound, DOE estimates the economic and energy savings impact in the NIA. See chapter 10 of the NOPR TSD for more details.

5. Energy Prices

A marginal energy price reflects the cost or benefit of adding or subtracting one additional unit of energy consumption. Marginal electricity prices more accurately capture the incremental savings associated with a change in energy use by higher-efficiency products and provide a better representation of incremental change in consumer costs than average electricity prices. Therefore, DOE applied average electricity prices for the energy use of the product purchased in the no-new-standards case and marginal electricity prices for the incremental change in energy use associated with the other efficiency levels considered.

[127] Steven Sorrell, *et al.,* Empirical Estimates of the Direct Rebound Effect: A Review, 37 *Energy Policy* 1356–71 (2009) (Available at *www.sciencedirect.com/science/article/pii/S0301421508007131*) (Last accessed Feb. 15, 2022).

[128] Steven Nadel, ''The Rebound Effect: Large or Small?'' ACEEE White Paper (August 2012) (Available at *www.aceee.org/files/pdf/white-paper/rebound-large-and-small.pdf*) (Last accessed Feb. 15, 2022).

[129] Brinda Thomas and Ines Azevedo, Estimating Direct and Indirect Rebound Effects for U.S. Households with Input–Output Analysis, Part 1: Theoretical Framework, 86 *Ecological Econ.* 199–201 (2013) (Available at *www.sciencedirect.com/science/article/pii/S0921800912004764*) (Last accessed Feb. 15, 2022).

[130] Lorna A. Greening, *et al.,* Energy Efficiency and Consumption—The Rebound Effect—A Survey, 28 *Energy Policy* 389–401 (2002) (Available at *www.sciencedirect.com/science/article/pii/S0301421500000215*) (Last accessed Feb. 15, 2022).

[131] *See: www.eia.gov/outlooks/aeo/nems/documentation/residential/pdf/m067(2020).pdf* (Last accessed May 19, 2022).

[132] DOE. Energy Conservation Program for Certain Industrial Equipment: Energy Conservation Standards for Small, Large, and Very Large Air-Cooled Commercial Package Air Conditioning and Heating Equipment and Commercial Warm Air Furnaces; Direct final rule. 81 FR 2419 (Jan. 15, 2016) (Available at *www.regulations.gov/document/EERE-2013-BT-STD-0021-0055*) (Last accessed Feb. 15, 2022).

[133] DOE. Energy Conservation Program: Energy Conservation Standards for Residential Boilers; Final rule. 81 FR 2319 (Jan. 15, 2016) (Available at *www.regulations.gov/document/EERE-2012-BT-STD-0047-0078*) (Last accessed Feb. 15, 2022).

[134] DOE. Energy Conservation Program: Energy Conservation Standards for Commercial Packaged Boilers; Final Rule. 85 FR 1592 (Jan. 10, 2020) (Available at *www.regulations.gov/document/EERE-2013-BT-STD-0030-0099*) (Last accessed Feb. 15, 2022).

DOE derived average monthly marginal residential and commercial electricity, natural gas, and LPG prices for each state using data from EIA.[135] [136] [137] DOE calculated marginal monthly regional energy prices by: (1) first estimating an average annual price for each region; (2) multiplying by monthly energy price factors, and (3) multiplying by seasonal marginal price factors for electricity, natural gas, and LPG. The analysis used historical data up to 2020 for residential and commercial natural gas and electricity prices and historical data up to 2019 for LPG prices. Further details may be found in chapter 8 of the NOPR TSD.

DOE compared marginal price factors developed by DOE from the EIA data to develop seasonal marginal price factors for 23 gas tariffs provided by the Gas Technology Institute for the 2016 residential boilers energy conservation standards rulemaking.[138] DOE found that the winter price factors used by DOE are generally comparable to those computed from the tariff data, indicating that DOE's marginal price estimates are reasonable at average usage levels. The summer price factors are also generally comparable. Of the 23 tariffs analyzed, eight have multiple tiers, and of these eight, six have ascending rates and two have descending rates. The tariff-based marginal factors use an average of the two tiers as the commodity price. A full tariff-based analysis would require information about the household's total baseline gas usage (to establish which tier the consumer is in), and a weight factor for each tariff that determines how many customers are served by that utility on that tariff. These data are generally not available in the public domain. DOE's use of EIA State-level data effectively averages overall consumer sales in each State, and so incorporates information from all utilities. DOE's approach is, therefore, more representative of a large group of consumers with diverse baseline gas usage levels than an approach that uses only tariffs.

DOE notes that within a State, there could be significant variation in the marginal price factors, including differences between rural and urban rates. In order to take this to account, DOE developed marginal price factors for each individual household using RECS 2015 billing data. These data are then normalized to match the average State marginal price factors, which are equivalent to a consumption-weighted average marginal price across all households in the State. For more details on the comparative analysis and updated marginal price analysis, see appendix 8D of this NOPR TSD.

To estimate energy prices in future years, DOE multiplied the 2020 energy prices by the projection of annual average price changes for each of the nine Census Divisions from the Reference case in *AEO2021,* which has an end year of 2050.[139] To estimate price trends after 2050, DOE used the average annual rate of change in prices from 2045 through 2050. DOE also conducted sensitivity analyses using lower and higher energy price projections. The impact of these alternative scenarios is shown in appendix 8K of the NOPR TSD.

6. Maintenance and Repair Costs

Maintenance costs are associated with maintaining the operation of the product, while repair costs are associated with repairing or replacing product components that have failed in an appliance.

DOE estimated maintenance costs for residential furnaces at each considered efficiency level using a variety of sources, including 2021 RS Means,[140] manufacturer literature, and information from expert consultants. DOE estimated the frequency of annual maintenance using data from RECS 2015 and the 2019 American Home Comfort Study.[141] DOE accounted for the likelihood that condensing furnaces require more maintenance and repair than non-condensing furnaces by adding costs to check the secondary heat exchanger and condensate system (including regular replacement of the condensate neutralizer). For repair costs, DOE included repair of the ignition, gas valve, controls, and inducer fan, as well as the furnace fan blower. For condensing repair costs, DOE assumed higher material repair costs for the ignition, gas valve, controls, and inducer fan, as well as a higher fraction of BPM furnace fans compared to non-condensing furnaces. To determine the service lifetime of various components, DOE used a Gas Research Institute (''GRI'') study.[142] For the considered standby mode and off mode standards, DOE assumed that no additional maintenance or repair is required.

In order to validate DOE's approach, DOE did a review of maintenance and repair costs available from a variety of sources, including online resources. Overall, DOE found that the maintenance and repair cost estimates applied in its analysis fall within the typical range of published maintenance and repair charges.

For more details on DOE's methodology for calculating repair costs, including all online resources reviewed, see appendix 8F of the TSD for this NOPR.

7. Product Lifetime

Product lifetime is the age at which an appliance is retired from service. DOE conducted an analysis of furnace lifetimes based on the methodology described in a recent journal paper.[143] For this analysis, DOE relied on RECS 1990, 1993, 2001, 2005, 2009, and 2015.[144] DOE also used the U.S. Census's biennial American Housing Survey (''AHS''), from 1974–2019, which surveys all housing, noting the presence of a range of appliances.[145]

[135] U.S. Department of Energy-Energy Information Administration, Form EIA–861M (formerly EIA–826) detailed data (2020) (Available at: *www.eia.gov/electricity/data/eia861m/*) (Last accessed Feb. 15, 2022).

[136] U.S. Department of Energy-Energy Information Administration, Natural Gas Navigator (2020) (Available at: *www.eia.gov/naturalgas/data.php*) (Last accessed Feb. 15, 2022).

[137] U.S. Department of Energy-Energy Information Administration, 2019 State Energy Data System (''SEDS'') (2019) (Available at: *www.eia.gov/state/seds/*) (Last accessed Feb. 15, 2022).

[138] GTI provided a reference located in the docket of DOE's 2016 rulemaking to develop energy conservation standards for residential boilers. (Docket No. EERE–2012–BT–STD–0047–0068) (Available at: *www.regulations.gov/document/EERE-2012-BT-STD-0047-0068*) (Last accessed Feb. 15, 2022).

[139] U.S. Department of Energy–Energy Information Administration, *Annual Energy Outlook 2021* (Available at: *www.eia.gov/outlooks/aeo/*) (Last accessed Feb. 15, 2022).

[140] RS Means Company Inc., *RS Means Facilities Maintenance & Repair Cost Data* (2021) (Available at: *www.rsmeans.com/*) (Last accessed Feb. 15, 2022).

[141] Decision Analysts, 2019 American Home Comfort Study: Online Database Tool (Available at: *www.decisionanalyst.com/Syndicated/HomeComfort/*) (Last accessed Feb. 15, 2022).

[142] Jakob, F.E., J.J. Crisafulli, J.R. Menkedick, R.D. Fischer, D.B. Philips, R.L. Osbone, J.C. Cross, G.R. Whitacre, J.G. Murray, W.J. Sheppard, D.W. DeWirth, and W.H. Thrasher, *Assessment of Technology for Improving the Efficiency of Residential Gas Furnaces and Boilers, Volume I and II—Appendices* (September 1994) Gas Research Institute, Report No. GRI–94/0175 (Available at: *www.gti.energy/software-and-reports/*) (Last accessed Feb. 15, 2022).

[143] Lutz, J., A. Hopkins, V. Letschert, V. Franco, and A. Sturges, Using national survey data to estimate lifetimes of residential appliances, *HVAC&R Research* (2011) 17(5): pp. 28 (Available at: *www.tandfonline.com/doi/abs/10.1080/10789669.2011.558166*) (Last accessed Feb. 15, 2022).

[144] U.S. Department of Energy: Energy Information Administration, *Residential Energy Consumption Survey (''RECS''),* Multiple Years (1990, 1993, 1997, 2001, 2005, 2009, and 2015) (Available at: *www.eia.gov/consumption/residential/*) (Last accessed Feb. 15, 2022).

[145] U.S. Census Bureau: Housing and Household Economic Statistics Division, *American Housing Survey,* Multiple Years (1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, and 2019)

DOE used the appliance age data from these surveys, as well as the historical furnace shipments, to generate an estimate of the survival function. The survival function provides a lifetime range from minimum to maximum, as well as an average lifetime. DOE estimates the average product lifetime to be 21.4 years for NWGFs and MHGFs. This estimate is consistent with the range of values identified in a literature review, which included values from 16 years to 23.6 years.

To better account for differences in lifetime due to furnace utilization, DOE determined separate lifetimes for the North and Rest of Country (as identified in the shipments analysis) but only based on the difference in operating hours in the two regions. DOE assumed that equipment operated for fewer hours will have a longer service lifetime. DOE developed regional lifetime estimates by using regional shipments, RECS survey data, and AHS survey data and applying the methodology described above. More specifically, these data include AHRI shipments in the North and Rest of Country regions from 2010–2015,[146] 2015 RECS data,[147] and 2015–2019 AHS data survey data.[148] DOE also incorporated lifetime data from Decision Analyst's AHCS from 2006, 2008, 2010, 2013, 2016, and 2019.[149] The average lifetime used in this NOPR is 22.5 years in the North and 20.2 years in the Rest of Country for both NWGFs and MHGFs (national average is 21.4 years). Consumer furnaces located in the North are generally higher capacity to meet the higher heating load, and thus can have lower operating hours. Additionally, furnace replacements in the Rest of Country are more likely to be linked to a paired central air conditioner. For these reasons, the consumer furnace lifetimes in the two regions differ slightly. DOE also conducted sensitivity analyses using a median lifetime of 16 years (low lifetime scenario) and 27 years (high lifetime scenario) for NWGFs and MHGFs (see appendix 8G in the TSD for this NOPR).

There is significant variation in the distribution of furnace lifetime and DOE uses a Weibull distribution to account for this distribution of product failure. DOE accounts for this variation by projecting energy cost savings and health benefits through the final year of furnace lifetime for all products shipped in 2058 (*i.e.,* through 2113). Given the length of time horizon needed to account for the furnaces shipped in the 30-year analysis, DOE seeks comment on its analysis of benefits that accrue beyond the year 2070.

Chapter 8 of the TSD for this NOPR provides further details on the methodology and sources DOE used to develop furnace lifetimes.

8. Discount Rates

In the calculation of LCC, DOE applies discount rates appropriate to households to estimate the present value of future operating costs. The discount rate used in the LCC analysis represents the rate from an individual consumer's perspective. DOE estimated a distribution of residential discount rates for NWGFs and MHGFs based on consumer financing costs and the opportunity cost of consumer funds.

DOE applies weighted average discount rates calculated from consumer debt and asset data, rather than marginal or implicit discount rates.[150] DOE notes that the LCC does not analyze the appliance purchase decision, so the implicit discount rate is not relevant in this model. The LCC estimates net present value over the lifetime of the product, and, therefore, the appropriate discount rate will reflect the general opportunity cost of household funds, taking into account the time scale of the product lifetime. Given the long time horizon modeled in the LCC, the application of a marginal interest rate associated with an initial source of funds is inaccurate. Regardless of the method of purchase, consumers are expected to continue to rebalance their debt and asset holdings over the LCC analysis period, based on the restrictions consumers face in their debt payment requirements and the relative magnitude of the interest rates available for debts and assets. DOE estimates the aggregate impact of this rebalancing using the historical distribution of debts and assets.

To establish residential discount rates for the LCC analysis, DOE identified all relevant household debt or asset classes in order to approximate a consumer's opportunity cost of funds related to appliance energy cost savings. DOE estimated the average percentage shares of the various types of debt and equity by household income group using data from the Federal Reserve Board's Survey of Consumer Finances (''SCF'') for 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019.[151] Using the SCF and other sources, DOE developed a distribution of rates for each type of debt and asset by income group to represent the rates that may apply in the year in which amended or new standards would take effect. DOE assigned each sample household a specific discount rate drawn from one of the distributions.

DOE notes that the interest rate associated with the specific source of funds used to purchase a furnace (*i.e.,* the marginal rate) is not the appropriate metric to measure the discount rate as defined for the LCC analysis. The marginal interest rate alone would only be the relevant discount rate if the consumer were restricted from re-balancing their debt and asset holdings (by redistributing debts and assets based on the relative interest rates available) over the entire time period modeled in the LCC analysis. The LCC is not analyzing a marginal decision; rather, it estimates net present value over the lifetime of the product, so, therefore, the discount rate needs to reflect the opportunity cost of both the money flowing in (through operating cost savings) and out (through upfront cost expenditures) of the net present value calculation. In the context of the LCC analysis, the consumer is not only discounting based on their opportunity cost of money spent today, but instead, they are additionally discounting the stream of future benefits. A consumer might pay for an appliance with cash, thereby forgoing investment of those funds into one of the interest earning assets to which they might have access.[152] Alternatively, a consumer

(Available at: *www.census.gov/programs-surveys/ahs/*) (Last accessed Feb. 15, 2022).

[146] Air-Conditioning, Heating, and Refrigeration Institute, Non-Condensing and Condensing Regional Gas Furnace Shipments for 2010–2015, Confidential Data Provided to Navigant Consulting (Nov. 26, 2016).

[147] U.S. Department of Energy: Energy Information Administration, *Residential Energy Consumption Survey (''RECS'') (*2015) (Available at: *www.eia.gov/consumption/residential/*) (Last accessed Feb. 15, 2022).

[148] U.S. Census Bureau: Housing and Household Economic Statistics Division, *American Housing Survey,* Multiple Years (2015–2019) (Available at: *www.census.gov/programs-surveys/ahs/*) (Last accessed Feb. 15, 2022).

[149] Decision Analysts, 2006, 2008, 2010, 2013, 2016, and 2019 American Home Comfort Studies (Available at: *www.decisionanalyst.com/Syndicated/HomeComfort/*) (Last accessed Feb. 15, 2022).

[150] The implicit discount rate is inferred from a consumer purchase decision between two otherwise identical goods with different first cost and operating cost. It is the interest rate that equates the increment of first cost to the difference in net present value of lifetime operating cost, incorporating the influence of several factors: transaction costs; risk premiums and response to uncertainty; time preferences; and interest rates at which a consumer is able to borrow or lend.

[151] The Federal Reserve Board, *Survey of Consumer Finances* (1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019) (Available at: *www.federalreserve.gov/econres/scfindex.htm*) (last accessed Feb. 15, 2022).

[152] Decision Analyst's 2019 American Home Comfort Study (Available at: *www.decisionanalyst.com/syndicated/homecomfort/*) (Last accessed Feb. 15, 2022) shows that for HVAC purchases, consumers used cash or debit cards 58 percent of the time, a credit card 23

Continued

might pay for the initial purchase by going into debt, subject to the cost of capital at the interest rate relevant for that purchase. However, a consumer will also receive a stream of future benefits in terms of annual operating cost savings that they could either put towards paying off that or other debts, or towards assets, depending on the restrictions they face in their debt payment requirements and the relative size of the interest rates on their debts and assets. All of these interest rates are relevant in the context of the LCC analysis, as they all reflect direct costs of borrowing, or opportunity costs of money either now or in the future. Additionally, while a furnace itself is not a readily tradable commodity, the money used to purchase it and the annual operating cost savings accruing to it over time flow from and to a household's pool of debt and assets, including mortgages, mutual funds, money market accounts, *etc.* Therefore, the weighted-average interest rate on debts and assets provides a reasonable estimate for a household's opportunity cost (and discount rate) relevant to future costs and savings. The best proxy for this re-optimization of debt and asset holdings over the lifetime of the LCC analysis is to assume that the distribution of debts and assets in the future will be proportional to the distribution of debts and assets historically. Given the long time horizon modeled in the LCC, the application of a marginal rate alone would be inaccurate. DOE's methodology for deriving residential discount rates is in line with the weighted-average cost of capital used to estimate commercial discount rates. The average rate in this NOPR analysis across all types of household debt and equity and across all income groups, weighted by the shares of each type, is 4.2 percent for NWGFs and 4.7 percent for MHGFs.

To establish commercial discount rates for the small fraction of NWGFs installed in commercial buildings, DOE estimated the weighted-average cost of capital using data from Damodaran Online.[153] The weighted-average cost of capital is commonly used to estimate the present value of cash flows to be derived from a typical company project or investment. Most companies use both debt and equity capital to fund investments, so their cost of capital is the weighted average of the cost to the firm of equity and debt financing. DOE estimated the cost of equity using the capital asset pricing model, which assumes that the cost of equity for a particular company is proportional to the systematic risk faced by that company. DOE's commercial discount rate approach is based on the methodology described in a LBNL report, and the distribution varies by business activity.[154] The average rate for NWGFs used in commercial applications in this NOPR analysis, across all business activity, is 6.7 percent.

See chapter 8 of this NOPR TSD for further details on the development of consumer and commercial discount rates.

9. Energy Efficiency Distribution in the No-New-Standards Case

To accurately estimate the share of consumers that would be affected by a potential energy conservation standard at a particular efficiency level, DOE's LCC analysis considered the projected distribution (*i.e.,* market shares) of product efficiencies under the no-new-standards case (*i.e.,* the case without amended or new energy conservation standards). This approach reflects the fact that some consumers may purchase products with efficiencies greater than the baseline levels.

a. Condensing Furnace Market Share in Compliance Year

To estimate the efficiency distribution of NWGFs and MHGFs in 2029, DOE considered the market trends regarding increased sales of high-efficiency furnaces (including any available incentives). DOE relied on data provided by AHRI on historical shipments for each product class. DOE reviewed AHRI data from 1992 and 1994–2003 (which includes both NWGF and MHGF shipments data), detailing the market shares of non-condensing[155] and condensing (90-percent AFUE and greater) furnaces by State.[156] AHRI also provided data for non-condensing and condensing furnace shipments by region for 2004–2009[157] and nationally for 2010–2014.[158] AHRI additionally submitted proprietary data including shipments of condensing and non-condensing furnaces in the North and Rest of Country regions from 2010 to 2015.[159] DOE also obtained 2013–2020 HARDI shipments data by efficiency for most States.[160] AHRI and HARDI data capture different fractions of the market. Using the shipments data from AHRI and HARDI, DOE derived historical trends for each State. DOE used the HARDI State-level data (2013–2020) to project the trends and estimate the condensing furnace market share in 2029. This excludes years with a Federal tax incentive[161] [162] in order to better reflect the trends of the current market. The maximum share of condensing furnace shipments for each region was assumed to be 95 percent, in order to reflect a small fraction of the market that would continue to install non-condensing furnaces. The national average condensing NWGFs market share in 2029 was estimated to be 58.0 percent, with an anticipated market share of 75.6 percent in the North and 34.3 percent in the Rest of Country. The national average condensing market share for MHGFs in 2029 was estimated to be 31.4 percent, with an anticipated market share of 37.8 percent in the North and 21.1 percent in the Rest of

percent of the time, and other financing options the remaining 18 percent of the time.

[153] Damodaran Online, Data Page: Costs of Capital by Industry Sector (2021) (Available at: *pages.stern.nyu.edu/~adamodar/*) (Last accessed Feb. 15, 2022).

[154] Fujita, S., Commercial, Industrial, and Institutional Discount Rate Estimation for Efficiency Standards Analysis: Sector-Level Data 1998–2018 (Available at: *ees.lbl.gov/publications/commercial-industrial-and*) (Last accessed Feb. 15, 2022).

[155] The market share of furnaces with AFUE between 80 and 90 percent is well below 1 percent due to the very high installed cost of 81-percent AFUE furnaces, compared with condensing designs, and concerns about safety of operation. AHRI also provided national shipments data (not disaggregated by region) by efficiency for 1975, 1978, 1980, 1983–1991, and 1993.

[156] Air-Conditioning, Heating, and Refrigeration Institute (formerly Gas Appliance Manufacturers Association), *Updated Shipments Data for Residential Furnaces and Boilers* (April 25, 2005) (Available at: *www.regulations.gov/document/EERE-2006-STD-0102-0138*) (Last accessed Feb. 15, 2022).

[157] Air-Conditioning, Heating, and Refrigeration Institute, Non-Condensing and Condensing Regional Gas Furnace Shipments for 2004–2009 Data Provided to DOE (July 20, 2010).

[158] Air-Conditioning, Heating, and Refrigeration Institute, Non-Condensing and Condensing Gas Furnace Shipments for 2010–2014 (Available at: *www.regulations.gov/document/EERE-2014-BT-STD-0031-0052*) (Last accessed Feb. 15, 2022).

[159] Air-Conditioning, Heating, and Refrigeration Institute, Non-Condensing and Condensing Regional Gas Furnace Shipments for 2010–2015, Confidential Data Provided to Navigant Consulting (Nov. 26, 2016).

[160] Heating, Air-conditioning and Refrigeration Distributors International (HARDI), DRIVE portal (HARDI Visualization Tool managed by D+R International), Gas Furnace Shipments Data from 2013–2020 (Available at: *www.drintldata.com*) (Last accessed Feb. 15, 2022).

[161] DOE did not use the data for 2008–2011 because these data appear to be influenced by incentives. AHRI also stated the period from 2008 through 2011 was an outlier. (AHRI, No. 303 at pp. 23–25)

[162] The Energy Policy Act of 2005 established the tax credit for energy improvements to existing homes. The credit was originally limited to purchases made in 2006 and 2007, with an aggregate cap of $500 for all qualifying purchases made in these two years combined. For improvements made in 2009 and 2010, the cap was increased to $1,500. This coincides with a sharp increase in condensing furnace shipments. This credit has since been renewed several times, but the credit was reduced to its original form and original cap of $500 starting in 2011. More information is available at *www.energy.gov/savings/dsire-page* (Last accessed Feb. 15, 2022).

Country, overall about half the fraction of NWGFs.

Additionally, DOE developed a sensitivity analysis incorporating a higher and lower market share for condensing NWGFs and MHGFs. See appendix 8I of the TSD for this NOPR for further information on the derivation of the efficiency distribution projections and sensitivity analysis results.

b. Market Shares of Different Condensing Furnace Efficiency Levels

DOE used data on the shipments by efficiency from the 2013–2020 HARDI shipments to disaggregate the condensing furnace shipments among the different condensing efficiency levels. Based on stakeholder input, DOE assumed that the fraction of furnace shipments of 95-percent or higher AFUE in the replacement market would be double the fraction in the new construction market. DOE also assumed that the fraction of furnace shipments of 95-percent or higher AFUE would be higher in the North compared to the South, because the threshold for ENERGY STAR designation in the North is 95-percent AFUE compared to 90-percent AFUE in the South. The resulting distributions were then used to assign the new furnace AFUE for each sampled household or building in the no-new-standards case, both in the replacement and new construction markets, and in each of the 30 RECS regions and 9 CBECS Census Divisions. The resulting national distribution for condensing NWGFs in 2029 is expected to be 0.3 percent for 90-percent AFUE, 16.5 percent for 92-percent AFUE, 40.3 percent for 95-percent AFUE, and 0.9 percent for 98-percent AFUE. For condensing MHGFs in 2029, the national distribution is expected to be 8.9 percent for 92-percent AFUE, 21.3 percent for 95-percent AFUE, and 1.3 percent for 96-percent AFUE. See appendix 8I of the TSD for this NOPR for further details.

c. Assignment of Furnace Efficiency to Sampled Households

For the September 2016 SNOPR (since withdrawn), the assignment of furnace efficiency to each household or building was random within each of the disaggregated distributions (*i.e.,* in each of the 30 RECS regions and 9 CBECS Census Division regions, and in the new construction and replacement markets).

A number of stakeholders objected to DOE's approach to assigning furnace efficiency in the no-new-standards case. AHRI stated that DOE's decision model assumes that consumers ignore economic factors such as climate when choosing a non-condensing or condensing NWGF. (AHRI, No. 303 at pp. 9–10) AHRI stated that DOE is assuming that consumers behave randomly in their consideration of energy efficiency absent new standards, a position that AHRI believes is arbitrary and capricious. AHRI commented that none of the studies cited by DOE support the proposition that consumer behavior is completely irrational. AHRI stated that most of the academic studies cited by DOE are based on home appliances (*e.g.,* refrigerators), or they focus on information gaps in consumer knowledge. AHRI stated that none of these have any relevance to furnaces because furnace selection is heavily influenced by installing contractors, who have the knowledge and experience to present consumers with accurate economic analyses of their potential choices. (AHRI, No. 303 at pp. 31–34)

APGA contended that DOE offers the unsupported proposition that random assignment, while admittedly not based on economics, ''may simulate actual behavior as well as assigning furnace efficiency based solely on imputed cost-effectiveness.'' APGA contended that DOE relies on working papers for the proposition that consumers do not always act in a perfectly economically rational fashion, but the fact that there are market failures does not undermine reliance on economic decision-making as the best representation of consumer behavior. APGA stated that rejecting economic decision-making demonstrates agency bias to reach a preordained outcome. (APGA, No. 292–1 at pp. 23–25) AGA stated that DOE's methodology lacks any regard to consumer costs and benefits—even to consumers for whom the first cost of the more-efficient condensing furnace is lower than the first cost of the non-condensing furnace. (AGA, No. 306–1 at p. 11) Lennox, Carrier, and Spire commented that DOE's analysis ignores the logical behavior of consumers when purchasing residential furnace products. (Lennox, No. 299 at p. 5; Carrier, No. 302 at p. 4; Spire, No. 309–1 at pp. 5–6) Additionally, Lennox commented that based on U.S. contractor survey data, factors such as installation difficulty, high first cost, or the diminishment of air conditioning performance in regions with milder climates drive consumers to the most economical decision, which in many cases is an 80-percent AFUE NWGF. (Lennox, No. 299 at p. 6) SoCalGas expressed concern that DOE did not revise its model for assigning furnace efficiency in the no-new-standards case in accordance with stakeholder comments on the NOPR and NODA. (SoCalGas, No. 304–3 at p. 5) The City of Rocky Mount, Austin Utilities, Gas Authority, Dickson Gas, and the Jefferson Cocke Utility District stated that the random assignment of furnace efficiency in the no-new-standards case, rather than relying on economic decision making, produces irrational outcomes. (City of Rocky Mount, No. 254 at p. 2; Austin Utilities, No. 255 at p. 1; Gas Authority, No. 256 at pp. 1–2; Dickson Gas, No. 276 at p. 2; Jefferson Cocke Utility District, No. 289 at p. 2)

The GTI report on the (since withdrawn) September 2016 SNOPR submitted by APGA stated that the random assignment of furnace efficiency in the no-new-standards case does not consider any individual building's characteristics in a given region. (APGA, No. 292–2 at pp. 60–61) APGA argued that despite a disaggregation by region, there is still a misallocation of furnaces within a region on a building-specific basis as a result of DOE's failure to use economic decision-making to assign furnaces. (APGA, No. 292–1 at p. 21) Spire stated that despite randomly assigning the right percentage of condensing and non-condensing furnaces to each region, there remains a break in the link between consumer decision-making and individual economics. Spire stated that consumer behavior can be modeled in a way that reflects a degree of economic decision-making that would be reasonably consistent with observed consumer behavior, which GTI did in its analysis of the September 2016 SNOPR. (Spire, No. 309–1 at pp. 60–61) The GTI report on the September 2016 SNOPR submitted by APGA stated that the shipment projections only affect the number of impacted buildings on a per region and per building type basis, not the LCC savings per impacted building within a certain region and building type. For a given region and building type, the LCC savings per impacted building will be the same regardless of the condensing NWGF shipment projections. The report stated that the inherent result of the random assignment methodology is a finding of LCC savings in any region where LCC savings are present on average, whether or not the shipment projections include a very high or very low condensing NWGF market share in the no-new-standards case. (APGA, No. 292–2 at p. 61) APGA and AGA noted that the GTI report on the September 2016 SNOPR shows that it is possible to monetize non-economic factors to consumer decision making, including product

performance or reliability, manufacturer reputation, intangible societal benefits, and perceived risks and rewards associated with the decision. (APGA, No. 292–1 at pp. 25–26; AGA, No. 306–1 at pp. 23–24) SoCalGas recommended that the DOE use building-specific data (*e.g.,* heating load) when assigning furnace efficiency to improve accuracy. (SoCalGas, No. 304–3 at p. 4) AHRI stated that survey data are widely recognized in consumer research as significantly overstating actual consumer behavior, in this case their willingness to pay a premium for more energy-efficient products. (AHRI, No. 303 at pp. 31–34)

In contrast to the preceding comments, the Efficiency Advocates stated that, given the lack of data to incorporate economic and non-economic factors, DOE's current approach for assigning efficiency in the no-new-standards case is reasonable because DOE's approach is more likely to capture actual consumer behavior than a model that assumes all consumers are strictly rational economic actors. (Efficiency Advocates, No. 285 at p. 5)

Several stakeholders contended that DOE's decision to not use economic criteria in assigning furnace efficiency is at odds with its use of economic criteria in other parts of the analysis. AGA stated that DOE's assumption that, in the absence of a new standard, consumers will make random rather than at least somewhat rational economic decisions is in conflict with DOE's assumptions used for other LCC analysis and decision making algorithms. (AGA, No. 306–1 at p. 27) Spire stated that despite DOE's assumption that consumers never consider economics when purchasing NWGFs, DOE assumes for the purposes of its product switching analysis that consumers always consider both initial cost and payback economics in deciding whether to switch from a NWGF to an electric alternative. (Spire, No. 309–1 at p. 31) AHRI noted that DOE relies on a pure theory of competition, which is related to economically rational choice theory, to justify its use of incremental mark-ups; according to the commenter, DOE does not explain why it is appropriate to consider rational choice in this context but not when considering consumer behavior. (AHRI, No. 303 at p. 31) APGA stated that unavailability of perfect information on consumer behavior is not a valid reason for not using the available data to assign furnace efficiency, noting by contrast that DOE used available data in the consumer choice model underlying the product switching analysis. (APGA, No. 292–1 at p. 27) Lennox questioned what it understood as DOE's contradictory characterization of consumers—assuming when determining the appropriate discount rate that consumers have sufficient understanding to rebalance debt, yet when projecting consumer purchases of furnaces, assuming consumers do not include economic considerations. Lennox commented that DOE must articulate the basis for its seemingly contradictory assumptions regarding consumer behavior. (Lennox, No. 299 at p. 11) The GTI report on the September 2016 SNOPR submitted by APGA argued that DOE's assertion that a random approach to furnace efficiency assignment is as accurate as a methodology based solely on estimated cost-effectiveness is inconsistent with other parts of the LCC model that incorporate rational economic decisions by various stakeholders. (APGA, No. 292–2 at p. 67) APGA and AGA commented that even though DOE does not have site-specific information regarding product switching and downsizing, it still relied on ''consumer choice'' models that do not account for the potential illogical consumer behavior. (APGA, No. 292–1 at p. 26; AGA, No. 306–1 at pp. 23–24)

In response, for this NOPR, DOE continued to assign furnace efficiency to households in the no-new-standards case in two steps, first at the state level, then at the building-specific level. However, DOE's approach was modified to include other household characteristics. The market share of each efficiency level at the State level is based on historical shipments data (from the 2013–2020 HARDI data) and an estimated projection of trends between 2020 and the compliance year. The furnace efficiency distribution is then allocated to specific RECS households or CBECS, according to the market shares generated for each State. If a household is assigned a condensing furnace in the no-new-standards case, the replacement furnace is assumed to be condensing as well.

To assign the efficiency at the building-specific level, DOE carefully considered any available data that might improve assignment of furnace efficiency in the LCC analysis. First, DOE examined the 2013–2020 HARDI data of gas furnace input capacity by efficiency level and region. DOE did not find a significant correlation between input capacity and condensing furnace market share in a given region, a correlation which might be expected *a priori* since buildings with larger furnace input capacity are more likely to be larger and have greater energy consumption. DOE next considered the GTI data for 21 Illinois households, which included the efficiency of the furnace (AFUE), size of the furnace (input capacity), square footage of the house, and annual energy use.[163] Recognizing the relatively small sample size, DOE notes that these data exhibit no significant correlations between furnace efficiency and other household characteristics (with most furnace installations in this sample being non-condensing furnaces with high energy use). DOE also considered other data of furnace efficiency compared to household characteristics for other parts of the country, including the NEEA Database and permit data (see appendix 8I of the TSD for this NOPR for more details). These data also suggest fairly weak correlation between furnace efficiency and household characteristics or economic factors. Finally, DOE considered the 2019 AHCS survey data.[164] This survey includes questions to recent purchasers of HVAC equipment regarding the perceived efficiency of their equipment (Standard, High, and Super High Efficiency), as well as questions related to various household and demographic characteristics. From these data, DOE did find a statistically significant correlation: Households with larger square footage exhibited a higher fraction of High- or Super-High efficiency equipment installed. DOE used the AHCS data to adjust its furnace efficiency distributions as follows: (1) the market share of condensing equipment for households under 1,500 sq. ft. was decreased by 5 percentage points; and (2) the market share of condensing equipment for households above 2,500 sq. ft. was increased by 5 percentage points.

While DOE acknowledges that economic factors may play a role when consumers, commercial building owners, or builders decide on what type of furnace to install, assignment of furnace efficiency for a given installation, based solely on economic measures such as life-cycle cost or simple payback period most likely would not fully and accurately reflect actual real-world installations. There are a number of market failures discussed in the economics literature that illustrate how purchasing decisions with respect

[163] Gas Technology Institute (''GTI''), Empirical Analysis of Natural Gas Furnace Sizing and Operation, GTI–16/0003 (Nov. 2016) (Available at: *www.regulations.gov/document/EERE-2014-BT-STD-0031-0309*) (Last accessed Feb. 15, 2022).

[164] Decision Analysts, 2019 American Home Comfort Studies (Available at: *www.decisionanalyst.com/Syndicated/HomeComfort/*) (Last accessed Feb. 15, 2022).

to energy efficiency are unlikely to be perfectly correlated with energy use, as described further down. DOE maintains that the method of assignment, which is in part random, is a reasonable approach, one that simulates behavior in the furnace market, where market failures result in purchasing decisions not being perfectly aligned with economic interests, more realistically than relying only on apparent cost-effectiveness criteria derived from the limited information in CBECS or RECS. DOE further emphasizes that its approach does not assume that all purchasers of furnaces make economically irrational decisions (*i.e.,* the lack of a correlation is not the same as a negative correlation). As part of the random assignment, some homes or buildings with large heating loads will be assigned higher efficiency furnaces, and some homes or buildings with particularly low heating loads will be assigned baseline furnaces, which aligns with the available data. By using this approach, DOE acknowledges the uncertainty inherent in the data and minimizes any bias in the analysis by using random assignment, as opposed to assuming certain market conditions that are unsupported given the available evidence.

First, consumers are motivated by more than simple financial trade-offs. There are consumers who are willing to pay a premium for more energy-efficient products because they are environmentally conscious.[165] There are also several behavioral factors that can influence the purchasing decisions of complicated multi-attribute products, such as furnaces. For example, consumers (or decision makers in an organization) are highly influenced by choice architecture, defined as the framing of the decision, the surrounding circumstances of the purchase, the alternatives available, and how they're presented for any given choice scenario.[166] The same consumer or decision maker may make different choices depending on the characteristics of the decision context (*e.g.,* the timing of the purchase, competing demands for funds), which have nothing to do with the characteristics of the alternatives themselves or their prices. Consumers or decision makers also face a variety of other behavioral phenomena including loss aversion, sensitivity to information salience, and other forms of bounded rationality.[167] Thaler, who won the Nobel Prize in Economics in 2017 for his contributions to behavioral economics, and Sunstein point out that these behavioral factors are strongest when the decisions are complex and infrequent, when feedback on the decision is muted and slow, and when there is a high degree of information asymmetry.[168] These characteristics describe almost all purchasing situations of appliances and equipment, including furnaces. The installation of a new or replacement furnace is done very infrequently, as evidenced by the mean lifetime of 21.4 years for NWGFs and MHGFs. Additionally, it would take at least one full heating season for any impacts on operating costs to be fully apparent. Further, if the purchaser of the furnace is not the entity paying the energy costs (*e.g.,* a building owner and tenant), there may be little to no feedback on the purchase. Additionally, there are systematic market failures that are likely to contribute further complexity to how products are chosen by consumers, as explained in the following paragraphs.

The first of these market failures—the split-incentive or principal-agent problem—is likely to affect furnaces more than many other types of appliances. The principal-agent problem is a market failure that results when the consumer that purchases the equipment does not internalize all of the costs associated with operating the equipment. Instead, the user of the product, who has no control over the purchase decision, pays the operating costs. There is a high likelihood of split incentive problems in the case of rental properties where the landlord makes the choice of what furnace to install, whereas the renter is responsible for paying energy bills. In the LCC sample, 25.7 percent of households with a NWGF and 26.5 percent of households with a MHGF are renters. These fractions are significantly higher for low-income households (see section IV.I.1 of this document). In new construction, builders influence the type of furnace used in many homes but do not pay operating costs. Finally, contractors install a large share of furnaces in replacement situations, and they can exert a high degree of influence over the type of furnace purchased.

In addition to the split-incentive problem, there are other market failures that are likely to affect the choice of furnace efficiency made by consumers. Davis and Metcalf[169] conducted an experiment demonstrating that the nature of the information available to consumers from EnergyGuide labels posted on air conditioning equipment results in an inefficient allocation of energy efficiency across households with different usage levels. Their findings indicate that households are likely to make decisions regarding the efficiency of the climate control equipment of their homes that do not result in the highest net present value for their specific usage pattern (*i.e.,* their decision is based on imperfect information and, therefore, is not necessarily optimal).

In part because of the way information is presented, and in part because of the way consumers process information, there is also a market failure consisting of a systematic bias in the perception of equipment energy usage, which can affect consumer choices. Attari, Krantz, and Weber[170] show that consumers tend to underestimate the energy use of large energy-intensive appliances, but overestimate the energy use of small appliances. Therefore, it is likely that consumers systematically underestimate the energy use associated with furnaces, resulting in less cost-effective furnace purchases.

These market failures affect a sizeable share of the consumer population. A study by Houde[171] indicates that there is a significant subset of consumers that appear to purchase appliances without taking into account their energy efficiency and operating costs at all.

There are market failures relevant to furnaces installed in commercial

[165] Ward, D.O., Clark, C.D., Jensen, K.L., Yen, S.T., & Russell, C.S. (2011): ''Factors influencing willingness-to pay for the ENERGY STAR® label,'' *Energy Policy, 39*(3), 1450–1458. (Available at: *www.sciencedirect.com/science/article/abs/pii/S0301421510009171*) (Last accessed Feb. 15, 2022).

[166] Thaler, R.H., Sunstein, C.R., and Balz, J.P. (2014). ''Choice Architecture'' in *The Behavioral Foundations of Public Policy,* Eldar Shafir (ed).

[167] Thaler, R.H., and Bernartzi, S. (2004). ''Save More Tomorrow: Using Behavioral Economics in Increase Employee Savings,'' *Journal of Political Economy* 112(1), S164–S187. *See also* Klemick, H., et al. (2015) ''Heavy-Duty Trucking and the Energy Efficiency Paradox: Evidence from Focus Groups and Interviews,'' *Transportation Research Part A: Policy & Practice,* 77, 154–166. (providing evidence that loss aversion and other market failures can affect otherwise profit-maximizing firms).

[168] Thaler, R.H., and Sunstein, C.R. (2008). Nudge: Improving Decisions on Health, Wealth, and Happiness. New Haven, CT: Yale University Press.

[169] Davis, L.W., and G.E. Metcalf (2016): ''Does better information lead to better choices? Evidence from energy-efficiency labels,'' *Journal of the Association of Environmental and Resource Economists,* 3(3), 589–625. (Available at: *www.journals.uchicago.edu/doi/full/10.1086/686252*) (Last accessed Feb. 15, 2022).

[170] Attari, S.Z., M.L. DeKay, C.I. Davidson, and W. Bruine de Bruin (2010): ''Public perceptions of energy consumption and savings.'' *Proceedings of the National Academy of Sciences* 107(37), 16054–16059 (Available at: *www.pnas.org/content/107/37/16054*) (Last accessed Feb. 15, 2022).

[171] Houde, S. (2018): ''How Consumers Respond to Environmental Certification and the Value of Energy Information,'' *The RAND Journal of Economics,* 49 (2), 453–477 (Available at: *onlinelibrary.wiley.com/doi/full/10.1111/1756-2171.12231*) (Last accessed Feb. 15, 2022).

applications as well. It is often assumed that because commercial and industrial customers are businesses that have trained or experienced individuals making decisions regarding investments in cost-saving measures, some of the commonly observed market failures present in the general population of residential customers should not be as prevalent in a commercial setting. However, there are many characteristics of organizational structure and historic circumstance in commercial settings that can lead to underinvestment in energy efficiency.

First, a recognized problem in commercial settings is the principal-agent problem, where the building owner (or building developer) selects the equipment and the tenant (or subsequent building owner) pays for energy costs.[172] [173] Indeed, more than a quarter of commercial buildings in the CBECS 2012 sample are occupied at least in part by a tenant, not the building owner (indicating that, in DOE's experience, the building owner likely is not responsible for paying energy costs). Additionally, some commercial buildings have multiple tenants. There are other similar misaligned incentives embedded in the organizational structure within a given firm or business that can impact the choice of a furnace. For example, if one department or individual within an organization is responsible for capital expenditures (and therefore equipment selection) while a separate department or individual is responsible for paying the energy bills, a market failure similar to the principal-agent problem can result.[174] Additionally, managers may have other responsibilities and often have other incentives besides operating cost minimization, such as satisfying shareholder expectations, which can sometimes be focused on short-term returns.[175] Decision-making related to commercial buildings is highly complex and involves gathering information from and for a variety of different market actors. It is common to see conflicting goals across various actors within the same organization as well as information asymmetries between market actors in the energy efficiency context in commercial building construction.[176]

Second, the nature of the organizational structure and design can influence priorities for capital budgeting, resulting in choices that do not necessarily maximize profitability.[177] Even factors as simple as unmotivated staff or lack of priority-setting and/or a lack of a long-term energy strategy can have a sizable effect on the likelihood that an energy efficient investment will be undertaken.[178] U.S. tax rules for commercial buildings may incentivize lower capital expenditures, since capital costs must be depreciated over many years, whereas operating costs can be fully deducted from taxable income or passed through directly to building tenants.[179]

Third, there are asymmetric information and other potential market failures in financial markets in general, which can affect decisions by firms with regard to their choice among alternative investment options, with energy efficiency being one such option.[180] Asymmetric information in financial markets is particularly pronounced with regard to energy efficiency investments.[181] There is a dearth of information about risk and volatility related to energy efficiency investments, and energy efficiency investment metrics may not be as visible to investment managers,[182] which can bias firms towards more certain or familiar options. This market failure results not because the returns from energy efficiency as an investment are inherently riskier, but because information about the risk itself tends not to be available in the same way it is for other types of investment, like stocks or bonds. In some cases energy efficiency is not a formal investment category used by financial managers, and if there is a formal category for energy efficiency within the investment

[172] Vernon, D., and Meier, A. (2012). ''Identification and quantification of principal–agent problems affecting energy efficiency investments and use decisions in the trucking industry,'' *Energy Policy,* 49, 266–273.

[173] Blum, H. and Sathaye, J. (2010). ''Quantitative Analysis of the Principal-Agent Problem in Commercial Buildings in the U.S.: Focus on Central Space Heating and Cooling,'' Lawrence Berkeley National Laboratory, LBNL–3557E. (Available at: *escholarship.org/uc/item/6p1525mg*) (Last accessed January 20, 2022).

[174] Prindle, B., Sathaye, J., Murtishaw, S., Crossley, D., Watt, G., Hughes, J., and de Visser, E. (2007). ''Quantifying the effects of market failures in the end-use of energy,'' Final Draft Report Prepared for International Energy Agency. (Available from International Energy Agency, Head of Publications Service, 9 rue de la Federation, 75739 Paris, Cedex 15 France).

[175] Bushee, B.J. (1998). ''The influence of institutional investors on myopic R&D investment behavior,'' *Accounting Review,* 305–333. DeCanio, S.J. (1993). ''Barriers Within Firms to Energy Efficient Investments,'' *Energy Policy,* 21(9), 906–914. (explaining the connection between short-termism and underinvestment in energy efficiency).

[176] International Energy Agency (IEA). (2007). Mind the Gap: Quantifying Principal-Agent Problems in Energy Efficiency. OECD Pub. (Available at: *www.iea.org/reports/mind-the-gap*) (Last accessed Jan. 20, 2022)

[177] DeCanio, S.J. (1994). ''Agency and control problems in US corporations: the case of energy-efficient investment projects,'' *Journal of the Economics of Business,* 1(1), 105–124.

Stole, L.A., and Zwiebel, J. (1996). ''Organizational design and technology choice under intrafirm bargaining,'' *The American Economic Review,* 195–222.

[178] Rohdin, P., and Thollander, P. (2006). ''Barriers to and driving forces for energy efficiency in the non-energy intensive manufacturing industry in Sweden,'' *Energy,* 31(12), 1836–1844.

Takahashi, M. and Asano, H. (2007). ''Energy Use Affected by Principal-Agent Problem in Japanese Commercial Office Space Leasing,'' In *Quantifying the Effects of Market Failures in the End-Use of Energy.* American Council for an Energy-Efficient Economy. February 2007.

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Schleich, J. (2009). ''Barriers to energy efficiency: A comparison across the German commercial and services sector,'' *Ecological Economics,* 68(7), 2150–2159.

Muthulingam, S., et al. (2013). ''Energy Efficiency in Small and Medium-Sized Manufacturing Firms,'' *Manufacturing & Service Operations Management,* 15(4), 596–612. (Finding that manager inattention contributed to the non-adoption of energy efficiency initiatives).

Boyd, G.A., Curtis, E.M. (2014). ''Evidence of an 'energy management gap' in US manufacturing: Spillovers from firm management practices to energy efficiency,'' *Journal of Environmental Economics and Management,* 68(3), 463–479.

[179] Lovins, A. (1992). Energy-Efficient Buildings: Institutional Barriers and Opportunities. (Available at: *rmi.org/insight/energy-efficient-buildings-institutional-barriers-and-opportunities/*) (Last accessed January 20, 2022).

[180] Fazzari, S.M., Hubbard, R.G., Petersen, B.C., Blinder, A.S., and Poterba, J.M. (1988). ''Financing constraints and corporate investment,'' *Brookings Papers on Economic Activity,* 1988(1), 141–206.

Cummins, J.G., Hassett, K.A., Hubbard, R.G., Hall, R.E., and Caballero, R.J. (1994). ''A reconsideration of investment behavior using tax reforms as natural experiments,'' *Brookings Papers on Economic Activity,* 1994(2), 1–74.

DeCanio, S.J., and Watkins, W.E. (1998). ''Investment in energy efficiency: do the characteristics of firms matter?'' *Review of Economics and Statistics,* 80(1), 95–107.

Hubbard R.G. and Kashyap A. (1992). ''Internal Net Worth and the Investment Process: An Application to U.S. Agriculture,'' *Journal of Political Economy,* 100, 506–534.

[181] Mills, E., Kromer, S., Weiss, G., and Mathew, P.A. (2006). ''From volatility to value: analysing and managing financial and performance risk in energy savings projects,'' *Energy Policy,* 34(2), 188–199.

Jollands, N., Waide, P., Ellis, M., Onoda, T., Laustsen, J., Tanaka, K., and Meier, A. (2010). ''The 25 IEA energy efficiency policy recommendations to the G8 Gleneagles Plan of Action,'' *Energy Policy,* 38(11), 6409–6418.

[182] Reed, J.H., Johnson, K., Riggert, J., and Oh, A.D. (2004). ''Who plays and who decides: The structure and operation of the commercial building market,'' U.S. Department of Energy Office of Building Technology, State and Community Programs. (Available at: *www1.eere.energy.gov/buildings/publications/pdfs/commercial_initiative/who_plays_who_decides.pdf*) (Last accessed January 20, 2022).

portfolio options assessed by financial managers, they are seen as weakly strategic and not seen as likely to increase competitive advantage.[183] This information asymmetry extends to commercial investors, lenders, and real-estate financing, which is biased against new and perhaps unfamiliar technology (even though it may be economically beneficial).[184] Another market failure known as the first-mover disadvantage can exacerbate this bias against adopting new technologies, as the successful integration of new technology in a particular context by one actor generates information about cost-savings, and other actors in the market can then benefit from that information by following suit; yet because the first to adopt a new technology bears the risk but cannot keep to themselves all the informational benefits, firms may inefficiently underinvest in new technologies.[185]

In sum, the commercial and industrial sectors face many market failures that can result in an under-investment in energy efficiency. This means that discount rates implied by hurdle rates [186] and required payback periods of many firms are higher than the appropriate cost of capital for the investment.[187] The preceding arguments for the existence of market failures in the commercial and industrial sectors are corroborated by empirical evidence. One study in particular showed evidence of substantial gains in energy efficiency that could have been achieved without negative repercussions on profitability, but the investments had not been undertaken by firms.[188] The study found that multiple organizational and institutional factors caused firms to require shorter payback periods and higher returns than the cost of capital for alternative investments of similar risk. Another study demonstrated similar results with firms requiring very short payback periods of 1–2 years in order to adopt energy-saving projects, implying hurdle rates of 50 to 100 percent, despite the potential economic benefits.[189] A number of other case studies similarly demonstrate the existence of market failures preventing the adoption of energy-efficient technologies in a variety of commercial sectors around the world, including office buildings,[190] supermarkets,[191] and the electric motor market.[192]

The existence of market failures in the residential and commercial sectors is well supported by the economics literature and by a number of case studies. If DOE developed an efficiency distribution that assigned furnace efficiency in the no-new-standards case solely according to energy use or economic considerations such as life-cycle cost or payback period, the resulting distribution of efficiencies within the building sample would not reflect any of the market failures or behavioral factors above. DOE thus concludes such a distribution would not be representative of the furnace market. Further, even if a specific household/building/organization is not subject to the market failures above, the purchasing decision of furnace efficiency can be highly complex and influenced by a number of factors not captured by the building characteristics available in the RECS or CBECS samples. These factors can lead to households or building owners choosing a furnace efficiency that deviates from the efficiency predicted using only energy use or economic considerations such as life-cycle cost or payback period (as calculated using the information from RECS 2015 or CBECS 2012). However, DOE intends to investigate this issue further, and it welcomes suggestions as to how it might improve its assignment of furnace efficiency in its analyses.

The estimated market shares for the no-new-standards case for NWGFs and MHGFs in 2029 are shown in Table IV.14 and Table IV.15 of this document, respectively. See chapter 8 and appendix 8I of the NOPR TSD for further information on the derivation of the efficiency distributions.

TABLE IV.14—AFUE EFFICIENCY DISTRIBUTION IN THE NO-NEW-STANDARDS CASE FOR NON-WEATHERIZED GAS FURNACES

Efficiency, AFUE (percent)	2029 Market share in percent				
	National	North, repl	North, new	South, repl	South, new
Residential Market					
80	40.0	23.7	13.1	73.0	33.5
90	0.3	0.4	0.6	0.1	0.4
92	16.5	18.5	20.8	9.5	27.2
95	41.1	55.5	63.1	15.9	35.0
98	2.0	1.9	2.5	1.6	3.9
Commercial Market					
80	35.1	17.3	15.0	64.5	30.8
90	0.0	0.0	0.0	0.0	0.0

[183] Cooremans, C. (2012). ''Investment in energy efficiency: do the characteristics of investments matter?'' *Energy Efficiency,* 5(4), 497–518.

[184] Lovins 1992, op. cit. The Atmospheric Fund. (2017). Money on the table: Why investors miss out on the energy efficiency market. (Available at: *taf.ca/publications/money-table-investors-energy-efficiency-market/*) (Last accessed January 20, 2022).

[185] Blumstein, C. and Taylor, M. (2013). Rethinking the Energy-Efficiency Gap: Producers, Intermediaries, and Innovation. Energy Institute at Haas Working Paper 243. (Available at: *haas.berkeley.edu/wp-content/uploads/WP243.pdf*) (Last accessed April 6, 2022).

[186] A hurdle rate is the minimum rate of return on a project or investment required by an organization or investor. It is determined by assessing capital costs, operating costs, and an estimate of risks and opportunities.

[187] DeCanio 1994, op. cit.

[188] DeCanio, S.J. (1998). ''The Efficiency Paradox: Bureaucratic and Organizational Barriers to Profitable Energy-Saving Investments,'' *Energy Policy,* 26(5), 441–454.

[189] Andersen, S.T., and Newell, R.G. (2004). ''Information programs for technology adoption: the case of energy-efficiency audits,'' *Resource and Energy Economics,* 26, 27–50.

[190] Prindle 2007, op. cit. Howarth, R.B., Haddad, B.M., and Paton, B. (2000). ''The economics of energy efficiency: insights from voluntary participation programs,'' *Energy Policy,* 28, 477–486.

[191] Klemick, H., Kopits, E., Wolverton, A. (2017). ''Potential Barriers to Improving Energy Efficiency in Commercial Buildings: The Case of Supermarket Refrigeration,'' *Journal of Benefit-Cost Analysis,* 8(1), 115–145.

[192] de Almeida, E.L.F. (1998). ''Energy efficiency and the limits of market forces: The example of the electric motor market in France'', *Energy Policy,* 26(8), 643–653. Xenergy, Inc. (1998). United States Industrial Electric Motor Systems Market Opportunity Assessment. (Available at: *www.energy.gov/sites/default/files/2014/04/f15/mtrmkt.pdf*) (Last accessed January 20, 2022).

TABLE IV.14—AFUE EFFICIENCY DISTRIBUTION IN THE NO-NEW-STANDARDS CASE FOR NON-WEATHERIZED GAS FURNACES—Continued

Efficiency, AFUE (percent)	2029 Market share in percent				
	National	North, repl	North, new	South, repl	South, new
92	16.6	14.4	21.7	10.9	30.8
95	45.7	64.4	61.7	22.7	35.9
98	2.6	3.8	1.7	1.8	2.6
All					
80	39.9	23.6	13.2	72.7	33.4
90	0.3	0.4	0.5	0.1	0.4
92	16.5	18.4	20.9	9.5	27.3
95	41.2	55.7	63.0	16.1	35.0
98	2.1	1.9	2.4	1.6	3.9

"Repl" means "replacement."

TABLE IV.15—AFUE EFFICIENCY DISTRIBUTION IN THE NO-NEW-STANDARDS CASE FOR MOBILE HOME GAS FURNACES

Efficiency, AFUE (percent)	2029 Market share in percent				
	National	North, repl	North, new	South, repl	South, new
80	70.4	61.7	62.9	79.0	78.9
90	0.0	0.0	0.0	0.0	0.0
92	8.4	10.5	11.3	6.0	5.7
95	19.7	27.4	25.3	12.5	12.6
96	1.5	0.4	0.4	2.6	2.7

"Repl" means "replacement."

DOE also estimated no-new-standards case efficiency distributions for furnace standby mode and off mode power. As shown in Table IV.16 of this document, DOE estimated that 66 percent of the affected market for NWGFs and 32 percent of the affected market for MHGFs would be at the baseline level in 2029, according to data from 18 furnace models from a field study conducted in Wisconsin [193] and data from DOE laboratory tests (see appendix 8I of the NOPR TSD).

TABLE IV.16—STANDBY MODE AND OFF MODE NO-NEW-STANDARDS CASE EFFICIENCY DISTRIBUTION IN 2029 FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

Efficiency level	Standby mode/ off mode in watts	NWGF market share in percent	MHGF market share in percent
Baseline	11.0	61.6	31.5
1	9.5	0.0	0.0
2	9.2	16.6	8.9
3	8.5	21.8	59.6

10. Alternative Size Thresholds for Small Consumer Gas Furnaces

DOE analyzed potential separate energy conservation standards for small and large NWGFs and MHGFs, with varying capacity thresholds for a small NWGF or MHGF. The examined thresholds had a maximum input rate that ranged from less than or equal to 40 kBtu/h to 100 kBtu/h, which were assessed in 5 kBtu/h increments.

DOE assigned an input capacity to existing furnaces based on data from RECS 2015 and CBECS 2012. It is common industry practice to oversize furnaces to ensure that they can meet the house heating load in extreme temperature conditions. Under a scenario which envisions a separate energy conservation standard for small NWGFs and MHGFs set at a level which does not require condensing technology, DOE expects that some consumers who would otherwise install a typically-oversized furnace [194] may choose to downsize in order to be able to purchase a less-expensive non-condensing furnace.

DOE identified households from the NWGF and MHGF sample that might downsize at each of the considered standard levels. In identifying these households, DOE first determined whether a household would install a non-condensing furnace with an input

[193] Scott Pigg, Electricity Use by New Furnaces: A Wisconsin Field Study, Seventh Wave (formerly Energy Center of Wisconsin) (2003) (Available at: *www.proctoreng.com/dnld/WIDOE2013.pdf*) (Last accessed Feb. 15, 2022).

[194] By typical oversizing, DOE refers to a value of 1.7, as specified in ASHRAE 103, "Method of Testing for Annual Fuel Utilization Efficiency of Residential Central Furnaces and Boilers", which is incorporated by reference in the DOE residential furnace and boiler test procedure at 10 CFR part 430, subpart B, appendix N.

capacity greater than the small furnace size limit in the no-new-standards case, based on the assigned input capacity (which reflects historical oversizing) and efficiency. DOE relied on the ASHRAE 103–1993 test procedure, ''Method of Testing for Annual Fuel Utilization Efficiency of Residential Central Furnaces and Boilers,'' (incorporated by referenced in the DOE residential furnace and boiler test procedure) [195] to estimate that the typical oversize factor used to size furnaces was 70 percent (*i.e.,* the furnace capacity is 70 percent greater than required to heat the home under heating outdoor design temperature (''ODT'') conditions). DOE assumed that if the input capacity of the furnace using a reduced oversize factor of 35 percent (half of the 70-percent oversize factor) is less than or equal to the input capacity limit for small furnaces, the consumer would downsize the furnace accordingly. DOE has tentatively concluded that an oversize factor of 35 percent is realistic, given that ACCA recommends a maximum oversize factor of 40 percent.[196]

DOE has found that the available data regarding oversizing of furnaces in the existing stock indicate that an average oversizing in past installations of 70 percent is likewise reasonable.[197] [198] [199] [200] [201] [202] [203] DOE acknowledges that the oversizing varies among furnace installations. For this NOPR, DOE assigned an oversizing factor for each household, which varied from 0 percent to 180 percent (76 percent on average).

AHRI stated that DOE severely overestimated the number of consumers who would downsize their NWGF to avoid the higher cost of a condensing NWGF. AHRI argued that DOE's downsizing estimate is speculation, unsupported by historical shipment data or any documented field study. (AHRI, No. 303 at p. 16) Consequently, AHRI urged DOE to be much more conservative in its downsizing analysis because if the downsizing estimates are incorrect, the proposed rule will harm many more consumers and negatively affect the industry. (AHRI, September 2016 SNOPR Public Meeting Transcript, No. 243 at pp. 145–146) Ingersoll Rand likewise argued that the oversizing factor is limited in practice to 40 percent and, therefore, that DOE's downsizing approach substantially overestimates the number of consumers that would be able to install a lower capacity furnace, resulting in an underestimation of the percentage of consumers who would experience an increased cost due to the new standard. (Ingersoll Rand, No. 297 at p. 10) Rheem similarly stated that it is not reasonable to assume that the primary heating source will be downsized. In Rheem's experience, consumers and installers are reluctant to risk an investment in a replacement NWGF that may not provide adequate heat in extreme weather conditions or allow for quick recovery from their thermostat setback (*i.e.,* raising the thermostat from a lowered temperature to the desired temperature). (Rheem, No. 307 at pp. 9–10)

Lennox strongly disagreed with DOE's assumption that a significant shift in furnace sizing would occur with an 80-percent AFUE standard for small NWGFs. Lennox stated that NWGFs are sized to meet the heat load of the home according to local climate conditions; therefore, consumers and contractors are not expected to shift their sizing practices, as downsizing equipment creates the risk of not providing adequate heat to the dwelling. (Lennox, No. 299 at p. 30) Lennox stated that DOE used a flawed downsizing methodology without any market data to support the agency's assumption. Lennox stated that DOE failed to mention the negative impacts of downsizing, such as a loss of utility, consumer comfort, and a shortened life of the furnace due to an increase in operating time, as well as the need for consumers to supplement their heating needs in extreme conditions with less-efficient options than the use of a properly-sized NWGF. (Lennox, No. 299 at p. 18) Along these same lines, Goodman stated that downsizing would occur for only a small percentage of applications. (Goodman, No. 308 at p. 10) The GTI report on the September 2016 SNOPR submitted by APGA stated that DOE's downsizing decision approach ignores other utility functions of a furnace and the range of consumer risk tolerances regarding known variability in design calculations and accommodation of their own behavior. (APGA, No. 292–2 at p. 68) Spire stated that NWGFs must be oversized to be able to satisfy peak heating demands; encouraging downsizing would leave many low-income consumers desperate to minimize initial costs with NWGFs that are inadequate to meet their peak heating needs. Spire commented that DOE has not analyzed the loss of utility downsizing would impose on consumers. (Spire, No. 309–1 at pp. 46–47)

In contrast, the Efficiency Advocates stated that data from RECS 2009 imply that a 55,000 Btu/h or even a 50,000 Btu/h NWGF would be sufficient for many households. Based on this analysis, the Efficiency Advocates stated that DOE's assumption of downsizing to an oversize factor of 35 percent is reasonable and might even be too conservative, as they would expect some furnaces to be downsized even more to take advantage of the 80-percent AFUE standard for small NGWFs. (Efficiency Advocates, No. 285 at p. 3) NEAA stated that downsizing as a result of a separate standard for small NWGFs is logical. (NEEA, September 2016 SNOPR Public Meeting Transcript, No. 243 at p. 158)

In response to these comments, DOE continues to expect that in the case of an energy conservation standard that allows small furnaces to use non-condensing technology, some consumers would have a financial incentive to downsize their furnace. Even without oversizing, a furnace installation should be designed to handle dry-bulb temperatures that will occur 99 percent of the time. Therefore, handling nearly all extreme conditions is already accounted for when selecting the unit, so a 35-percent oversizing should provide ample allowance for the most extreme conditions that might occur. Thus, DOE reasons that there would be no loss of utility or comfort under DOE's proposed approach. DOE acknowledges that there could be cases where downsizing might not be advantageous. Therefore, for this NOPR, DOE assumed that not all consumers

[195] 10 CFR part 430, subpart B, appendix N.

[196] ACCA recommends oversizing by a maximum of 40 percent. ACCA. *See* Manual S—Residential Equipment Selection (2nd Edition) (Available at: *www.acca.org/*) (Last accessed Feb. 15, 2022).

[197] City of Fort Collins, Evaluation of New Home Energy Efficiency: Summary Report (June 2002) (Available at: *www.fcgov.com/utilities/img/site_specific/uploads/newhome-eval.pdf*) (Last accessed Feb. 15, 2022).

[198] Pigg, Scott, What you need to know about residential furnaces, air conditioners and heat pumps if you're NOT an HVAC professional (Feb. 2017) (Available at: *www.duluthenergydesign.com/Content/Documents/GeneralInfo/Presentation Materials/2017/Day2/What-You-Need-Pigg.pdf*) (Last accessed Feb. 15, 2022).

[199] Energy Center of Wisconsin, Electricity Use by New Furnaces: A Wisconsin Field Study (2003) (Available at: *www.proctoreng.com/dnld/WIDOE2013.pdf*) (Last accessed Feb. 15, 2022).

[200] Burdick, Arlan, Strategy Guideline: Accurate Heating and Cooling Load Calculations. Ibacos, Inc. (June 2011) (Available at: *www.nrel.gov/docs/fy11osti/51603.pdf*) (Last accessed Feb. 15, 2022).

[201] Ecovent, When Bigger is not Better (August 2014) (Available at: *docplayer.net/13225631-When-bigger-isn-t-better.html*) (Last accessed Feb. 15, 2022).

[202] Energy Center of Wisconsin, Central Air Conditioning in Wisconsin (May 2008) (Available at: *www.focusonenergy.com/sites/default/files/centralairconditioning_report.pdf*) (Last accessed Feb. 15, 2022).

[203] Washington State University, Efficient Home Cooling (2003) (Available at: *www.energy.wsu.edu/documents/AHT_Energy%20Efficient%20Home%20Cooling.pdf*) (Last accessed Feb. 15, 2022).

would downsize when the oversize factor of 35 percent is less than or equal to the assumed input capacity limit for small furnaces. In addition, DOE conducted several sensitivity analyses of its downsizing methodology, assuming no downsizing as well as higher and lower levels of downsizing. See appendix 8M of this NOPR TSD for further details.

AHRI requested that DOE analyze the alternative concept of separate standard levels for small and large mobile home gas furnaces for the same purpose of minimizing these potential negative outcomes, as was done for NWGFs. (AHRI, No. 202, p. 18) For this NOPR, DOE analyzed the potential for similar separate energy conservation standards for small and large MHGFs, as it did for NWGFs.

Goodman stated that the rational downsizing methodology is inconsistent with the random furnace sizing methodology and furnace efficiency assignment in the no-new-standards case. (Goodman, No. 308 at p. 10) In response, DOE notes that the furnace efficiency assignment in the no-new-standards case methodology has been revised for this NOPR to include some economic criteria (see section IV.F.9.c of this document).

a. Accounting for Impacts of Downsized Equipment

The estimated degree of downsizing anticipated in the case of a non-condensing standard for small NWGFs and MHGFs is presented in Table IV.17 under the criteria of various ''small furnace'' definitions. For further details regarding this downsizing methodology, see appendix 8M of the TSD for this NOPR. This appendix also presents sensitivity analysis results.

TABLE IV.17—SHARE OF LCC SAMPLE HOUSEHOLDS MEETING SMALL FURNACE DEFINITION IN 2029

Small furnace definition	NWGFs		MHGFs	
	Without amended standards (percent)	With separate small furnace standard and with downsizing (percent)	Without amended standards (percent)	With separate small furnace standard and with downsizing (percent)
≤40 kBtu/h	4.3	11.3	8.3	23.9
≤45 kBtu/h	6.6	15.9	16.8	32.6
≤50 kBtu/h	9.3	19.3	21.7	36.5
≤55 kBtu/h	11.3	21.6	21.7	38.8
≤60 kBtu/h	23.6	31.4	46.7	57.1
≤65 kBtu/h	25.4	34.3	46.7	57.7
≤70 kBtu/h	35.3	42.7	60.3	67.5
≤75 kBtu/h	44.9	50.9	72.1	76.3
≤80 kBtu/h	59.2	62.9	89.3	91.0
≤85 kBtu/h	60.6	64.4	90.1	91.8
≤90 kBtu/h	67.2	70.4	91.8	94.7
≤95 kBtu/h	67.2	70.7	91.8	94.8
≤100 kBtu/h	83.0	84.3	99.3	99.4

11. Accounting for Product Switching Under Potential Standards

DOE considered the potential for a standard level to impact the choice between various types of heating products, for residential new construction, new owners, and the replacement of existing products. Because home builders are sensitive to the initial cost of heating equipment, a standard level that significantly increases purchase price may induce some builders to switch to a different heating product than they would have otherwise installed in the no-new-standards case. Such an amended standard level may also induce some homeowners to replace their existing furnace at the end of its useful life with a different type of heating product.

a. Product Switching Resulting From Standards for Non-Weatherized Gas Furnaces

DOE developed a consumer choice model to estimate the switching response of builders and homeowners in residential installations to potential amended AFUE standards for NWGFs. DOE analyzed product switching scenarios that represent the most common combinations of space conditioning and water heating products. The model considers three options available for each sample home when installing a heating product: (1) a NWGF that meets a particular standard level, (2) a heat pump, or (3) an electric furnace. In addition, for situations in which installation of a condensing furnace would leave an ''orphaned'' gas water heater requiring costly re-venting, the model allows for the option to purchase an electric water heater as an alternative. For option 2, DOE took into consideration the age of the existing central air conditioner, if one exists. If the existing air conditioner is not very old, it is unlikely that the consumer would opt to install a heat pump, which can also provide cooling.

The consumer choice model calculates the PBP between the higher-efficiency NWGF in each standards case compared to the electric heating options using the total installed cost and first-year operating cost for each sample household or building. The operating costs take into account the space heating load and the water heating load for each household, as well as the energy prices over the lifetime of the available product options.[204] DOE accounted for any additional installation costs to accommodate a new product. DOE also accounted for the cooling load of each relevant household that might switch from a NWGF and CAC to a heat pump. For switching to occur, the total installed cost of the electric option must be less than the NWGF standards case option.

DOE used updated CAC and heat pump prices from the 2016 CAC and heat pump final rule,[205] assuming

[204] Electric furnaces are estimated to have the same lifetime as NWGFs (21.4 years); however, heat pumps have an estimated average lifetime of 19 years. To ensure comparable accounting, DOE annualized the installed cost of a second heat pump and multiplied the annualized cost by the difference in lifetime between the heat pump and a NWGF.

[205] U.S. Department of Energy–Office of Energy Efficiency and Renewable Energy, Residential

implementation of the CAC/HP minimum standards scheduled to take effect in 2023. 82 FR 1786 (Jan. 6, 2017). These heat pump prices include the manufacturer production costs, shipping costs, markups, and installation costs determined in the 2016 final rule. These costs were updated to 2020$ and the installation costs were updated using the same labor costs as discussed in section IV.F.3 of this document. DOE additionally updated the decreasing price trend for heat pumps derived in the 2016 final rule with the latest price data available. This trend suppresses the cost of heat pumps over time for the analysis period in this rulemaking. The consumer choice model assumes that if a consumer switches to a heat pump, it is to a minimally compliant heat pump (SEER 14). DOE requests comment on DOE's heat pump cost estimates, including any decreases in price likely to be experienced during the analysis period as a result of increased heat pump shipments and scale in the market due to decarbonization policies and increased domestic supply of heat pumps. DOE estimated the price of electric furnaces in the engineering analysis (see section IV.C.3 of this document). For water heaters, DOE used efficiency and consumer prices for models that meet the amended energy conservation standards that took effect on April 16, 2015. (10 CFR 430.32(d); 75 FR 20112 (April 16, 2010).) DOE estimated the price of gas and electric storage water heaters based on the 2010 heating products final rule. 75 FR 20112 (April 16, 2010).[206] For situations where a household with a NWGF might switch to an electric space heating appliance, DOE determined the total installed cost of the electric heating options, including a separate circuit up to 100 amps that would need to be installed to power the electric resistance heater within an electric furnace or heat pump, as well as the cost of upgrading the electrical service panel for a fraction of households.

The decision criterion in DOE's model was based on proprietary survey data from Decision Analyst, collected from four separate surveys conducted between 2006 and 2019.[207] Each survey involved approximately 30,000 homeowners. For a representative sample of consumers, the surveys identified consumers' willingness to purchase more-efficient space-conditioning systems. The surveys asked respondents the maximum price they would be willing to pay for a product that was 25 percent more efficient than their existing product, which DOE assumed is equivalent to a 25-percent decrease in annual energy costs. From these data, as well as RECS billing data to determine average annual space heating energy costs, DOE determined that consumers considering replacing their gas furnace would require, on average, a payback period of 3.5 years or less in order to purchase a condensing furnace rather than switch to an electric space heating option.

The consumer choice model calculates the PBP between the condensing NWGF in each standards case compared to the electric heating options using the total installed cost and first-year operating cost as estimated for each sample household or building. For switching to occur, the total installed cost of the electric option must be less than the NWGF standards case option. The model assumes that a consumer will switch to an electric heating option if the PBP of the condensing NWGF relative to the electric heating option is greater than 3.5 years or the PBP relative to the electric heating option is negative.[208] In the case of switching to an electric heating option, the model selects the most economically beneficial product. DOE requests comment on the consumer's willingness to switch heating options, especially for heat pumps.

DOE acknowledges that the consumer survey data it used to determine the switching criterion do not directly address the consumer choice to switch heating fuels, but because the data reflect a trade-off between first cost and ongoing savings, it is reasonable to expect that the payback criterion is broadly reflective of the potential consumer behavior regarding switching. Furthermore, the fuel switching results from DOE's analysis match the overall findings from the GTI Fuel Switching Study [209] (see appendix 8J of this NOPR TSD), which surveyed both contractors and home builders. In addition to the primary estimate, DOE conducted sensitivity analyses using higher and lower levels of switching, as well as a scenario with no switching. The sensitivity analyses use payback periods that are one year higher or lower than 3.5 years (*i.e.,* 2.5 years and 4.5 years).

DOE's analysis also takes into account propane NWGFs when considering product switching. For the proposed standard, the switching fraction of propane NWGF consumers is 15.1 percent, and the switching fraction of propane MHGF consumers is 17.6 percent.

The GTI report on the 2016 SNOPR submitted by APGA stated that the DOE product switching model should exclude product switching in cases where there is a first-cost advantage for the electric technology when comparing to an 80-percent AFUE NWGF, as well as when there is an operating cost advantage for the electric technology compared to the proposed TSL for NWGFs. According to the comment, these cases would likely cause product switching without an amended rule and would be considered as ''No Impact'' cases when using Consumer Economic Decision criteria proposed by GTI. GTI contends that DOE's approach results in overstated LCC savings compared to rational product switching under a Consumer Economic Decision framework methodology. (APGA, No. 292–2 at p. 25) In response, for the 2016 September SNOPR, DOE's product switching methodology was primarily dependent on a first-cost comparison between an alternative electric option and the standards-compliant NWGF option. As a result, DOE estimated that switching could occur when the first cost of an alternative electric option is lower than the baseline NWGF (80 percent AFUE) and the operating cost of the alternative electric option is less than the standards-compliant NWGF option. For this NOPR, DOE adopted a more conservative approach and excluded these households from the product switching methodology.

b. Switching Resulting From Standards for Mobile Home Gas Furnaces

For the September 2016 SNOPR (since withdrawn), DOE concluded that fuel switching would be unlikely for MHGFs. 81 FR 65720, 65793 (Sept. 23, 2016).

Nortek and MHI stated that DOE must consider product switching in the MHGF market. (Nortek, No. 300 at p. 3; MHI, No. 282 at p. 1) Nortek and MHI stated that the proposed rule will lead to increased switching from MHGFs to less-efficient electric heating options

Central Air Conditioners and Heat Pumps Technical Support Document (Available at: *www.regulations.gov/document/EERE-2014-BT-STD-0048-0098*) (Last accessed Feb. 15, 2022).

[206] U.S. Department of Energy–Office of Energy Efficiency and Renewable Energy, Heating Products Final Rule (Available at: *www.regulations.gov/document?D=EERE-2006-STD-0129-0005*) (Last accessed Feb. 15, 2022).

[207] Decision Analysts, 2006, 2008, 2010, 2013, 2016, and 2019 American Home Comfort Studies (Available at: *www.decisionanalyst.com/Syndicated/HomeComfort/*) (Last accessed Feb. 15, 2022). Non-proprietary data of a similar nature were not available.

[208] The PBP is negative when the electric heating option has lower operating cost compared to the condensing NWGF option.

[209] Gas Technology Institute (''GTI''), Fuel Switching Study (Available at: *www.aga.org/research/reports/gas-technology-institute--fuel-switching-study/*) (Last accessed Feb. 15, 2022).

because in many instances, it is impractical, if not impossible, to install a condensing furnace due to a manufactured home's structural framework. MHI cited a survey from AGA showing that 20 percent of mobile homes utilizing non-condensing MHGFs would not be able to install a condensing furnace because of the home's framework or other issues. MHI argued that these consumers would switch to less-efficient electric heating equipment. (MHI, No. 282 at p. 5) Nortek and MHI stated that 68 percent of the 8.5 million existing manufactured homes are located in the South, where condensing MHGFs are not cost-effective for the consumer, adding that these homeowners would likely switch to alternative forms of energy for heating. (Nortek, No. 300 at pp. 7–8; MHI, No. 282 at p. 5) The GTI report on the September 2016 SNOPR submitted by APGA stated that MHGF consumers tend to have lower incomes and are even more sensitive to first cost than NWGF consumers. The GTI report noted that it would be simple to switch to electric resistance heaters, including low-cost space heaters. The GTI report stated that the installed cost difference is high enough for MHGFs that in only 20 percent of the cases is the simple payback period for a 92-percent AFUE MHGF less than 3.5 years, which indicates a high probability of product switching in the MHGF market. (APGA, No. 292–2 at pp. A–31—A–33)

For this NOPR, DOE added product switching in its analysis for MHGFs. The MHGF product switching methodology is similar to the product switching methodology for NWGFs, except that there is no switching from gas storage water heaters to electric storage water heaters, since MHGFs and gas storage water heaters do not share common vents. See appendix 8J of the TSD for this NOPR for more details regarding the product switching model for MHGFs.

12. Accounting for Furnace Repair as an Alternative to Replacement Under Potential Standards

Several stakeholders commented that when facing the costly installation of a condensing furnace, consumers will likely delay the replacement of their existing furnace by repairing it to extend the lifetime. (ACCA, No. 265 at p. 2; HARDI, No. 271 at p. 3; Carrier, No. 302 at pp. 4–6; PGW, No. 273 at p. 4; SoCalGas, No. 304–3 at p. 5; Rheem, No. 307 at pp. 14, 15; Goodman, No. 308 at pp. 11–12; AHRI, No. 303 at pp. 7–9; Lennox, No. 299 at pp. 16–17, Multifamily Associations, No. 260 at p. 2) AHRI stated that DOE has not provided a reasoned basis for excluding the repair option, other than the difficulty of including the potential for repair in the consumer choice model DOE is currently using. AHRI characterized this as an arbitrary and unsupported decision, particularly since in other rulemakings, DOE has taken a very different approach. (AHRI, No. 303 at pp. 7–9) Lennox offered a similar comment. (Lennox, No. 299 at pp. 16–17) Carrier stated that DOE did not analyze the repair vs. replace option, disregarding stakeholders' comments that increased product and installation costs will drive up the frequency of both product switching and repair. (Carrier, No. 302 at pp. 4–6) SoCalGas recommended that DOE should account for extended repairs, as this may be the most economical option for some retrofit consumers who need a NWGF with a capacity above the small NWGF threshold but for whom switching to electric products would be expensive. (SoCalGas, No. 304–3 at p. 5) Goodman stated that the majority of respondents to an HVAC survey conducted by Parks Associates would replace a system if the repair cost is half the total cost of new equipment. (Goodman, No. 308 at pp. 11–12) Rheem commented that homeowners will most likely repair an old furnace and replace components for as long as possible before switching products. (Rheem, No. 307 at p. 15) Spire stated that according to informal interviews it conducted with Canadian gas utilities, many homeowners have continued repairing their older, lower-efficiency NWGFs to avoid having to replace them with condensing NWGFs. (Spire, No. 309–1 at p. 17) The Multifamily Associations stated that rather than replace an aging, inefficient NWGF with a new, efficient model, multifamily property owners will typically repair the existing NWGF. (Multifamily Associations, No. 260 at p. 2)

In contrast, the Efficiency Advocates stated that few contractors will repair major malfunctions, such as a failed heat exchanger or failed air handler, because the repair costs are a large percentage of the purchase price of a new unit. They also commented that very few consumers will make a major investment in a repair when such repair cost is a large percentage of a new unit's cost. The Efficiency Advocates noted that Canada has had a condensing furnace standard for several years without reporting a substantial increase in repairs. (Efficiency Advocates, No. 285 at p. 4)

For this NOPR, DOE added a repair option into its consumer choice model. Because repair is likely to be considered first by consumers facing furnace replacement, DOE evaluated this option before the product switching options.

To estimate the fraction of consumers in a standards case that would choose to repair their existing furnace rather than replace it or switch to an alternative product, DOE used a price elasticity parameter, which relates the incremental total installed cost to total gas furnace shipments, and an efficiency elasticity parameter, which relates the change in the operating cost to gas furnace shipments. Both types of elasticity relate changes in demand to changes in the corresponding characteristic (price or efficiency). A regression analysis estimated these terms separately from each other and found that the price elasticity of demand for several appliances is on average –0.45.[210] Thus, for example, a price increase of 10 percent would result in a shipments decrease of 4.5 percent, all other factors held constant. The same regression analysis found that the efficiency elasticity is estimated to be on average 0.2 (*i.e.,* a 10-percent efficiency improvement, equivalent to a 10-percent decrease in operating costs, would result in a shipments increase of 2 percent, all else being equal). From these two parameters, DOE derived a probability that a given household will not purchase a furnace, which is interpreted as the household repairing rather than replacing the furnace. The regression analysis included a range for the elasticity parameters. The price elasticity parameter was adjusted by income such that the higher elasticity was assigned to lower-income households and the lower elasticity assigned to higher-income households, resulting in a greater probability of repairing existing equipment for lower-income households. Households that are designated as doing a repair rather than replacement are not considered in the subsequent switching analysis. DOE also conducted sensitivity analyses using higher and lower rates of repair. See appendix 8J of the TSD for this NOPR for more details on the repair vs. replace consumer choice model for NWGFs and MHGFs.

13. Payback Period Analysis

The payback period is the amount of time it takes the consumer to recover the additional installed cost of more-efficient products, compared to baseline products, through energy cost savings. Payback periods are expressed in years.

[210] Fujita, S., Estimating Price Elasticity using Market-Level Appliance Data. LBNL–188289 (August 2015) (Available at: *eta-publications.lbl.gov/sites/default/files/lbnl-188289.pdf*) (Last accessed Feb. 15, 2022).

Payback periods that exceed the life of the product mean that the increase in total installed cost is not recovered in reduced operating expenses.

The inputs to the PBP calculation for each efficiency level are the change in total installed cost of the product and the change in the first-year annual operating expenditures relative to the baseline. The PBP calculation uses the same inputs as the LCC analysis, except that discount rates are not needed.

As noted previously in section III.E.2 of this document, EPCA establishes a rebuttable presumption that a standard is economically justified if the Secretary finds that the additional cost to the consumer of purchasing a product complying with an energy conservation standard level will be less than three times the value of the first year's energy savings resulting from the standard, as calculated under the applicable test procedure. (42 U.S.C. 6295(o)(2)(B)(iii)) For each considered efficiency level, DOE determined the value of the first year's energy savings by calculating the energy savings in accordance with the applicable DOE test procedure, and multiplying those savings by the average energy price projection for the year in which compliance with the amended or new standards would be required.

G. Shipments Analysis

1. Shipments Model and Inputs

DOE uses projections of annual product shipments to calculate the national impacts of potential amended or new energy conservation standards on energy use, net present value (''NPV''), and future manufacturer cash flows.[211] The shipments model takes an accounting approach, tracking market shares of each product class and the vintage of units in the stock. Stock accounting uses product shipments as inputs to estimate the age distribution of in-service product stocks for all years. The age distribution of in-service product stocks is a key input to calculations of both the NES and NPV, because operating costs for any year depend on the age distribution of the stock.

DOE developed shipment projections based on historical data and an analysis of key market drivers for each product. DOE estimated NWGF and MHGF shipments by projecting shipments in three market segments: (1) replacement of existing consumer furnaces; (2) new housing; and (3) new owners in buildings that did not previously have a NWGF or MHGF or existing NWGF or MHGF owners that are adding an additional consumer furnace.[212] DOE also considered whether standards that require more-efficient consumer furnaces would have an impact on consumer furnace shipments, as discussed in section IV.G.2 of this NOPR.

a. Historical Shipments Data

DOE assembled historical shipments data for NWGFs and MHGFs from Appliance Magazine for 1954–2012,[213] AHRI from 1996–2020,[214] HARDI from 2013–2020,[215] and BRG from 2007–2019.[216] DOE also used the 1992 and 1994–2003 shipments data by state provided by AHRI[217] and 2004–2009 and 2010–2015 shipments data by North and Rest of Country regions provided by AHRI[218] as well as HARDI shipments data that is disaggregated by region and most states to disaggregate shipments by region. DOE also used CBECS 2012 data and BRG shipments data to estimate the commercial fraction of shipments.[219] Disaggregated shipments for MHGFs are not available, so DOE disaggregated MHGF shipments from the total by using a combination of data from the U.S. Census,[220] [221] American Housing Survey (AHS),[222] RECS,[223] and a 2014 MHGF shipments estimate by Mortex.[224]

b. Shipment Projections in No-New Standards Case

As stated previously, DOE estimated NWGF and MHGF shipments by projecting shipments in three market segments: (1) replacement of existing furnaces; (2) new housing; and (3) new owners in buildings that did not previously have a NWGF or MHGF or existing NWGF or MHGF owners that are adding an additional consumer furnace. These projections reflect equipment switching that is occurring without standards and additions to homes without central heating.

To project furnace replacement shipments, DOE developed retirement functions from furnace lifetime estimates and applied them to the existing products in the housing stock, which are tracked by vintage. DOE calculated replacement shipments using historical shipments and the lifetime estimates (average 21.4 years). In addition, DOE adjusted replacement shipments by taking into account demolitions, using the estimated changes to the housing stock from *AEO2021.*

To project shipments to the new housing market, DOE utilized a forecast of new housing construction and historic saturation rates of furnaces in new housing. DOE used the *AEO2021* housing starts and commercial building floor space projections and data from U.S. Census Characteristics of New

[211] DOE uses data on manufacturer shipments as a proxy for national sales, as aggregate data on sales are lacking. In general one would expect a close correspondence between shipments and sales.

[212] The new owners primarily consist of households that add or switch to NWGFs or MHGFs during a major remodel. Because DOE calculates new owners as the residual between its shipments model compared to historical shipments, new owners also include shipments that switch away from NWGFs or MHGFs.

[213] Appliance Magazine. *Appliance Historical Statistical Review: 1954–2012* (2014).

[214] Air-Conditioning, Heating, & Refrigeration Institute, *Furnace Historical Shipments Data.* (1996–2020) (Available at: *www.ahrinet.org/resources/statistics/historical-data/furnaces-historical-data*) (Last accessed Feb. 15, 2022).

[215] Heating, Air-conditioning and Refrigeration Distributors International (''HARDI''). DRIVE portal (HARDI Visualization Tool managed by D+R International), Gas Furnace Shipments Data from 2013–2020 (Available at: *www.drintldata.com*) (Last accessed Feb. 15, 2022).

[216] BRG Building Solutions. The North American Heating & Cooling Product Markets (2020 Edition) (Available at: *www.brgbuildingsolutions.com/reports-insights*) (last accessed Feb. 15, 2022).

[217] Air-Conditioning, Heating, and Refrigeration Institute (formerly Gas Appliance Manufacturers Association). *Updated Shipments Data for Residential Furnaces and Boilers,* April 25, 2005 (Available at: *www.regulations.gov/document/EERE-2006-STD-0102-0138*) (Last accessed Feb. 15, 2022).

[218] Air-Conditioning, Heating, and Refrigeration Institute. Non-Condensing and Condensing Regional Gas Furnace Shipments for 2004–2009 and 2010–2015 Data Provided to DOE contractors, July 20, 2010 and November 26, 2016.

[219] The results derived from RECS 2015 and CBECS 2012 in this NOPR show there are 45.0 and 1.5 million NWGFs in residential and commercial buildings (excluding weatherized gas furnaces and MHGFs), respectively. DOE assumed that the share of shipments is similar to the share in the stock. BRG shipments data shows a similar fraction. See chapter 9 for further details.

[220] U.S. Census Bureau, Manufactured Homes Survey: Annual Shipments to States from 1994–2020 (Available at: *www.census.gov/data/tables/time-series/econ/mhs/shipments.html*) (Last accessed Feb. 15, 2022).

[221] U.S. Census Bureau, Manufactured Homes Survey: Historical Annual Placements by State from 1980–2013 (Available at: *www.census.gov/data/tables/time-series/econ/mhs/historical-annual-placements.html*) (Last accessed Feb. 15, 2022).

[222] U.S. Census Bureau—Housing and Household Economic Statistics Division, American Housing Survey, multiple years from 1973–2019 (Available at: *www.census.gov/programs-surveys/ahs/data.html*) (Last accessed Feb. 15, 2022).

[223] Energy Information Administration (''EIA''). Residential Energy Consumption Survey (RECS), multiple years from 1979–2015 (Available at: *www.eia.gov/consumption/residential/*) (last accessed Feb. 15, 2022).

[224] Mortex estimated that the total number of MHGFs manufactured in 2014 was about 54,000, and about two-thirds were sold to the replacement market. Mortex also stated that MHGF sales have not been growing. (Mortex, No. 0157 at p. 3) (Available at: *www.regulations.gov/document/EERE-2014-BT-STD-0031-0157*) (Last accessed Feb. 15, 2022).

Housing,[225] [226] Home Innovation Research Labs Annual Builder Practices Survey,[227] RECS 2015, AHS 2019, and CBECS 2012 to estimate new construction saturations. DOE also estimated future furnace saturation rates in new single-family housing based on a weighted-average of values from the U.S. Census Bureau's Characteristics of New Housing from 1990 through 2020.[228]

To project shipments to the new owners market, DOE estimated the new owners based on the residual shipments from the calculated replacement and new construction shipments compared to historical shipments in the last 5 years (2016–2020 for this NOPR). DOE compared this with data from Decision Analysts' 2002 to 2019 American Home Comfort Study,[229] 2019 BRG data, and AHRI's estimated shipments in 2000,[230] which showed similar historical fractions of new owners. DOE assumed that the new owner fraction would be the 10-year average in 2029 and then decrease to zero by the end of the analysis period (2058). If the resulting fraction of new owners is negative, DOE assumed that it was primarily due to equipment switching or non-replacement and added this number to replacements (thus reducing the replacements value).

Table IV.18 shows the fraction of shipments for the replacement, new construction, and new owner markets. See chapter 9 for more details on the shipments analysis.

TABLE IV.18—TOTAL AND FRACTION OF NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPMENTS BY MARKET SEGMENT (REPLACEMENTS, NEW CONSTRUCTION, AND NEW OWNERS) IN 2029

Product class	Market segment	North		Rest of country		Total	
		Million	Percentage	Million	Percentage	Million	Percentage
NWGF (Residential)	Replacements *	1.565	84	1.059	77	2.624	81
	New Construction	0.293	16	0.319	23	0.611	19
	Total	1.857	100	1.378	100	3.235	100
NWGF (Commercial)	Replacements *	0.043	68	0.031	68	0.074	68
	New Construction	0.020	32	0.014	32	0.035	32
	Total	0.064	100	0.045	100	0.109	100
MHGF	Replacements *	0.026	62	0.012	48	0.038	57
	New Construction	0.015	38	0.013	52	0.029	43
	Total	0.041	100	0.025	100	0.066	100

* Includes new owners.
Notice: percentages may not add up to 100% due to rounding.

Assumptions regarding future policies encouraging electrification of households (such as in the states of California, Maryland, Washington, New York) or electric heating that decrease furnace shipments are speculative at this time, so such policies were not incorporated into the shipments projection. In regards to the proposed California 2016 AQMP,[231] which targets the ozone depleting NO_X emissions, DOE notes that the proposed control measure has two components: (1) implementing the existing Rule 1111 emission limit of NO_X for residential space heaters; and (2) incentivizing the replacement of older space heaters with more efficient low NO_X products, and/or ''green technologies'' such as solar heating or heat pumps. Incentivizing heat pumps is only one of the proposed approaches to reduce NO_X emissions that were offered in the plan, but it is unclear how this would trigger actual market and/or policy changes in the future. Current requirements in many parts of California for low NO_X and ultra low NO_X furnaces could also increase the cost of these furnaces, but it is currently unclear if it will be enough to drive shipments towards other heating options (including heat pumps). Thus, it is very uncertain to what extent installations of heat pumps would increase.

2. Impact of Potential Standards on Shipments

a. Impact of Equipment Switching

DOE applied the consumer choice model described in section IV.F.12 of this document to estimate the impact on NWGF shipments of product switching that may be incentivized by potential standards. The options available to each sample household or building are to purchase and install: (1) the NWGF that meets a particular standard level, (2) a heat pump, or (3) an electric furnace.[232]

As applied in the LCC and PBP analyses, the consumer choice model considers product prices in the compliance year and energy prices over the lifetime of products installed in that year. The shipments model considers the switching that might occur in each year of the analysis period (2029–2058). To do so, DOE estimated the switching in the first year of the analysis period (2029) and derived trends from 2029 to 2058. First, DOE applied the NWGF product price trend described in section IV.F.2 of this document to project prices in 2058. DOE used the appropriate energy prices over the lifetime of products installed in each year.

[225] U.S. Census. Characteristics of New Housing from 1999–2020 (Available at: *www.census.gov/construction/chars/*) (Last accessed Feb. 15, 2022).

[226] U.S. Census. Characteristics of New Housing (Multi-Family Units) from 1973–2020 (Available at: *www.census.gov/construction/chars/mfu.html*) (Last accessed Feb. 15, 2022).

[227] Home Innovation Research Labs (independent subsidiary of the National Association of Home Builders (''NAHB''). Annual Builder Practices Survey (2015–2019) (Available at: *www.homeinnovation.com/trends_and_reports/data/new_construction*) (Last accessed Feb. 15, 2022).

[228] U.S. Census Bureau, Characteristics of New Housing (Available at: *www.census.gov/construction/chars/*) (Last accessed Feb. 15, 2022).

[229] Decision Analysts, 2002, 2004, 2006, 2008, 2010, 2013, 2016, and 2019 American Home Comfort Study (Available at: *www.decisionanalyst.com/Syndicated/HomeComfort/*) (Last accessed Feb. 15, 2022).

[230] AHRI (formerly GAMA), Furnace and Boiler Shipments data provided to DOE for Furnace and Boiler ANOPR (Jan. 23, 2002).

[231] South Coast Air Quality Management District. 2016 Air Quality Management Plan (''AQMP'') (Available at: *www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan/final-2016-aqmp*) (Last accessed Feb. 15, 2022).

[232] DOE also accounted for situations when installing a condensing furnace could leave an ''orphaned'' gas water heater that would require expensive re-sizing of the vent system. Rather than incurring this cost, the consumer could choose to purchase an electric water heater along with a new furnace.

Although the inputs vary, the decision criteria were the same in each year. For each considered standard level, the number of NWGFs shipped in each year is equal to the base shipments in the no-new-standards case minus the number of NWGF buyers who switch to either a heat pump or an electric furnace. The shipments model also tracks the number of additional heat pumps and electric furnaces shipped in each year.

b. Impact of Repair vs. Replace

In the September 2016 SNOPR, DOE did not include the option of repairing rather than replacing the furnace or switching to a heat pump or electric furnace in the consumer choice model described in section IV.F.12 of this document.

Ingersoll Rand stated that not considering the option of consumers repairing rather than replacing a failed NWGF leads to overestimating the NES and NPV impacts of the proposed standards. (Ingersoll Rand, No. 297 at pp. 6, 12)

As discussed in IV.F.12, for this NOPR, DOE estimated a fraction of both NWGF and MHGF replacement installations that choose to repair their equipment, rather than replace their equipment or switch to a heat pump or electric furnace, in the new standards case. The approach captures not only a decrease in NWGF and MHGF replacement shipments, but also the energy use from continuing to use the existing furnace and the cost of the repair. DOE assumes that the demand for space heating is inelastic and, therefore, that no household or commercial building will forgo either repairing or replacing their equipment (either with a new NWGF of MHGF or a suitable space-heating alternative).

Because measures to limit standby mode and off mode energy use have a very small impact on the total installed cost and do not impact consumer utility, and thus have a minimal effect on consumer purchase decisions, DOE assumed that NWGF and MHGF shipments in the no-new-standards case would be unaffected by new standby mode and off mode standards.

For details on DOE's shipments analysis, product and fuel switching, and the repair option, see chapter 9 of the NOPR TSD.

H. National Impact Analysis

The NIA assesses NES and the national NPV from a national perspective of total consumer costs and savings that would be expected to result from new or amended standards at specific efficiency levels.[233] (''Consumer'' in this context refers to consumers of the product being regulated.) DOE calculates the NES and NPV for the potential standard levels considered based on projections of annual product shipments, along with the annual energy consumption and total installed cost data from the energy use and LCC analyses.[234] For the present analysis, DOE projected the energy savings, operating cost savings, product costs, and NPV of consumer benefits over the lifetime of NWGFs and MHGFs sold from 2029 through 2058.

DOE evaluates the impacts of new or amended standards by comparing a case without such standards with standards-case projections. The no-new-standards case characterizes energy use and consumer costs for each product class in the absence of new or amended energy conservation standards. For this projection, DOE considers historical trends in efficiency and various forces that are likely to affect the mix of efficiencies over time. DOE compares the no-new-standards case with projections characterizing the market for each product class if DOE adopted new or amended standards at specific energy efficiency levels (*i.e.,* the TSLs or standards cases) for that class. For the standards cases, DOE considers how a given standard would likely affect the market shares of products with efficiencies greater than the standard. In the standards cases, a small fraction of households will replace the furnace a second time within the 30-year analytical period of the NIA. For these households, the additional installation cost adders for going from a non-condensing furnace to a condensing furnace are not applied in the standards cases for the second replacement, as the household already has a condensing furnace.

DOE uses a spreadsheet model to calculate the energy savings and the national consumer costs and savings from each TSL. *AEO2021* is the source of the energy price trends as well as other inputs to the NIA such as projected housing starts and new commercial building floor space, heating and cooling degree day projections, and building shell efficiency projections. Interested parties can review DOE's analyses by changing various input quantities within the spreadsheet. The NIA spreadsheet model uses typical values (as opposed to probability distributions) as inputs.

Table IV.19 summarizes the inputs and methods DOE used for the NIA analysis for this NOPR. Discussion of these inputs and methods follows the table. See chapter 10 of the TSD for this NOPR for further details.

TABLE IV.19—SUMMARY OF INPUTS AND METHODS FOR THE NATIONAL IMPACT ANALYSIS

Inputs	Method
Shipments	Annual shipments from shipments model.
Compliance Date of Standard	2029.
Efficiency Trends	No-New-Standards case: Based on historical data. Standard cases: Roll-up in the compliance year (except for EL 1, 90 percent AFUE for NWGFs as described below) and then DOE estimated growth in shipment-weighted efficiency in all the standards cases, except max-tech.
Annual Energy Consumption per Unit.	Annual weighted-average values are a function of energy use at each TSL. Incorporates projection of future energy use based on *AEO2021* projections for HDD/CDD and building shell efficiency index.

[233] The NIA accounts for impacts in the 50 States and U.S. territories.

[234] For the NIA, DOE adjusts the installed cost data from the LCC analysis to exclude sales tax, which is a transfer.

TABLE IV.19—SUMMARY OF INPUTS AND METHODS FOR THE NATIONAL IMPACT ANALYSIS—Continued

Inputs	Method
Total Installed Cost per Unit	Annual weighted-average values are a function of cost at each TSL. Incorporates projection of future product prices based on historical data.
Repair and Maintenance Cost per Unit.	Annual weighted-average values vary by efficiency level.
Energy Prices	*AEO2021* projections (to 2050) and extrapolation thereafter. Natural gas and electricity marginal prices based on EIA and RECS 2015 billing data.
Energy Site-to-Primary and FFC Conversion.	A time-series conversion factor based on *AEO2021.*
Discount Rate	Three and seven percent.
Present Year	2021.

1. Product Efficiency Trends

A key component of the NIA is the trend in energy efficiency projected for the no-new-standards case and each of the standards cases. Section IV.F.10 of this document describes how DOE developed an energy efficiency distribution for the no-new-standards case for each of the considered product classes for the year of anticipated compliance with an amended or new standard (2029). To project the trend in efficiency absent amended standards for NWGFs and MHGFs over the entire shipments projection period, DOE extrapolated the historical trends in efficiency that were described in section IV.F.10 of this document. These trends are based on industry shipment data from AHRI and HARDI and include a near 100 percent saturation of condensing furnaces in the North region. For this NOPR, DOE estimated that the national market share of condensing products would grow from 58 percent in 2029 to 62 percent by 2058 for NWGFs, and from 31 percent to 43 percent for MHGFs. The market shares of the different condensing efficiency levels (*i.e.,* 90-, 92-, 95-, and 98-percent AFUE for NWGFs and 92-, 95-, and 97-percent AFUE for MHGFs) are maintained in the same proportional relationship as in 2029. For standby mode and off mode energy use, DOE estimated that the efficiency distribution would remain the same throughout the forecast period. The approach is further described in appendix 8I and chapter 10 of the TSD for this NOPR.

Lennox stated that DOE underestimated the market share of condensing NWGFs in the absence of standards, which results in the energy savings of the proposed rule being overstated by taking credit for energy savings from condensing NWGFs that would already be purchased without amended standards. (Lennox, No. 299 at p. 7)

DOE agrees that there is some uncertainty associated with estimating of condensing furnace shipments in the future. As stated in section IV.F.10 of this document, DOE's methodology is based on the latest available data. DOE developed for this NOPR a sensitivity analysis that captures some of this uncertainty. The scenario resulting in significant lower condensing shipment projections does not change the conclusion that the proposed standards are economically justified (see appendix 10E of the TSD for this NOPR for the condensing shipments projection comparison, NES, and NPV results).

To reduce the uncertainty associated with shipment projections for this product class, DOE requests data for shipments of condensing furnaces.

For the standards cases, DOE used a ''roll-up'' scenario to establish the shipment-weighted efficiency for the year that standards are assumed to become effective (2029). In this scenario, the market shares of products in the no-new-standards case that do not meet the standard under consideration would ''roll up'' to meet the new standard level, and the market share of products above the standard would remain unchanged. In the standards case with a 90-percent AFUE national standard, DOE estimated that many consumers will purchase a 92-percent AFUE NWGF rather than a 90-percent AFUE furnace because the extra installed cost is minimal, and the market has already moved significantly toward the 92-percent level. To develop standards case efficiency trends after 2029, DOE estimated growth in shipment-weighted efficiency in the standards cases, except in the max-tech standards case.

DOE did not have a basis on which to predict a change in efficiency trend for standby mode and off mode energy use, so DOE assumed that the efficiency distribution would not change after the first year of compliance.

2. National Energy Savings

The national energy savings analysis involves a comparison of national energy consumption of the considered products between each potential trial standards case (''TSL'') and the case with no new or amended energy conservation standards. DOE calculated the national energy consumption by multiplying the number of units (stock) of each product (by vintage or age) by the unit energy consumption (also by vintage). DOE calculated annual NES based on the difference in national energy consumption for the no-new-standards case and for each higher efficiency standard case. DOE estimated energy consumption and savings based on site energy and converted the electricity consumption and savings to primary energy (*i.e.,* the energy consumed by power plants to generate site electricity) using annual conversion factors derived from *AEO2021.* For natural gas and LPG, DOE assumed that site energy consumption is the same as primary energy consumption.

The per-unit annual energy use is adjusted with the building shell improvement index, which results in a decline of 3 percent in the heating load from 2029 to 2058, and the climate index, which results in a decline of 9 percent in the heating load. Cumulative energy savings are the sum of the NES for each year over the timeframe of the analysis.

DOE incorporated a rebound effect for NWGFs and MHGFs by reducing the site energy savings (and the associated FFC energy savings) in each year by 15 percent. However, for commercial applications DOE applied no rebound effect in order to be consistent with other recent standards rulemakings (see section IV.F.4 of this document).

In the standards cases, there are fewer shipments of NWGFs or MHGFs compared to the no-new-standards case because of product switching and repair vs. replaced, but there are additional shipments of heat pumps, electric furnaces, and electric water heaters. DOE incorporated the per-unit annual energy use of the heat pumps and electric furnaces that was calculated in

the LCC and PBP analyses (based on the specific sample households that switch to these products) into the NIA model.

In 2011, in response to the recommendations of a committee on ''Point-of-Use and Full-Fuel-Cycle Measurement Approaches to Energy Efficiency Standards'' appointed by the National Academy of Sciences, DOE announced its intention to use FFC measures of energy use and greenhouse gas and other emissions in the national impact analyses and emissions analyses included in future energy conservation standards rulemakings. 76 FR 51281 (Aug. 18, 2011). After evaluating the approaches discussed in the August 18, 2011 notice, DOE published a statement of amended policy in which DOE explained its determination that EIA's NEMS is the most appropriate tool for its FFC analysis and its intention to use NEMS for that purpose. 77 FR 49701 (Aug. 17, 2012). NEMS is a public domain, multi-sector, partial equilibrium model of the U.S. energy sector [235] that EIA uses to prepare its *Annual Energy Outlook.* The FFC factors incorporate losses in production and delivery in the case of natural gas (including fugitive emissions) and additional energy used to produce and deliver the various fuels used by power plants. The approach used for deriving FFC measures of energy use and emissions is described in appendix 10A of TSD for this NOPR.

3. Net Present Value Analysis

The inputs for determining the NPV of the total costs and benefits experienced by consumers are: (1) total annual installed cost, (2) total annual operating costs (energy costs and repair and maintenance costs), and (3) a discount factor to calculate the present value of costs and savings. DOE calculates net savings each year as the difference between the no-new-standards case and each standards case in terms of total savings in operating costs versus total increases in installed costs. DOE calculates operating cost savings over the lifetime of each product shipped during the projection period.

As discussed in section IV.F.2 of this document, DOE developed NWGF and MHGF price trends based on historical PPI data. DOE applied the same trends to project prices for each product class at each considered efficiency level. DOE's projection of product prices is described in appendix 10C of the NOPR TSD.

To evaluate the effect of uncertainty regarding the price trend estimates, DOE investigated the impact of different product price projections on the consumer NPV for the considered TSLs for NWGFs and MHGFs. In addition to the default price trend, DOE considered two product price sensitivity cases: (1) a high price decline case based on PPI data from 2015–2020 and (2) a constant price trend case. The derivation of these price trends and the results of these sensitivity cases are described in appendix 10C of the NOPR TSD.

As described in section IV.H.2 of this document, DOE assumed a 15-percent rebound from an increase in utilization of the product arising from the increase in efficiency (*i.e.,* the direct rebound effect). In considering the economic impact on consumers due to the direct rebound effect, DOE accounted for change in consumer surplus attributed to additional heating/comfort from the purchase of a more-efficient unit. Overall consumer surplus is generally understood to be enhanced from rebound. The net consumer impact of the rebound effect is included in the calculation of operating cost savings in the consumer NPV results. See appendix 10G of the NOPR TSD for details on DOE's treatment of the monetary valuation of the rebound effect. DOE requests comments on its approach to monetizing the impact of the rebound effect in both the NIA and the LCC analysis.

The operating cost savings are energy cost savings, which are calculated using the estimated energy savings in each year and the projected price of the appropriate form of energy. To estimate energy prices in future years, DOE multiplied the average regional energy prices by the projection of annual national-average residential energy price changes in the Reference case from *AEO2021,* which has an end year of 2050. To estimate price trends after 2050, DOE used the average annual rate of change in prices from 2045 through 2050. As part of the NIA, DOE also analyzed scenarios that used inputs from variants of the *AEO2021* Reference case that have lower and higher economic growth. Those cases have lower and higher energy price trends compared to the Reference case. NIA results based on these cases are presented in appendix 10D of the NOPR TSD.

In calculating the NPV, DOE multiplies the net savings in future years by a discount factor to determine their present value. For this NOPR, DOE estimated the NPV of consumer benefits using both a 3-percent and a 7-percent real discount rate. DOE uses these discount rates in accordance with guidance provided by the Office of Management and Budget (''OMB'') to Federal agencies on the development of regulatory analysis.[236] The discount rates for the determination of NPV are in contrast to the discount rates used in the LCC analysis, which are designed to reflect a consumer's perspective. The 7-percent real value is an estimate of the average before-tax rate of return to private capital in the U.S. economy. The 3-percent real value represents the ''social rate of time preference,'' which is the rate at which society discounts future consumption flows to their present value.

I. Consumer Subgroup Analysis

In analyzing the potential impact of new or amended energy conservation standards on consumers, DOE evaluates the impact on identifiable subgroups of consumers that may be disproportionately affected by a new or amended national standard. The purpose of a subgroup analysis is to determine the extent of any such disproportional impacts. DOE evaluates impacts on particular subgroups of consumers by analyzing the LCC impacts and PBP for those particular consumers from alternative standard levels. For this NOPR, DOE analyzed the impacts of the considered standard levels on two subgroups: (1) low-income households and (2) senior-only households. The analysis used subsets of the RECS 2015 sample composed of households that meet the criteria for the considered subgroups. DOE used the LCC and PBP spreadsheet model to estimate the impacts of the considered efficiency levels on these subgroups. Chapter 11 in the NOPR TSD describes the consumer subgroup analysis.

1. Low-Income Households

Low-income households are significantly more likely to be renters or live in subsidized housing units, compared to home owners. DOE notes that in these cases the landlord purchases the equipment and may pay the gas bill as well. RECS 2015 includes data on whether a household pays for the gas bill, allowing DOE to categorize households appropriately in the analysis.[237] For this consumer subgroup

[235] For more information on NEMS, refer to *The National Energy Modeling System: An Overview 2009,* DOE/EIA–0581(2009). (Available at: *www.eia.gov/outlooks/aeo/nems/overview/pdf/0581(2018).pdf*) (Last accessed Feb. 15, 2022).

[236] United States Office of Management and Budget, *Circular A–4: Regulatory Analysis* (Sept. 17, 2003) Section E (Available at: *www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/circulars/A4/a-4.pdf*) (Last accessed Feb. 15, 2022).

[237] RECS 2015 includes a category for households that pay only some of the gas bill. For the low-income consumer subgroup analysis, DOE assumes that these households pay 50 percent of the gas bill, and, therefore, would receive 50 percent of

Continued

analysis, DOE considers the impact on the low-income household narrowly, excluding any costs or benefits that are accrued by either a landlord or subsidized housing agency. This allows DOE to determine whether low-income households are disproportionately affected by an amended energy conservation standard in a more representative manner. DOE takes into account a fraction of renters that face product switching (when landlords switch to products that have lower upfront costs but higher operating costs, which will be incurred by tenants). Table IV.1920 summarizes the low-income statistics and potential impacts compared to DOE's LCC analysis results.

TABLE IV.19—SUMMARIZED LOW-INCOME STATISTICS AND POTENTIAL NET BENEFITS COMPARED TO DOE'S LCC ANALYSIS RESULTS

Type of household * (pay for gas?) **	Percentage of low-income sample *		Impact on energy bill	Impact of first cost
	NWGF	MHGF		
Renters (Pay for Gas Bill)	52.2	46.9	Full/Partial savings	None. ***
Renters (Do Not Pay for Gas Bill)	9.9	0.0	None	None. ***
Owners (Pay for Gas Bill)	37.4	49.6	Full/Partial savings	Full.
Owners (Do Not Pay for Gas Bill)	0.5	3.5	None	Full.

* RECS 2015 lists three categories: (1) Owned or being bought by someone in your household (here classified as ''Owners'' in this table); (2) Rented (here classified as ''Renters'' in this table); (3) Occupied without payment of rent (also classified as ''Renters'' in this table). Therefore, renters include occupants in subsidized housing including public housing, subsidized housing in private properties, and other households that do not pay rent RECS 2015 does not distinguish homes in subsidized or public housing.

** RECS 2015 lists four categories: (1) Household is responsible for paying for all used in this home; (2) All used in this home is included in the rent or condo fee; (3) Some is paid by the household, some is included in the rent or condo fee; and (4) Paid for some other way. ''Pay for Gas Bill'' includes only category (1), all other categories are included in ''Don't Pay for Gas Bill''.

*** For occupants in public housing and other households that do not pay rent the impact of first cost would be none.

The majority of low-income households that experience a net cost at TSL 8 are homeowner households, as opposed to renters. These households either have a smaller capacity NWGF or MHGF, or a lower building heating load due to the local climate, such that the reduction in operating costs does not offset the higher total installed cost of a higher-efficiency furnace. Unlike renters, homeowners would bear the full cost of installing a new furnace. For these households, a potential rebate program to reduce the total installed costs would be effective in lowering the percentage of low-income consumers with a net cost. DOE understands that the landscape of low-income consumers with a furnace may change before the compliance date of amended energy conservation standards, if finalized. For example, point-of-sale rebate programs are being considered that may moderate the impact on low-income consumers to help offset the total installed cost of a condensing furnace, particularly given the lower total installed cost of smaller capacity NWGFs and MHGFs, or offset the costs of switching to an electric heating systems. Currently, DOE is noticing State or utility program rebates in the Northeast, for example, that support additional heat pump deployment as a result of decarbonization policy goals. Point-of-sale rebates or weatherization programs could also reduce the total number of low-income consumers that would be impacted because the household no longer has a furnace to upgrade. DOE is particularly interested in seeking comment around the landscape of heating replacements leading up to 2029, which may impact the low-income consumer economics being presented and considered in this proposed rulemaking.

Measures of energy insecurity provide another accounting of the number of households that are affected by cost changes due to rules for heating equipment energy efficiency in addition to the senior-only and low-income categories used by DOE in this analysis. Energy insecurity in the 2020 RECS quantifies the households reporting one or more of the metrics for energy insecurity, including that they that are foregoing basic necessities to pay for energy, and that they leave their home at an unhealthy temperature due to energy cost. The energy insecurity data are disaggregated by heating equipment type, income category, race, ethnicity, presence of children, presence of seniors, regional distribution, and ownership/rental status. DOE has determined that the energy insecure designation captures more households than the low-income and seniors-only categories used for distributional analysis. Similar PBP and net savings/net cost analysis applied to energy insecure households could result in larger impacts than for the categories DOE chose to analyze and may be more directly interpreted in terms of welfare changes that can be disaggregated by the factors already listed. DOE seeks comment on conducting distributional analysis for energy insecure households in addition to, or instead of, the low-income and seniors-only categories currently analyzed and described in the NOPR.

J. Manufacturer Impact Analysis

1. Overview

DOE performed an MIA to determine the financial impact of proposed new and amended energy conservation standards on manufacturers of NWGFs and MHGFs and to estimate the potential impacts of such standards on domestic direct employment, manufacturing capacity, and cumulative regulatory burden for those manufacturers. The MIA has both quantitative and qualitative aspects. The quantitative part of the MIA includes analyses of forecasted industry cash flows to calculate the INPV, additional investments in research and development (''R&D'') and manufacturing capital necessary to comply with amended standards, and the potential impact on domestic manufacturing employment. Additionally, the MIA seeks to qualitatively determine how amended energy conservation standards might affect manufacturers' capacity and competition, as well as how standards contribute to manufacturers' overall regulatory burden. Finally, the MIA serves to identify any disproportionate

operating cost benefits of an amended energy conservation standard.

impacts on manufacturer subgroups, including small business manufacturers.

The quantitative part of the MIA primarily relies on the GRIM,[238] an industry cash flow model with inputs specific to this rulemaking. The key GRIM inputs include data on the industry cost structure, unit production costs, product shipments, manufacturer markups, and investments in R&D and manufacturing capital required to produce compliant products. The key GRIM outputs are INPV, which is the sum of industry annual cash flows throughout the analysis period discounted using the industry-weighted average cost of capital, and the impact on domestic manufacturing employment. The model uses standard accounting principles to estimate the impacts of amended energy conservation standards on the NWGF and MHGF manufacturing industry by comparing changes in INPV and domestic production employment between the no-new-standards case and each of the standard levels (*i.e.,* TSLs). To capture the uncertainty relating to manufacturer pricing strategy following amended standards, the GRIM estimates a range of possible impacts under different manufacturer markup scenarios.

The qualitative part of the MIA addresses manufacturer characteristics and market trends. Specifically, the MIA considers such factors as manufacturing capacity, competition within the industry, the cumulative regulatory burden of other Federal product-specific regulations, and impacts on manufacturer subgroups. The complete MIA is outlined in chapter 12 of the NOPR TSD.

DOE conducted the MIA for this rulemaking in three phases. In the first phase of the MIA, DOE prepared a profile of the NWGF and MHGF manufacturing industry based on the market and technology assessment and publicly available information. This included a top-down cost analysis of NWGF and MHGF manufacturers in order to derive preliminary financial inputs for the GRIM (*e.g.,* selling, general, and administration (''SG&A'') expenses; R&D expenses; and tax rates). DOE used public sources of information, including company SEC 10–K filings,[239] corporate annual reports, the U.S. Census Bureau's Annual Survey of Manufactures (''ASM''),[240] and prior NWGF and MHGF rulemakings, as well as subscription-based market research tools, to conduct this analysis.

In the second phase of the MIA, DOE prepared a framework industry cash-flow analysis to quantify the potential impacts of new energy conservation standards. The GRIM uses several factors to determine a series of annual cash flows starting with the announcement of the standards and extending over a 30-year period following the compliance date of the standards. These factors include annual expected revenues, costs of sales, SG&A and R&D expenses, taxes, and capital expenditures. In general, energy conservation standards can affect manufacturer cash flow in three distinct ways: (1) create a need for increased investment; (2) raise production costs per unit; and (3) alter revenue due to higher per-unit prices and changes in sales volumes.

In addition, during the second phase, DOE developed interview guides to distribute to NWGF and MHGF manufacturers in order to develop other key GRIM inputs, including product and capital conversion costs, and to gather additional information on the potential impacts of amended energy conservation standards on revenue, direct employment, capital assets, industry competitiveness, and manufacturer subgroup impacts.

In the third phase of the MIA, DOE's contractor conducted structured, detailed interviews with NWGF and MHGF manufacturers. These interviews covered engineering, manufacturing, procurement, and financial topics to validate assumptions used in the GRIM. The interviews also solicited information about manufacturers' views of the industry as a whole and their key concerns regarding this rulemaking. DOE's contractor conducted manufacturer interviews for the withdrawn March 2015 NOPR. DOE's contractor conducted additional abridged interviews in October 2021 for the purposes of updating analyses.

Additionally, in the third phase, DOE evaluated subgroups of manufacturers that may be disproportionately impacted by amended standards or that may not be accurately represented by the average cost assumptions used to develop the industry cash-flow analysis. For example, small manufacturers, niche players, or manufacturers exhibiting a cost structure that largely differs from the industry average could be more negatively affected by amended energy conservation standards. The small business subgroup is discussed in section VI.B of this document, ''Review under the Regulatory Flexibility Act'' and in chapter 12 of the NOPR TSD.

2. Government Regulatory Impact Model and Key Inputs

DOE uses the GRIM to quantify the changes in cash flows over time due to amended energy conservation standards. These changes in cash flows result in either a higher or lower INPV for the standards cases compared to the no-new-standards case. The GRIM analysis uses a standard annual cash flow analysis that incorporates manufacturer costs, manufacturer markups, shipments, and industry financial information as inputs. It then models changes in costs, investments, and manufacturer margins that result from new energy conservation standards. The GRIM calculates a series of annual cash flows beginning with the reference year of the analysis, 2022, and continuing to the terminal year of the analysis, 2058. DOE calculates INPV by summing the stream of annual discounted cash flows throughout the analysis period.

DOE used a real discount rate of 6.4 percent for NWGF and MHGF manufacturers. The discount rate estimate was derived from industry corporate annual reports to the Securities and Exchange Commission (''SEC 10-Ks'') and then modified according to feedback received during manufacturer interviews. More information on the derivation of the manufacturers' discount rate can be found in chapter 12 of the NOPR TSD.

Many GRIM inputs came from the engineering analysis, the NIA, manufacturer interviews, and other research conducted during the MIA. The major GRIM inputs are described in detail in the following sections.

For consideration of standby mode and off mode regulations, DOE modeled the impacts of the technology options for reducing electricity usage discussed in the engineering analysis (chapter 5 of the NOPR TSD). The GRIM analysis incorporates the increases in MPCs and changes in manufacturer markups into the results from the standby mode and off mode requirements. Due to the small cost of standby mode and off mode components relative to the overall cost of a NWGF or MHGF, DOE assumed that standby mode and off mode standards alone would not significantly impact product shipment numbers. DOE determined that the impacts of the

[238] A copy of the GRIM spreadsheet tool is available on the DOE website for this rulemaking: *www1.eere.energy.gov/buildings/appliance_standards/standards.aspx?productid=59&action=viewlive.*

[239] U.S. Securities and Exchange Commission's Electronic Data Gathering, Analysis, and Retrieval system (''EDGAR'') database (Available at: *www.sec.gov/edgar/search/*) (Last accessed Feb. 4, 2022).

[240] U.S. Census Bureau's Annual Survey of Manufactures: 2018–2019 (Available at *www.census.gov/programs-surveys/asm/data/tables.html*) (Last accessed Oct. 19, 2021).

standby mode and off mode standard are substantially smaller than the impacts of the AFUE standard.

The GRIM results for both the AFUE standards and the standby mode and off mode standards are discussed in section V.B.2 of this document. Additional details about the GRIM, discount rate, and other financial parameters can be found in chapter 12 of the NOPR TSD.

a. Manufacturer Production Costs

Manufacturing a higher-efficiency product is typically more expensive than manufacturing a baseline product due to the use of more complex components, which are typically more expensive than baseline components. The higher MPCs of more efficient products can affect revenue and gross margin, which will then affect the total volume of future shipments, and cash flows of NWGF and MHGF manufacturers. To calculate the MPCs for NWGFs and MHGFs at and above the baseline, DOE performed teardowns for representative units. The data generated from these analyses were then used to estimate the incremental materials, labor, depreciation, and overhead costs for products at each efficiency level. For a complete description of the MPCs, see chapter 5 of the NOPR TSD.

b. Shipments Projections

DOE used the GRIM to estimate industry revenues based on total unit shipment forecasts and the distribution of these values by efficiency level and product class. Changes in sales volumes and efficiency distribution can significantly affect manufacturer finances over the course of the analysis period. For this analysis, DOE used the NIA's annual shipment forecasts from 2022 (the reference year) to 2058 (the terminal year of the analysis period). In the shipments analysis, DOE estimates the distribution of efficiencies in the no-new-standards case and standards cases for all product classes. To account for a regional standard at TSL 4, shipment values in the GRIM are broken down by region, North and Rest of Country, for the NWGF and MHGF product classes.

The NIA assumes that product efficiencies in the no-new-standards case that do not meet the energy conservation standard in the standards case either ''roll up'' to meet the amended standard or switch to another product, such as a heat pump or electric furnace. In other words, the market share of products that are below the energy conservation standard is added to the market share of products at the minimum energy efficiency level allowed under each standard case. The market share of products above the energy conservation standard is assumed to be unaffected by the standard in the compliance year. For a complete description of the shipments analysis see section IV.G of this document and chapter 9 of the NOPR TSD.

c. Capital and Product Conversion Costs

Amended energy conservation standards could cause manufacturers to incur one-time conversion costs to bring their production facilities and product designs into compliance. DOE evaluated the level of conversion-related expenditures that would be required to comply with each analyzed efficiency level in each product class. For the MIA, DOE classified these conversion costs into two major groups: (1) capital conversion costs; and (2) product conversion costs. Capital conversion costs are one-time investments in property, plant, and equipment necessary to adapt or change existing production facilities such that new compliant product designs can be fabricated and assembled. Product conversion costs are one-time investments in research, development, testing, marketing, and other non-capitalized costs necessary to make product designs comply with amended energy conservation standards.

To evaluate the level of capital conversion expenditures manufacturers could incur to comply with amended AFUE energy conservation standards, DOE used manufacturer interviews to gather data on the anticipated level of capital investment that would be required at each efficiency level. Manufacturer data was aggregated to better reflect the industry as a whole and to protect confidential information. DOE then scaled up the capital conversion cost feedback from interviews to estimate total industry capital conversion costs.

DOE assessed the product conversion costs at each considered AFUE efficiency level by integrating data from quantitative and qualitative sources. DOE considered market-share weighted feedback regarding the potential costs at each efficiency level from multiple manufacturers to estimate product conversion costs. Manufacturer data was aggregated to better reflect the industry as a whole and to protect confidential information.

Industry conversion costs for the proposed AFUE standard total $149.0 million. It consists of $107.8 million in capital conversion costs and $41.2 in product conversion costs.

DOE calculated the conversion costs for the standby mode and off mode standards separately from the AFUE conversion costs. DOE anticipated that manufacturers would incur minimal capital conversion costs to comply with standby and off mode standards, as the engineering analysis indicates that all the design options that improve standby and off mode performance are component swaps which would not require new investments in production lines. However, the standby and off mode standards may require product conversion costs related to testing new components and component configurations as well as one-time updates to marketing materials. DOE estimated these product conversion costs based on the engineering analysis and feedback collected during manufacturer interviews. In general, DOE assumed that all conversion-related investments occur between the year of publication of a final rule and the compliance year. The conversion cost figures used in the GRIM for the proposed standby and off mode standard total $1.6 million. For additional information on the estimated capital and product conversion costs, see chapter 12 of the NOPR TSD.

d. Manufacturer Mark-Up Scenarios

As discussed in section IV.C.2.e of this document, MSPs include manufacturer production costs and all non-production costs (*i.e.,* SG&A, R&D, and interest), along with profit. To calculate the MSPs in the GRIM, DOE applied manufacturer markups to the MPCs estimated in the engineering analysis for each product class and efficiency level. For the MIA, DOE modeled three standards-case scenarios to represent the uncertainty regarding the potential impacts on prices and profitability for manufacturers following the implementation of amended energy conservation standards: (1) a preservation of gross margin percentage scenario; (2) a preservation of per-unit operating profit scenario; and (3) a tiered scenario. These scenarios lead to different markup values that, when applied to the MPCs, result in varying revenue and cash-flow impacts. The industry cash flow analysis results in section V.B.2 of this document present the impacts of the upper and lower bound markup scenarios on INPV. For the proposed AFUE standards, the preservation of gross margin percentage scenario represents the upper bound scenario, and the tiered scenario represents the lower bound scenario for INPV impacts. For the proposed standby and off mode standards, preservation of gross margin percentage scenario represents the upper bound scenario, and the per-unit preservation of

operating profit scenario represents the lower bound scenario for INPV impacts.

Under the preservation of gross margin percentage scenario, DOE applied a single uniform ''gross margin percentage'' across all efficiency levels, which assumes that following amended standards, manufacturers would be able to maintain the same amount of profit as a percentage of revenue at all efficiency levels within a product class. As production costs increase with efficiency, this scenario implies that the per-unit dollar profit will increase. Based on publicly-available financial information for NWGF and MHGF manufacturers, as well as comments from manufacturer interviews, DOE assumed average gross margin percentages of 25.3% for NWGFs and 21.3% for MHGF.[241] Manufacturers noted that this scenario represents the upper bound of the NWGF and MHGF industry's profitability in the standards case because manufacturers can fully pass on additional costs due to standards to consumers.

In the preservation of operating profit scenario, as the cost of production increases in the standards case, manufacturers reduce their manufacturer markups to a level that maintains per-unit operating profit in the year after the standard goes into effect. In this scenario, the industry maintains its operating profit in absolute dollars but not on a percentage basis. Manufacturer markups are set so that operating profit in the standards case is the same as in the no-new-standards case one year after the compliance date of the amended energy conservation standards. As a result, manufacturers are not able to earn additional operating profit from the increased production costs and the investments that are required to comply with amended standards. In percentage terms, the operating margin is reduced between the no-new-standards case and the standards cases. This scenario is the lower bound of the proposed standby mode and off mode standards.

DOE also modeled a tiered scenario, which reflects the industry's ''good, better, best'' pricing structure. DOE implemented the tiered markup scenario because several manufacturers stated in interviews that they offer multiple tiers of product lines that are differentiated, in part, by efficiency level. Manufacturers further noted that tiered pricing encompasses additional differentiators such as comfort features, brand, and warranty. To account for this nuance in the GRIM, DOE's tiered mark-up structure incorporates both AFUE and combustion systems (*e.g.,* single-stage, two-stage, and modulating combustion systems) into its ''good, better, best'' markup analysis.

Multiple manufacturers suggested that amended standards could lead to a compression of overall mark-ups and reduce the profitability of higher-efficiency products. During interviews, manufacturers provided information on the range of typical manufacturer mark-ups in the ''good, better, best'' tiers. DOE used this information to estimate manufacturer mark-ups for NWGFs and MHGFs under a tiered pricing strategy in the no-new-standards case. In the standards cases, DOE modeled the situation in which amended standards result in a reduction of product differentiation, compression of the mark-up tiers, and an overall reduction in profitability.

3. Manufacturer Interviews

DOE contractors interviewed manufacturers representing approximately 65 percent of industry shipments. The information gathered during interviews enabled DOE to tailor the GRIM to reflect the unique characteristics of the gas-fired consumer furnace industry.

In interviews, DOE asked manufacturers to describe their major concerns regarding this rulemaking. The following section highlights manufacturer concerns that helped inform the projected potential impacts of an amended standard on the industry. Manufacturer interviews are conducted under non-disclosure agreements (''NDAs''), so DOE does not document these discussions in the same way that it does public comments.

a. Product Switching

Several manufacturers stated that, depending on the level of the amended energy conservation standard, gas-fired consumer furnaces may not be economically justified for certain consumers. These consumers may be forced to seek alternatives with lower up-front costs. Manufacturers expressed concern that consumers may opt to buy alternative products, such as heat pumps, water heater systems, or electric space heaters. Such substitutions could decrease shipments of gas-fired furnaces, which in turn would reduce industry revenue.

b. High Installation Costs for Some Consumers

Multiple manufacturers noted that an energy conservation standard set above 80-percent AFUE would make it difficult for substantial portions of the install base to replace their existing consumer furnaces. They noted the potential for significant installation and home renovation costs when replacing non-condensing furnaces with condensing furnaces due to the challenges of managing condensate from furnaces with efficiencies above 80 percent AFUE.

c. Negative Impacts on Industry Profitability

During interviews, manufacturers agreed that if DOE set amended energy conservation standards too high, increased standards could limit their ability to differentiate consumer furnace products based on efficiency. As the standard approaches max-tech, manufacturers stated that there would be fewer performance differences and operating cost savings between baseline and premium products. They were concerned the drop in differentiation would lead to an erosion of manufacturer mark-ups (and profitability).

K. Emissions Analysis

The emissions analysis consists of two components. The first component estimates the effect of potential energy conservation standards on power sector and site (where applicable) combustion emissions of CO_2, NO_X, SO_2, and Hg. The second component estimates the impacts of potential standards on emissions of two additional greenhouse gases, CH_4 and N_2O, as well as the reductions to emissions of other gases due to ''upstream'' activities in the fuel production chain. These upstream activities comprise extraction, processing, and transporting fuels to the site of combustion.

The analysis of electric power sector emissions of CO_2, NO_X, SO_2, and Hg uses emissions factors intended to represent the marginal impacts of the change in electricity consumption associated with amended or new standards. The methodology is based on results published for the *AEO,* including a set of side cases that implement a variety of efficiency-related policies. The methodology is described in appendix 13A in the NOPR TSD. The analysis presented in this notice uses projections from *AEO2021.*

Power sector emissions of CH_4 and N_2O from fuel combustion are estimated using Emission Factors for Greenhouse Gas Inventories published by the

[241] The gross margin percentages correspond to manufacturer markups of 1.34 for NWGFs and 1.27 for MHGFs.

Environmental Protection Agency (''EPA'').[242]

The on-site operation of certain consumer furnaces requires combustion of fossil fuels and results in emissions of CO_2, NO_X, SO_2, CH_4, and N_2O where these products are used. Site emissions of these gases were estimated using Emission Factors for Greenhouse Gas Inventories and, for NO_X and SO_2, emissions intensity factors from an EPA publication.[243]

FFC upstream emissions, which include emissions from fuel combustion during extraction, processing, and transportation of fuels, and ''fugitive'' emissions (direct leakage to the atmosphere) of CH_4 and CO_2, are estimated based on the methodology described in chapter 15 of the NOPR TSD.

The emissions intensity factors are expressed in terms of physical units per megawatt-hour (''MWh'') or million British thermal units (''MMBtu'') of site energy savings. For power sector emissions, specific emissions intensity factors are calculated by sector and end use. Total emissions reductions are estimated using the energy savings calculated in the national impact analysis.

1. Air Quality Regulations Incorporated in DOE's Analysis

DOE's no-new-standards case for the electric power sector reflects the *AEO2021,* which incorporates the projected impacts of existing air quality regulations on emissions. *AEO2021* generally represents current legislation and environmental regulations, including recent government actions, that were in place at the time of preparation of *AEO2021,* including the emissions control programs discussed in the following paragraphs.[244]

SO_2 emissions from affected electric generating units (''EGUs'') are subject to nationwide and regional emissions cap-and-trade programs. Title IV of the Clean Air Act sets an annual emissions cap on SO_2 for affected EGUs in the 48 contiguous States and the District of Columbia (''DC''). (42 U.S.C. 7651 *et seq.*) SO_2 emissions from numerous States in the eastern half of the United States are also limited under the Cross-State Air Pollution Rule (''CSAPR''). 76 FR 48208 (Aug. 8, 2011). CSAPR requires these States to reduce certain emissions, including annual SO_2 emissions, and went into effect as of January 1, 2015.[245] *AEO2021* incorporates implementation of CSAPR, including the update to the CSAPR ozone season program emission budgets and target dates issued in 2016, 81 FR 74504 (Oct. 26, 2016).[246] Compliance with CSAPR is flexible among EGUs and is enforced through the use of tradable emissions allowances. Under existing EPA regulations, for States subject to SO_2 emissions limits under CSAPR, excess SO_2 emissions allowances resulting from the lower electricity demand caused by the adoption of an efficiency standard could be used to permit offsetting increases in SO_2 emissions by another regulated EGU.

However, beginning in 2016, SO_2 emissions began to fall as a result of the Mercury and Air Toxics Standards (''MATS'') for power plants. 77 FR 9304 (Feb. 16, 2012). In the MATS final rule, EPA established a standard for hydrogen chloride as a surrogate for acid gas hazardous air pollutants (''HAP''), and also established a standard for SO_2 (a non-HAP acid gas) as an alternative equivalent surrogate standard for acid gas HAP. The same controls are used to reduce HAP and non-HAP acid gas; thus, SO_2 emissions are being reduced as a result of the control technologies installed on coal-fired power plants to comply with the MATS requirements for acid gas. *T*o continue operating, coal power plants must have either flue gas desulfurization or dry sorbent injection systems installed. Both technologies, which are used to reduce acid gas emissions, also reduce SO_2 emissions. Because of the emissions reductions under the MATS, it is unlikely that excess SO_2 emissions allowances resulting from the lower electricity demand would be needed or used to permit offsetting increases in SO_2 emissions by another regulated EGU. Therefore, energy conservation standards that decrease electricity generation would generally reduce SO_2 emissions. DOE estimated SO_2 emissions reduction using emissions factors based on *AEO2021.*

CSAPR also established limits on NO_X emissions for numerous States in the eastern half of the United States. Energy conservation standards would have little effect on NO_X emissions in those States covered by CSAPR emissions limits if excess NO_X emissions allowances resulting from the lower electricity demand could be used to permit offsetting increases in NO_X emissions from other EGUs. In such case, NOx emissions would remain near the limit even if electricity generation goes down. A different case could possibly result, depending on the configuration of the power sector in the different regions and the need for allowances, such that NO_X emissions might not remain at the limit in the case of lower electricity demand. In this case, energy conservation standards might reduce NOx emissions in covered States. Despite this possibility, DOE has chosen to be conservative in its analysis and has maintained the assumption that standards will not reduce NO_X emissions in States covered by CSAPR. Energy conservation standards would be expected to reduce NO_X emissions in the States not covered by CSAPR.[247]

The MATS limit mercury emissions from power plants, but they do not include emissions caps and, as such, DOE's energy conservation standards would be expected to slightly reduce Hg emissions. DOE estimated mercury emissions reduction using emissions factors based on *AEO2021,* which incorporates the MATS.

DOE welcomes any additional comments on the approach for

[242] Available at: *www.epa.gov/sites/production/files/2021-04/documents/emission-factors_apr2021.pdf* (Last accessed Feb. 15, 2022).

[243] U.S. Environmental Protection Agency, External Combustion Sources, In *Compilation of Air Pollutant Emission Factors.* AP–42. Fifth Edition. Volume I: Stationary Point and Area Sources. Chapter 1 (Available at *www.epa.gov/air-emissions-factors-and-quantification/ap-42-compilation-air-emissions-factors*) (Last accessed Feb. 15, 2022).

[244] For further information, see the Assumptions to *AEO2021* report that sets forth the major assumptions used to generate the projections in the Annual Energy Outlook. (Available at: *www.eia.gov/outlooks/aeo/assumptions/*) (Last accessed Feb. 15, 2022).

[245] CSAPR requires states to address annual emissions of SO_2 and NO_X, precursors to the formation of fine particulate matter (''$PM_{2.5}$'') pollution, in order to address the interstate transport of pollution with respect to the 1997 and 2006 $PM_{2.5}$ National Ambient Air Quality Standards (''NAAQS''). CSAPR also requires certain states to address the ozone season (May-September) emissions of NO_X, a precursor to the formation of ozone pollution, in order to address the interstate transport of ozone pollution with respect to the 1997 ozone NAAQS. 76 FR 48208 (August 8, 2011). EPA subsequently issued a supplemental rule that included an additional five states in the CSAPR ozone season program; 76 FR 80760 (Dec. 27, 2011) (Supplemental Rule), and EPA issued the CSAPR Update for the 2008 ozone NAAQS. 81 FR 74504 (Oct. 26, 2016).

[246] In Sept. 2019, the DC Court of Appeals remanded the 2016 CSAPR Update to EPA. In April 2021, EPA finalized the 2021 CSAPR Update which resolved the interstate transport obligations of 21 states for the 2008 ozone NAAQS. 86 FR 23054 (April 30, 2021); *see also,* 86 FR 29948 (June 4, 2021) (correction to preamble). The 2021 CSAPR Update became effective on June 29, 2021. The release of *AEO 2021* in February 2021 predated the 2021 CSAPR Update. On April 6, 2022, EPA issued a Proposed Rule that seeks to resolve the interstate transport obligations of 26 states under the Clean Air Act's ''good neighbor provision'' for the 2015 ozone NAAQS, by issuing federal implementation plan (''FIP'') requirements for these states. 87 FR 20036, 20038. EPA proposes to establish NOx emission budgets that will require fossil fuel-fired power plants in 25 states to participate in an ''allowance-based ozone season trading program beginning in 2023'' and NO_X emissions limits ''for certain other industrial stationary sources in 23 states with an earliest possible compliance date of 2026.'' *Id.* at 87 FR 20036.

[247] *See* footnote 245.

conducting the emissions analysis for furnaces.

L. Monetizing Emissions Impacts

As part of the development of this proposed rule, for the purpose of complying with the requirements of Executive Order 12866, DOE considered the estimated monetary benefits from the reduced emissions of CO_2, CH_4, N_2O, NO_X, and SO_2 that are expected to result from each of the TSLs considered. In order to make this calculation analogous to the calculation of the NPV of consumer benefit, DOE considered the reduced emissions expected to result over the lifetime of products shipped in the projection period for each TSL. This section summarizes the basis for the values used for monetizing the emissions benefits and presents the values considered in this NOPR.

On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law. DOE requests comment on how to address the climate benefits of the proposal.

1. Monetization of Greenhouse Gas Emissions

DOE estimates the monetized benefits of the reductions in emissions of CO_2, CH_4, and N_2O by using a measure of the SC of each pollutant (*e.g.,* SC–CO_2). These estimates represent the monetary value of the net harm to society associated with a marginal increase in emissions of these pollutants in a given year, or the benefit of avoiding that increase. These estimates are intended to include (but are not limited to) climate-change-related changes in net agricultural productivity, human health, property damages from increased flood risk, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services. DOE exercises its own judgment in presenting monetized climate benefits as recommended by applicable Executive Orders, and DOE would reach the same conclusion presented in this notice in the absence of the social cost of greenhouse gases, including the February 2021 Interim Estimates presented by the Interagency Working Group on the Social Cost of Greenhouse Gases.

DOE estimated the global social benefits of CO_2, CH_4, and N_2O reductions (*i.e.,* SC–GHGs) using the estimates presented in the Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990 published in February 2021 by the IWG.[248] The SC–GHGs is the monetary value of the net harm to society associated with a marginal increase in emissions in a given year, or the benefit of avoiding that increase. In principle, SC–GHGs includes the value of all climate change impacts, including (but not limited to) changes in net agricultural productivity, human health effects, property damage from increased flood risk and natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services. The SC–GHGs therefore, reflects the societal value of reducing emissions of the gas in question by one metric ton. The SC–GHGs is the theoretically appropriate value to use in conducting benefit-cost analyses of policies that affect CO_2, N_2O and CH_4 emissions. As a member of the IWG involved in the development of the February 2021 SC–GHG TSD), the DOE agrees that the interim SC–GHG estimates represent the most appropriate estimate of the SC–GHG until revised estimates have been developed reflecting the latest, peer-reviewed science.

The SC–GHGs estimates presented here were developed over many years, using transparent process, peer-reviewed methodologies, the best science available at the time of that process, and with input from the public. Specifically, in 2009, the IWG, that included the DOE and other executive branch agencies and offices was established to ensure that agencies were using the best available science and to promote consistency in the social cost of carbon (SC–CO_2) values used across agencies. The IWG published SC–CO_2 estimates in 2010 that were developed from an ensemble of three widely cited integrated assessment models (IAMs) that estimate global climate damages using highly aggregated representations of climate processes and the global economy combined into a single modeling framework. The three IAMs were run using a common set of input assumptions in each model for future population, economic, and CO_2 emissions growth, as well as equilibrium climate sensitivity—a measure of the globally averaged temperature response to increased atmospheric CO_2 concentrations. These estimates were updated in 2013 based on new versions of each IAM. In August 2016 the IWG published estimates of the social cost of methane (SC–CH_4) and nitrous oxide (SC–N_2O) using methodologies that are consistent with the methodology underlying the SC–CO_2 estimates. The modeling approach that extends the IWG SC–CO_2 methodology to non-CO_2 GHGs has undergone multiple stages of peer review. The SC–CH_4 and SC–N_2O estimates were developed by Marten *et al.*[249] and underwent a standard double-blind peer review process prior to journal publication. In 2015, as part of the response to public comments received to a 2013 solicitation for comments on the SC–CO_2 estimates, the IWG announced a National Academies of Sciences, Engineering, and Medicine review of the SC–CO_2 estimates to offer advice on how to approach future updates to ensure that the estimates continue to reflect the best available science and methodologies. In January 2017, the National Academies released their final report, Valuing Climate Damages: Updating Estimation of the Social Cost of Carbon Dioxide, and recommended specific criteria for future updates to the SC–CO_2 estimates, a modeling framework to satisfy the specified criteria, and both near-term updates and longer-term research needs pertaining to various components of the estimation process (National Academies, 2017).[250] Shortly thereafter,

[248] See Interagency Working Group on Social Cost of Greenhouse Gases, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide. Interim Estimates Under Executive Order 13990, Washington, DC, February 2021 (Available at: *www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf*) (Last accessed Jan. 18, 2022).

[249] Marten, A.L., E.A. Kopits, C.W. Griffiths, S.C. Newbold, and A. Wolverton. Incremental CH4 and N2O mitigation benefits consistent with the US Government's SC–CO2 estimates. *Climate Policy.* 2015. 15(2): pp. 272–298.

[250] National Academies of Sciences, Engineering, and Medicine. *Valuing Climate Damages: Updating Estimation of the Social Cost of Carbon Dioxide.*

Continued

in March 2017, President Trump issued Executive Order 13783, which disbanded the IWG, withdrew the previous TSDs, and directed agencies to ensure SC–CO_2 estimates used in regulatory analyses are consistent with the guidance contained in OMB's Circular A–4, ''including with respect to the consideration of domestic versus international impacts and the consideration of appropriate discount rates'' (E.O. 13783, Section 5(c)). Benefit-cost analyses following E.O. 13783 used SC–GHG estimates that attempted to focus on the U.S.-specific share of climate change damages as estimated by the models and were calculated using two discount rates recommended by Circular A–4, 3 percent and 7 percent. All other methodological decisions and model versions used in SC–GHG calculations remained the same as those used by the IWG in 2010 and 2013, respectively.

On January 20, 2021, President Biden issued Executive Order 13990, which re-established the IWG and directed it to ensure that the U.S. Government's estimates of the social cost of carbon and other greenhouse gases reflect the best available science and the recommendations of the National Academies (2017). The IWG was tasked with first reviewing the SC–GHG estimates currently used in Federal analyses and publishing interim estimates within 30 days of the E.O. that reflect the full impact of GHG emissions, including by taking global damages into account. The interim SC–GHG estimates published in February 2021 are used here to estimate the climate benefits for this proposed rulemaking. The E.O. instructs the IWG to undertake a fuller update of the SC–GHG estimates by January 2022 that takes into consideration the advice of the National Academies (2017) and other recent scientific literature.

The February 2021 SC–GHG TSD provides a complete discussion of the IWG's initial review conducted under E.O. 13990. In particular, the IWG found that the SC–GHG estimates used under E.O. 13783 fail to reflect the full impact of GHG emissions in multiple ways. First, the IWG found that the SC–GHG estimates used under E.O. 13783 fail to fully capture many climate impacts that affect the welfare of U.S. citizens and residents, and those impacts are better reflected by global measures of the SC–GHG. Examples of effects omitted from the E.O. 13783 estimates include direct effects on U.S. citizens, assets, and investments located abroad, supply chains, U.S. military assets and interests abroad, and tourism, and spillover pathways such as economic and political destabilization and global migration that can lead to adverse impacts on U.S. national security, public health, and humanitarian concerns. In addition, assessing the benefits of U.S. GHG mitigation activities requires consideration of how those actions may affect mitigation activities by other countries, as those international mitigation actions will provide a benefit to U.S. citizens and residents by mitigating climate impacts that affect U.S. citizens and residents. A wide range of scientific and economic experts have emphasized the issue of reciprocity as support for considering global damages of GHG emissions. If the United States does not consider impacts on other countries, it is difficult to convince other countries to consider the impacts of their emissions on the United States. The only way to achieve an efficient allocation of resources for emissions reduction on a global basis—and so benefit the U.S. and its citizens—is for all countries to base their policies on global estimates of damages. As a member of the IWG involved in the development of the February 2021 SC–GHG TSD, DOE agrees with this assessment and, therefore, in this proposed rule DOE centers attention on a global measure of SC–GHG. This approach is the same as that taken in DOE regulatory analyses from 2012 through 2016. A robust estimate of climate damages that accrue only to U.S. citizens and residents does not currently exist in the literature. As explained in the February 2021 TSD, existing estimates are both incomplete and an underestimate of total damages that accrue to the citizens and residents of the U.S. because they do not fully capture the regional interactions and spillovers discussed above, nor do they include all of the important physical, ecological, and economic impacts of climate change recognized in the climate change literature. As noted in the February 2021 SC–GHG TSD, the IWG will continue to review developments in the literature, including more robust methodologies for estimating a U.S.-specific SC–GHG value, and explore ways to better inform the public of the full range of carbon impacts. As a member of the IWG, DOE will continue to follow developments in the literature pertaining to this issue.

Second, the IWG found that the use of the social rate of return on capital (7 percent under current OMB Circular A–4 guidance) to discount the future benefits of reducing GHG emissions inappropriately underestimates the impacts of climate change for the purposes of estimating the SC–GHG. Consistent with the findings of the National Academies (2017) and the economic literature, the IWG continued to conclude that the consumption rate of interest is the theoretically appropriate discount rate in an intergenerational context (IWG 2010, 2013, 2016a, 2016b),[251] and recommended that discount rate uncertainty and relevant aspects of intergenerational ethical considerations be accounted for in selecting future discount rates.

Furthermore, the damage estimates developed for use in the SC–GHG are estimated in consumption-equivalent terms, and so an application of OMB Circular A–4's guidance for regulatory analysis would then use the consumption discount rate to calculate the SC–GHG. DOE agrees with this assessment and will continue to follow developments in the literature pertaining to this issue. DOE also notes that while OMB Circular A–4, as published in 2003, recommends using 3 percent and 7 percent discount rates as ''default'' values, Circular A–4 also reminds agencies that ''different regulations may call for different emphases in the analysis, depending on the nature and complexity of the regulatory issues and the sensitivity of the benefit and cost estimates to the key assumptions.'' On discounting, Circular A–4 recognizes that ''special ethical considerations arise when comparing benefits and costs across generations,'' and Circular A–4 acknowledges that analyses may appropriately ''discount

2017. The National Academies Press: Washington, DC.

[251] Interagency Working Group on Social Cost of Carbon. Social Cost of Carbon for Regulatory Impact Analysis under Executive Order 12866. 2010. United States Government. (Available at: *www.epa.gov/sites/default/files/2016-12/documents/scc_tsd_2010.pdf*) (Last accessed April 15, 2022.); Interagency Working Group on Social Cost of Carbon. Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866. 2013. (Available at: *www.federalregister.gov/documents/2013/11/26/2013-28242/technical-support-document-technical-update-of-the-social-cost-of-carbon-for-regulatory-impact*) (Last accessed April 15, 2022.); Interagency Working Group on Social Cost of Greenhouse Gases, United States Government. Technical Support Document: Technical Update on the Social Cost of Carbon for Regulatory Impact Analysis-Under Executive Order 12866. August 2016. (Available at: *www.epa.gov/sites/default/files/2016-12/documents/sc_co2_tsd_august_2016.pdf*) (Last accessed January 18, 2022.); Interagency Working Group on Social Cost of Greenhouse Gases, United States Government. Addendum to Technical Support Document on Social Cost of Carbon for Regulatory Impact Analysis under Executive Order 12866: Application of the Methodology to Estimate the Social Cost of Methane and the Social Cost of Nitrous Oxide. August 2016. (Available at: *www.epa.gov/sites/default/files/2016-12/documents/addendum_to_sc-ghg_tsd_august_2016.pdf*) (Last accessed January 18, 2022).

future costs and consumption benefits . . . at a lower rate than for intragenerational analysis.'' In the 2015 Response to Comments on the Social Cost of Carbon for Regulatory Impact Analysis, OMB, DOE, and the other IWG members recognized that ''Circular A–4 is a living document'' and ''the use of 7 percent is not considered appropriate for intergenerational discounting. There is wide support for this view in the academic literature, and it is recognized in Circular A–4 itself.'' Thus, DOE concludes that a 7 percent discount rate is not appropriate to apply to value the social cost of greenhouse gases in the analysis presented in this analysis. In this analysis, to calculate the present and annualized values of climate benefits, DOE uses the same discount rate as the rate used to discount the value of damages from future GHG emissions, for internal consistency. That approach to discounting follows the same approach that the February 2021 TSD recommends ''to ensure internal consistency—*i.e.,* future damages from climate change using the SC–GHG at 2.5 percent should be discounted to the base year of the analysis using the same 2.5 percent rate.'' DOE has also consulted the National Academies' 2017 recommendations on how SC–GHG estimates can ''be combined in RIAs with other cost and benefits estimates that may use different discount rates.'' The National Academies reviewed ''several options,'' including ''presenting all discount rate combinations of other costs and benefits with [SC–GHG] estimates.''

As a member of the IWG involved in the development of the February 2021 SC–GHG TSD, DOE agrees with this assessment and will continue to follow developments in the literature pertaining to this issue.

While the IWG works to assess how best to incorporate the latest, peer reviewed science to develop an updated set of SC–GHG estimates, it set the interim estimates to be the most recent estimates developed by the IWG prior to the group being disbanded in 2017. The estimates rely on the same models and harmonized inputs and are calculated using a range of discount rates. As explained in the February 2021 SC–GHG TSD, the IWG has recommended that agencies revert to the same set of four values drawn from the SC–GHG distributions based on three discount rates as were used in regulatory analyses between 2010 and 2016 and subject to public comment. For each discount rate, the IWG combined the distributions across models and socioeconomic emissions scenarios (applying equal weight to each) and then selected a set of four values recommended for use in benefit-cost analyses: an average value resulting from the model runs for each of three discount rates (2.5 percent, 3 percent, and 5 percent), plus a fourth value, selected as the 95th percentile of estimates based on a 3 percent discount rate. The fourth value was included to provide information on potentially higher-than-expected economic impacts from climate change. As explained in the February 2021 SC–GHG TSD, and DOE agrees, this update reflects the immediate need to have an operational SC–GHG for use in regulatory benefit-cost analyses and other applications that was developed using a transparent process, peer-reviewed methodologies, and the science available at the time of that process. Those estimates were subject to public comment in the context of dozens of proposed rulemakings as well as in a dedicated public comment period in 2013.

There are a number of limitations and uncertainties associated with the SC–GHG estimates. First, the current scientific and economic understanding of discounting approaches suggests discount rates appropriate for intergenerational analysis in the context of climate change are likely to be less than 3 percent, near 2 percent or lower.[252] Second, the IAMs used to produce these interim estimates do not include all of the important physical, ecological, and economic impacts of climate change recognized in the climate change literature and the science underlying their ''damage functions''—*i.e.,* the core parts of the IAMs that map global mean temperature changes and other physical impacts of climate change into economic (both market and nonmarket) damages—lags behind the most recent research. For example, limitations include the incomplete treatment of catastrophic and non-catastrophic impacts in the integrated assessment models, their incomplete treatment of adaptation and technological change, the incomplete way in which inter-regional and intersectoral linkages are modeled, uncertainty in the extrapolation of damages to high temperatures, and inadequate representation of the relationship between the discount rate and uncertainty in economic growth over long time horizons. Likewise, the socioeconomic and emissions scenarios used as inputs to the models do not reflect new information from the last decade of scenario generation or the full range of projections. The modeling limitations do not all work in the same direction in terms of their influence on the SC–CO_2 estimates. However, as discussed in the February 2021 TSD, the IWG has recommended that, taken together, the limitations suggest that the interim SC–GHG estimates used in this final rule likely underestimate the damages from GHG emissions. DOE concurs with this assessment.

DOE's derivations of the SC–GHG (*i.e.,* SC–CO_2, SC–N_2O, and SC–CH_4) values used for this NOPR are discussed in the following sections, and the results of DOE's analyses estimating the benefits of the reductions in emissions of these pollutants are presented in section V.B.6.

a. Social Cost of Carbon

The SC–CO_2 values used for this NOPR were generated using the values presented in the 2021 update from the IWG's February 2021 TSD. Table IV.20 shows the updated sets of SC–CO_2 estimates from the latest interagency update in 5-year increments from 2020 to 2050. The full set of annual values used is presented in appendix 14A of the NOPR TSD. For purposes of capturing the uncertainties involved in regulatory impact analysis, DOE has determined it is appropriate to include all four sets of SC–CO_2 values, as recommended by the IWG.[253]

[252] Interagency Working Group on Social Cost of Greenhouse Gases (IWG). 2021. Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990. February. United States Government. (Available at: *www.whitehouse.gov/briefing-room/blog/2021/02/26/a-return-to-science-evidence-based-estimates-of-the-benefits-of-reducing-climate-pollution/*) (Last accessed Jan. 18, 2022).

[253] For example, the February 2021 TSD discusses how the understanding of discounting approaches suggests that discount rates appropriate for intergenerational analysis in the context of climate change may be lower than 3 percent.

TABLE IV.20—ANNUAL SC–CO_2 VALUES FROM 2021 INTERAGENCY UPDATE, 2020–2050

[2020$ per metric ton CO_2]

Year	Discount rate			
	5%	3%	2.5%	3%
	Average	Average	Average	95th percentile
2020	14	51	76	152
2025	17	56	83	169
2030	19	62	89	187
2035	22	67	96	206
2040	25	73	103	225
2045	28	79	110	242
2050	32	85	116	260

In calculating the potential global benefits resulting from reduced CO_2 emissions, DOE used the values from the 2021 interagency report, adjusted to 2020$ using the implicit price deflator for gross domestic product (GDP) from the Bureau of Economic Analysis. For each of the four sets of SC–CO_2 cases specified, the values for emissions in 2020 were $14, $51, $76, and $152 per metric ton avoided (values expressed in 2020$). DOE derived values from 2051 to 2070 based on estimates published by EPA.[254] These estimates are based on methods, assumptions, and parameters identical to the 2020–2050 estimates published by the IWG. DOE expects additional climate benefits to accrue for any longer-life furnaces post 2070, but a lack of available SC–CO_2 estimates for emissions years beyond 2070 prevents DOE from monetizing these potential benefits in this analysis. If further analysis of monetized climate benefits beyond 2070 becomes available prior to the publication of the final rule, DOE will include that analysis in the final rule.

DOE multiplied the CO_2 emissions reduction estimated for each year by the SC–CO_2 value for that year in each of the four cases. To calculate a present value of the stream of monetary values, DOE discounted the values in each of the four cases using the specific discount rate that had been used to obtain the SC–CO_2 values in each case. See chapter 13 for the annual emissions reduction. See appendix 14A for the annual SC–CO_2 values.

b. Social Cost of Methane and Nitrous Oxide

The SC–CH_4 and SC–N_2O values used for this NOPR were generated using the values presented in the 2021 update from the IWG.[255] Table IV.21 shows the updated sets of SC–CH_4 and SC–N_2O estimates from the latest interagency update in 5-year increments from 2020 to 2050. The full set of annual values used is presented in appendix 14A of the NOPR TSD. To capture the uncertainties involved in regulatory impact analysis, DOE has determined it is appropriate to include all four sets of SC–CH_4 and SC–N_2O values, as recommended by the IWG. DOE derived values after 2050 using the approach described above for the SC–CO_2.

TABLE IV.21—ANNUAL SC–CH_4 AND SC–N_2O VALUES FROM 2021 INTERAGENCY UPDATE, 2020–2050

[2020$ per metric ton]

Year	SC–CH_4				SC–N_2O			
	Discount rate and statistic				Discount Rate and Statistic			
	5%	3%	2.5%	3%	5%	3%	2.5%	3%
	Average	Average	Average	95th percentile	Average	Average	Average	95th percentile
2020	670	1500	2000	3900	5800	18000	27000	48000
2025	800	1700	2200	4500	6800	21000	30000	54000
2030	940	2000	2500	5200	7800	23000	33000	60000
2035	1100	2200	2800	6000	9000	25000	36000	67000
2040	1300	2500	3100	6700	10000	28000	39000	74000
2045	1500	2800	3500	7500	12000	30000	42000	81000
2050	1700	3100	3800	8200	13000	33000	45000	88000

DOE multiplied the CH_4 and N_2O emissions reduction estimated for each year by the SC–CH_4 and SC–N_2O estimates for that year in each of the cases. To calculate a present value of the stream of monetary values, DOE discounted the values in each of the cases using the specific discount rate that had been used to obtain the SC–CH_4 and SC–N_2O estimates in each case. See chapter 13 for the annual emissions reduction. See appendix 14A for the annual SC–CH_4 and SC–N_2O values.

[254] See EPA, Revised 2023 and Later Model Year Light-Duty Vehicle GHG Emissions Standards: Regulatory Impact Analysis, Washington, DC, December 2021 (Available at: *www.epa.gov/system/files/documents/2021-12/420r21028.pdf*) (Last accessed Jan. 13, 2022).

[255] See Interagency Working Group on Social Cost of Greenhouse Gases, *Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide. Interim Estimates Under Executive Order 13990,* Washington, DC (February 2021) (Available at: *www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf*) (Last accessed Jan. 18, 2022).

2. Monetization of Other Air Pollutants

DOE estimated the monetized value of NO_X and SO_2 emissions reductions from electricity generation using the latest benefit-per-ton estimates for that sector from the EPA's Benefits Mapping and Analysis Program.[256] DOE used EPA's values for $PM_{2.5}$-related benefits associated with NO_X and SO_2 and for ozone-related benefits associated with NO_X for 2025, 2030, 2035 and 2040, calculated with discount rates of 3 percent and 7 percent. DOE used linear interpolation to define values for the years not given in the 2025 to 2040 period; for years beyond 2040 the values are held constant. DOE derived values specific to the sector for consumer furnaces using a method described in appendix 14B of the NOPR TSD.

DOE also estimated the monetized value of NO_X and SO_2 emissions reductions from site use of natural gas in NWGFs and MHGFs using benefit-per-ton estimates from the EPA's Benefits Mapping and Analysis Program. Although none of the sectors covered by EPA refers specifically to residential and commercial buildings, the sector called ''area sources'' would be a reasonable proxy for residential and commercial buildings.[257] The EPA document provides high and low estimates for 2025 and 2030 at 3- and 7-percent discount rates.[258] DOE used the same linear interpolation and extrapolation as it did with the values for electricity generation.

DOE multiplied the site emissions reduction (in tons) in each year by the associated $/ton values, and then discounted each series using discount rates of 3 percent and 7 percent as appropriate.

M. Utility Impact Analysis

The utility impact analysis estimates several effects on the electric power generation industry that would result from the adoption of new or amended energy conservation standards. The utility impact analysis estimates the changes in installed electrical capacity and generation that would result for each TSL. The analysis is based on published output from the NEMS associated with *AEO2021.* NEMS produces the *AEO* Reference case, as well as a number of side cases that estimate the economy-wide impacts of changes to energy supply and demand. For the current analysis, impacts are quantified by comparing the levels of electricity sector generation, installed capacity, fuel consumption and emissions in the *AEO2021* Reference case and various side cases. Details of the methodology are provided in the appendices to chapters 13 and 15 of the NOPR TSD.

The output of this analysis is a set of time-dependent coefficients that capture the change in electricity generation, primary fuel consumption, installed capacity and power sector emissions due to a unit reduction in demand for a given end use. These coefficients are multiplied by the stream of electricity savings calculated in the NIA to provide estimates of selected utility impacts of potential new or amended energy conservation standards.

Energy efficiency can reduce utility fixed and variable costs (*e.g.,* growth-related gas distribution infrastructure costs, fuel costs), the degree to which is highly variable and based on the particular utility's cost, operating, and regulatory characteristics. Energy efficiency can also reduce utility collected revenues through lower volumetric sales, the degree to which is dependent on rate design and proportion of customer bill that is volumetric. Utility financial impacts of energy efficiency, therefore, depend critically on the under-recovery of fixed costs when the decline in utility revenues is greater than the reduction in utility costs. To remedy the potential financial impacts of energy efficiency, regulators have approved regulatory and ratemaking mechanisms intended to make the utility financially harmless to the level of achieved energy savings. These mechanisms include revenue decoupling,[259] lost revenue adjustment mechanisms, and straight-fixed variable rate design.

As of February 2020, 26 states have approved revenue decoupling for one or more gas utilities. Several other states without revenue decoupling have approved lost revenue adjustment mechanisms (*e.g.,* Montana) or straight-fixed variable rate design (*e.g.,* Missouri) for at least one gas utility that function similar to revenue decoupling by addressing lost fixed cost recovery. Revenue decoupling mechanisms, in particular, are designed symmetrically with a ''true-up'' mechanism that either charge customers additional revenues in instances where collected revenues are less than authorized levels or refund customers when collected revenues are in excess of authorized levels. As a result, revenue decoupling does not result in higher costs to customers all the time.

The specific design of revenue decoupling mechanism varies across states and utilities, but the mechanisms share many common design elements, including adjustments to authorized revenue to account for growth in customers and ''attrition.'' These design elements ensure the utility fully recovers its fixed costs in years between rate cases and does not suffer loss of revenue. It is true that revenue decoupling does not insulate utilities from loss of customers. However, revenue decoupling does not alter underlying retail rate design that can be adjusted to limit fuel switching. Furthermore, loss of customers due to fuel switching is also dependent on the price of electricity as a substitute product and electric service rate design, factors that cannot be directly influenced by gas utilities.

The precise magnitude of impacts on utility revenues and customer retail rates, with or without revenue decoupling, lost revenue adjustment mechanisms, or straight-fixed variable rate design, depends on many factors. One of the most important drivers of financial impacts to utilities and ratepayers is the magnitude of energy savings, as the decline in retail sales drives both utility cost and revenue reductions. Similarly, the proportion of total utility costs that are fixed versus variable and the proportion of revenues that are based on volumetric sales also determine a significant portion of the magnitude of financial impacts. Given that many of these factors are utility-specific, it is difficult to ascertain the precise financial impacts on specific gas utilities, with or without revenue

[256] Estimating the Benefit per Ton of Reducing $PM_{2.5}$ Precursors from 21 Sectors. (Available at: *www.epa.gov/benmap/estimating-benefit-ton-reducing-pm25-precursors-21-sectors*) (Last accessed March 25, 2022).

[257] ''Area sources'' represents all emission sources for which states do not have exact (point) locations in their emissions inventories. Because exact locations would tend to be associated with larger sources, ''area sources'' would be fairly representative of small dispersed sources like homes and businesses.

[258] ''Area sources'' are a category in the 2018 document from EPA, but are not used in the 2021 document cited previously. See: *www.epa.gov/sites/default/files/2018-02/documents/source apportionmentbpttsd_2018.pdf.* (Last accessed March 25, 2022).

[259] Revenue decoupling is a regulatory approach ensuring natural gas utilities recover a defined amount of revenue sufficient to cover the utility's fixed and variable costs (including the authorized rate of return). Revenue decoupling mechanisms typically include a symmetrical ''true-up'' mechanism either charging customers additional revenues if actual utility collected revenues are below the fixed level due to a smaller volume of sales than expected. Conversely, if a utility's actual collected revenues are above the fixed level due to a larger volume of sales than expected, customers receive a credit from the utility for the difference. To this end, a utility's revenues are decoupled from its volume of sales because its revenues are fixed as sales fluctuate and utilities, therefore, are made indifferent to the level of energy efficiency (or other factors that may adversely affect their volumetric sales).

decoupling, lost revenue adjustment mechanisms, or straight-fixed variable rate design.

DOE identified the States (or groups of States) where it estimated that more than 5 percent of customers installing a non-weatherized gas furnace in the compliance year would switch to electric heating as a result of the potential amended standard. Of these 14 States, five have approved revenue decoupling or a similar mechanism for one or more gas utilities as of February 2020 (see chapter 13 of the NOPR TSD for details). Based on its current understanding of revenue decoupling arrangements, DOE tentatively concludes that negative impacts on gas utilities in these States would be minimal. The States without revenue decoupling include Florida and Texas, States for which DOE estimates switching would affect approximately 15 percent of customers installing a gas furnace in the compliance year. For these and several other States,[260] there would be a potential for negative financial impacts on gas utilities. The extent of impacts in a given State would depend on how much gas consumption would decline under the potential amended standards, relative to total utility gas sales. DOE evaluated the potential impacts for Texas, which has the largest estimated reduction in natural gas consumption due to both switching and installation of standard-compliant gas furnaces in the compliance year. For the proposed standards, the estimated reduction of 1.7 trillion Btu in 2029 is approximately 0.7 percent of residential natural gas consumption in Texas in 2019, and approximately 0.4 percent of residential and commercial natural gas consumption.[261] Although DOE has not been able to perform a financial analysis of potential impacts on specific gas utilities, based on the evaluation of Texas, it would appear that the impact of the standard would be minimal even where revenue decoupling is not in place.

N. Employment Impact Analysis

DOE considers employment impacts in the domestic economy as one factor in selecting a standard. Employment impacts from new or amended energy conservation standards include both direct and indirect impacts. Direct employment impacts are any changes in the number of employees of manufacturers of the products subject to standards. The MIA addresses those impacts. Indirect employment impacts are changes in national employment that occur due to the shift in expenditures and capital investment caused by the purchase and operation of more-efficient appliances. Indirect employment impacts from standards consist of the net jobs created or eliminated in the national economy, other than in the manufacturing sector being regulated, caused by: (1) reduced spending by consumers on energy, (2) reduced spending on new energy supply by the utility industry, (3) increased consumer spending on the products to which the new standards apply and other goods and services, and (4) the effects of those three factors throughout the economy.

One method for assessing the possible effects on the demand for labor of such shifts in economic activity is to compare sector employment statistics developed by the Labor Department's Bureau of Labor Statistics (''BLS''). BLS regularly publishes its estimates of the number of jobs per million dollars of economic activity in different sectors of the economy, as well as the jobs created elsewhere in the economy by this same economic activity. Data from BLS indicate that expenditures in the utility sector generally create fewer jobs (both directly and indirectly) than expenditures in other sectors of the economy.[262] There are many reasons for these differences, including wage differences and the fact that the utility sector is more capital-intensive and less labor-intensive than other sectors. Energy conservation standards have the effect of reducing consumer utility bills. Because reduced consumer expenditures for energy likely lead to increased expenditures in other sectors of the economy, the general effect of efficiency standards is to shift economic activity from a less labor-intensive sector (*i.e.,* the utility sector) to more labor-intensive sectors (*e.g.,* the retail and service sectors). Thus, the BLS data suggest that net national employment may increase due to shifts in economic activity resulting from energy conservation standards.

DOE estimated indirect national employment impacts for the standard levels considered in this NOPR using an input/output model of the U.S. economy called Impact of Sector Energy Technologies version 4 (''ImSET'').[263] ImSET is a special-purpose version of the ''U.S. Benchmark National Input-Output'' (''I–O'') model, which was designed to estimate the national employment and income effects of energy-saving technologies. The ImSET software includes a computer-based I–O model having structural coefficients that characterize economic flows among 187 sectors most relevant to industrial, commercial, and residential building energy use.

DOE notes that ImSET is not a general equilibrium forecasting model, and understands the uncertainties involved in projecting employment impacts, especially changes in the later years of the analysis. Because ImSET does not incorporate price changes, the employment effects predicted by ImSET may over-estimate actual job impacts over the long run for this proposed rule. Therefore, DOE used ImSET only to generate results for near-term timeframes (2029–2034), where these uncertainties are reduced. For more details on the employment impact analysis, see chapter 16 of the NOPR TSD.

V. Analytical Results and Conclusions

The following section addresses the results from DOE's analyses with respect to the considered energy conservation standards for NWGFs and MHGFs. It addresses the TSLs examined by DOE, the projected impacts of each of these levels if adopted as energy conservation standards for NWGFs and MHGFs, and the standards levels that DOE is proposing in this NOPR. Additional details regarding DOE's analyses are contained in the TSD supporting this notice.

A. Trial Standard Levels

In general, DOE typically evaluates potential amended standards for products and equipment at the product class level and by grouping select individual efficiency levels for each class into TSLs. Use of TSLs allows DOE to identify and consider industry-level manufacturer cost interactions between the product classes, to the extent that there are such interactions, and national-level market cross-elasticity from consumer purchasing decisions that may change when different

[260] Other States without revenue decoupling for which estimated switching is 5 percent or greater are Alabama, Kentucky, Mississippi, Louisiana, Oklahoma, California, and New Mexico.

[261] Natural gas consumption is from EIA data (Available at: *www.eia.gov/dnav/ng/ng_cons_sum_dcu_STX_a.htm*) (Last accessed Feb. 15, 2022).

[262] See U.S. Department of Commerce—Bureau of Economic Analysis. *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)* (1997) U.S. Government Printing Office: Washington, DC (Available at: *apps.bea.gov/scb/pdf/regional/perinc/meth/rims2.pdf*) (Last accessed Feb. 15, 2022).

[263] Livingston, O.V., S.R. Bender, M.J. Scott, and R.W. Schultz. *ImSET 4.0: Impact of Sector Energy Technologies Model Description and User's Guide.* 2015. Pacific Northwest National Laboratory: Richland, WA. PNNL–24563 (Available at: *www.pnnl.gov/main/publications/external/technical_reports/PNNL-24563.pdf*) (Last accessed Feb. 15, 2022).

standard levels are set. For consumer furnaces, it is particularly important to look at the aggregated impacts as characterized by TSLs due to the changes in consumer purchasing decisions as a result of the increased product and installation costs that impact the shipments model. The changes to the shipments model will drive differential national impacts both on the consumer and manufacturer side that are more realistic of how the market may change in response to amended DOE standards.

For this NOPR, DOE analyzed the consumer impacts of four efficiency levels for NWGFs, four efficiency levels for MHGFs, and the national impacts of nine TSLs for NWGFs and MHGFs. Table V.1 presents the TSLs and the corresponding efficiency levels that DOE has identified for potential amended energy conservation standards for NWGFs and MHGFs. It is noted that because the impact of a potential standard on different consumers can depend on the input capacity of the NWGF or MHGF, DOE considered certain TSLs (six cases) with an input capacity threshold, below which the proposed standard would remain at the current efficiency level of 80-percent AFUE. For other TSLs (three cases), DOE examined a national standard level for NWGFs and MHGFs not differentiated by input capacity. Also, because the impact of a potential standard on different consumers can depend on the region of the country, DOE considered a regional TSL such that the proposed standard would remain at an efficiency level of 80-percent AFUE outside the Northern region. Next, DOE presents the results for the TSLs and corresponding ELs in Table V.47 and Table V.48 of this document. Results for all efficiency levels that DOE analyzed are in the NOPR TSD.

The following provides a brief overview of the TSLs considered. Each TSL consists of similar efficiency levels for both NWGFs and MHGFs. TSL 9 represents the maximum technologically feasible (''max-tech'') energy efficiency for both NWGFs and MHGFs and represents the maximum energy savings possible among the specific efficiency levels analyzed by DOE (see section III.C.2 of this NOPR). TSL 8 consists of a national standard at an efficiency level of 95-percent AFUE for both NWGFs and MHGFs, which reflects a high degree of energy savings second only to the max-tech efficiency levels. TSL 7 consists of an efficiency level at 80-percent AFUE for small NWGFs and MHGFs at or below an input capacity of 55 kBtu/h and an efficiency level at 95-percent AFUE for large NWGFs and MHGFs. The threshold of 55 kBtu/h generally separates the market into larger capacity furnaces typically installed in larger single-family detached homes versus smaller capacity furnaces more likely to be installed in multi-family buildings and other households with higher potential installation costs. TSL 6 consists of the next highest efficiency levels, which would set a national standard at 92-percent AFUE for both NWGFs and MHGFs, regardless of input capacity. Similarly to TSL 7, TSL 5 is constructed with an input capacity threshold. TSL 5 consists of an efficiency level at 80-percent AFUE for small NWGFs and MHGFs at or below an input capacity of 55 kBtu/h and an efficiency level at 92-percent AFUE for large NWGFs and MHGFs. TSL 4 consists of the efficiency levels that represent 95-percent AFUE for the Northern region for both NWGFs and MHGFs, but retains the baseline efficiency level (80-percent AFUE) for the Rest of Country. TSLs 3, 2, and 1 are similar to TSL 5, except with an increasingly higher input capacity threshold (and a correspondingly smaller fraction of the market subject to more-stringent standards). TSL 3 consists of the efficiency level that represents 80-percent AFUE for small NWGFs and MHGFs at or below an input capacity of 60 kBtu/h and the efficiency level that represents 92-percent AFUE for large NWGFs and MHGFs. TSL 2 consists of the efficiency level that represents 80-percent AFUE for small NWGFs and MHGFs at or below an input capacity of 70 kBtu/h and the efficiency level that represents 92-percent AFUE for large NWGFs and MHGFs. TSL 1 consists of the efficiency level that represents 80-percent AFUE for small NWGFs and MHGFs at or below an input capacity of 80 kBtu/h and the efficiency level that represents 92-percent AFUE for large NWGFs and MHGFs.

TABLE V.1—TRIAL STANDARD LEVELS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

TSL	AFUE (percent)	
	Non-weatherized gas furnace	Mobile home gas furnace
1	92% (>80 kBtu/h)	92% (>80 kBtu/h).
	80% (≤80 kBtu/h)	80% (≤80 kBtu/h).
2	92% (>70 kBtu/h)	92% (>70 kBtu/h).
	80% (≤70 kBtu/h)	80% (≤70 kBtu/h).
3	92% (>60 kBtu/h)	92% (>60 kBtu/h).
	80% (≤60 kBtu/h)	80% (≤60 kBtu/h).
4	95% (North)	95% (North).
	80% (Rest of Country)	80% (Rest of Country).
5	92% (>55 kBtu/h)	92% (>55 kBtu/h).
	80% (≤55 kBtu/h)	80% (≤55 kBtu/h).
6	92%	92%.
7	95% (>55 kBtu/h)	95% (>55 kBtu/h).
	80% (≤55 kBtu/h)	80% (≤55 kBtu/h).
8	95%	95%.
9	98%	96%.

Table V.2 presents the standby mode and off mode TSLs and the corresponding efficiency levels (values expressed in watts) that DOE considered for NWGFs and MHGFs. DOE considered three efficiency levels. TSL 3 represents the maximum technologically feasible (''max-tech'') energy efficiency for both NWGFs and MHGFs and represents the maximum energy savings possible among the specific efficiency levels analyzed by DOE (see section III.C.2 of this NOPR). TSL 2 represents efficiency levels below max-tech and represents the maximum

energy savings excluding max-tech efficiency levels. TSL 1 represents efficiency level 1 for both NWGFs and MHGFs.

TABLE V.2—TRIAL STANDARD LEVELS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Standby and off mode energy use (watts)	
	Non-weatherized gas furnace	Mobile home gas furnace
1	9.5	9.5
2	9.2	9.2
3	8.5	8.5

B. Economic Justification and Energy Savings

1. Economic Impacts on Individual Consumers

DOE analyzed the economic impacts on NWGF and MHGF consumers by looking at the effects that potential new and amended standards at each TSL would have on the LCC and PBP. DOE also examined the impacts of potential standards on selected consumer subgroups. These analyses are discussed in the following sections.

a. Life-Cycle Cost and Payback Period

In general, higher-efficiency products affect consumers in two ways: (1) purchase price increases and (2) annual operating costs decrease. In addition, for NWGFs, some consumers may choose to switch to an alternative heating system rather than purchase and install a NWGF if they judge the economics to be favorable. DOE estimated the extent of switching at each TSL using the consumer choice model discussed in section IV.F.11.

Inputs used for calculating the LCC and PBP include total installed costs (*i.e.,* product price plus installation costs), and operating costs (*i.e.,* annual energy use, energy prices, energy price trends, repair costs, and maintenance costs). The LCC calculation also uses product lifetime and a discount rate. In cases where consumers are predicted to switch, the inputs include the total installed costs, operating costs, and product lifetime for the chosen heating system. Chapter 8 of the NOPR TSD provides detailed information on the LCC and PBP analyses.

For NWGFs, the LCC and PBP results at each efficiency level include consumers that would purchase and install a NWGF at that level, and also consumers that would choose to switch to an alternative heating product rather than purchase and install a NWGF at that level. The impacts for consumers that switch depend on the product that they choose (heat pump or electric furnace) and the NWGF that they would purchase in the no-new-standards case. The extent of projected product/fuel switching (in 2029) is shown in Table V.3 and Table V.4 for each TSL for NWGFs and MHGFs, respectively. The degree of switching increases at higher-efficiency TSLs where the installed cost of a NWGF is very high for some consumers, making the alternative option competitive. As discussed in section IV.F.12, DOE also conducted sensitivity analysis using no-switching, high, and low switching estimates. See appendix 8J of the NOPR TSD for more details. . For the proposed standards (TSL 8), the total switching and repair vs. replace is 11.1 percent for NWGFs and 10.3 percent for MHGFs.

TABLE V.3—RESULTS OF FUEL SWITCHING ANALYSIS FOR NON-WEATHERIZED GAS FURNACES IN 2029

Consumer option	Trial standard level								
	1	2	3	4	5	6	7	8	9
	% of consumers								
Purchase NWGF at Standard Level	98.4	97.7	96.3	98.5	95.4	88.8	95.5	88.9	86.4
Switch to Heat Pump *	0.8	1.1	2.2	0.6	2.9	7.3	2.8	7.3	8.9
Switch to Electric Furnace *	0.2	0.3	0.5	0.2	0.6	1.6	0.5	1.6	2.0
Repair vs. Replacing	0.6	0.9	1.0	0.8	1.2	2.4	1.2	2.3	2.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Includes switching from a gas water heater to an electric water heater.
Note: Components may not sum due to rounding.

TABLE V.4—RESULTS OF FUEL SWITCHING ANALYSIS FOR MOBILE HOME GAS FURNACES IN 2029

Consumer option	Trial standard level								
	1	2	3	4	5	6	7	8	9
	% of consumers								
Purchase MHGF at Standard Level	99.9	99.8	99.2	96.9	97.8	89.9	97.8	89.7	85.0
Switch to Heat Pump	0.0	0.0	0.58	1.5	0.6	4.8	0.6	4.9	4.7
Switch to Electric Furnace	0.0	0.0	0.0	0.6	1.0	3.0	1.1	3.1	3.2

TABLE V.4—RESULTS OF FUEL SWITCHING ANALYSIS FOR MOBILE HOME GAS FURNACES IN 2029—Continued

Consumer option	Trial standard level								
	1	2	3	4	5	6	7	8	9
	% of consumers								
Repair vs. Replacing	0.1	0.2	0.3	1.1	0.6	2.3	0.5	2.3	7.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Components may not sum due to rounding.

Table V.5 through Table V.8 show the LCC and PBP results for the TSLs considered for each product class. Table V.9 through Table V.12 show the LCC and PBP results for the TSLs considered for each product class for standby mode and off mode standards. In the first of each pair of tables, the simple payback is measured relative to the baseline product. In the second table, the impacts are measured relative to the efficiency distribution in the in the no-new-standards case in the compliance year (see section IV.F.10 of this document). The LCC and PBP results for NWGFs include both residential and commercial users. The LCC and PBP results are shipment-weighted and averaged over all capacities and regions. Results for all efficiency levels are reported in chapter 8 of the NOPR TSD. LCC Results for the alternative product switching scenarios are reported in appendix 8J of the NOPR TSD.

Because some consumers purchase products with higher efficiency in the no-new-standards case, the average savings are less than the difference between the average LCC of the baseline product and the average LCC at each TSL. The savings refer only to consumers who are affected by a standard at a given TSL. Those who already purchase a product with efficiency at or above a given TSL are not affected. Consumers for whom the LCC increases at a given TSL experience a net cost.

TABLE V.5—AVERAGE LCC AND PBP RESULTS FOR NON-WEATHERIZED GAS FURNACE AFUE STANDARDS

TSL	AFUE %	Average costs 2020$				Simple payback years	Average lifetime years
		Installed cost	First year's operating cost	Lifetime operating cost	LCC		
1	92/80 *	3,475	640	10,141	13,616	6.8	21.4
2	92/80 *	3,547	628	9,942	13,490	6.6	21.4
3	92/80 *	3,585	623	9,860	13,445	6.7	21.4
4	95/80 **	3,620	625	9,870	13,490	8.0	21.4
5	92/80 *	3,624	620	9,788	13,412	7.1	21.4
6	92 †	3,720	618	9,671	13,391	8.9	21.4
7	95/80 *	3,629	609	9,619	13,249	5.8	21.4
8	95 †	3,727	606	9,490	13,217	7.2	21.4
9	98 (Max-Tech) †	3,879	602	9,352	13,231	9.1	21.4

* The first number refers to the standard for large NWGFs; the second refers to the standard for small NWGFs. The input capacity threshold definitions for small NWGFs are as follows:
TSL 1: 80 kBtu/h
TSL 2: 70 kBtu/h
TSL 3: 60 kBtu/h
TSL 5: 55 kBtu/h
TSL 7: 55 kBtu/h.
** The first number refers to the efficiency level for the North; the second number refers to the efficiency level for the Rest of Country.
† Refers to national standards.
Note: The results for each TSL are calculated assuming that all consumers use products at that efficiency level. The PBP is measured relative to the baseline product.

TABLE V.6—AVERAGE LCC SAVINGS RELATIVE TO THE NO-NEW-STANDARDS CASE FOR NON-WEATHERIZED GAS FURNACE AFUE STANDARDS

TSL	AFUE %	Life-cycle cost savings	
		Average LCC savings 2020$	Percentage of consumers that experience net cost, %
1	92/80 *	663	3.7
2	92/80 *	603	6.0
3	92/80 *	575	7.9
4	95/80 **	350	5.2
5	92/80*	625	9.1
6	92 †	470	17.7

TABLE V.6—AVERAGE LCC SAVINGS RELATIVE TO THE NO-NEW-STANDARDS CASE FOR NON-WEATHERIZED GAS FURNACE AFUE STANDARDS—Continued

TSL	AFUE %	Life-cycle cost savings	
		Average LCC savings 2020$	Percentage of consumers that experience net cost, %
7	95/80 *	563	8.3
8	95 †	464	16.6
9	98 (Max-Tech) †	254	52.4

* The first number refers to the standard for large NWGFs; the second refers to the standard for small NWGFs. The input capacity threshold definitions for small NWGFs are as follows:
TSL 1: 80 kBtu/h
TSL 2: 70 kBtu/h
TSL 3: 60 kBtu/h
TSL 5: 55 kBtu/h
TSL 7: 55 kBtu/h
** The first number refers to the efficiency level for the North; the second number refers to the efficiency level for the Rest of Country.
† Refers to national standards.
Note: The savings represent the average LCC for affected consumers.

TABLE V.7—AVERAGE LCC AND PBP RESULTS FOR MOBILE HOME GAS FURNACE AFUE STANDARDS

TSL	AFUE %	Average costs 2020$				Simple payback years	Average lifetime years
		Installed cost	First year's operating cost	Lifetime operating cost	LCC		
1	92/80 *	2,114	517	8,372	10,486	6.5	21.4
2	92/80 *	2,183	504	8,181	10,364	5.6	21.4
3	92/80 *	2,208	500	8,123	10,331	5.7	21.4
4	95/80 **	2,264	498	8,011	10,275	7.7	21.4
5	92/80 *	2,256	491	7,967	10,223	5.7	21.4
6	92 †	2,389	485	7,702	10,091	8.5	21.4
7	95/80 *	2,262	486	7,888	10,150	5.1	21.4
8	95 †	2,399	479	7,601	10,000	7.5	21.4
9	96 (Max-Tech) †	2,406	496	7,601	10,007	12.6	21.4

* The first number refers to the standard for large MHGFs; the second refers to the standard for small MHGFs. The input capacity threshold definitions for small MHGFs are as follows:
TSL 1: 80 kBtu/h
TSL 2: 70 kBtu/h
TSL 3: 60 kBtu/h
TSL 5: 55 kBtu/h
TSL 7: 55 kBtu/h.
** The first number refers to the efficiency level for the North; the second number refers to the efficiency level for the Rest of Country.
† Refers to national standards.
Note: The results for each TSL are calculated assuming that all consumers use products at that efficiency level. The PBP is measured relative to the baseline product.

TABLE V.8—AVERAGE LCC SAVINGS RELATIVE TO THE NO-NEW-STANDARDS CASE FOR MOBILE HOME GAS FURNACE AFUE STANDARDS

TSL	AFUE %	Life-cycle cost savings	
		Average LCC savings 2020$	Percentage of consumers that experience net cost, %
1	92/80 *	406	1.9
2	92/80 *	516	3.2
3	92/80 *	501	3.9
4	95/80 **	446	10.4
5	92/80*	569	4.8
6	92 †	493	21.8
7	95/80 *	603	4.6
8	95 †	526	21.5
9	96 (Max-Tech) †	414	38.0

* The first number refers to the standard for large NWGFs; the second refers to the standard for small NWGFs. The input capacity threshold definitions for small NWGFs are as follows:
TSL 1: 80 kBtu/h
TSL 2: 70 kBtu/h
TSL 3: 60 kBtu/h
TSL 5: 55 kBtu/h

TSL 7: 55 kBtu/h
** The first number refers to the efficiency level for the North; the second number refers to the efficiency level for the Rest of Country.
† Refers to national standards.
Note: The savings represent the average LCC for affected consumers.

TABLE V.9—AVERAGE LCC AND PBP RESULTS FOR NON-WEATHERIZED GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Watts	Average costs 2020$				Simple payback years	Average lifetime years
		Installed cost	First year's operating cost	Lifetime operating cost	LCC		
1	9.5	1	20	293	294	0.7	21.4
2	9.2	3	20	289	292	1.5	21.4
3	8.5 (Max-Tech)	5	19	279	284	2.0	21.4

Note: The results for each TSL are calculated assuming that all consumers use products at that efficiency level. The PBP is measured relative to the baseline product.

TABLE V.10—AVERAGE LCC SAVINGS RELATIVE TO THE NO-NEW-STANDARDS CASE FOR NON-WEATHERIZED GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Watts	Life-cycle cost savings	
		Average LCC savings 2020$	Percentage of consumers that experience net cost
1	9.5	21	2.5
2	9.2	23	2.5
3	8.5 (Max-Tech)	26	3.5

* The savings represent the average LCC for affected consumers.

TABLE V.11—AVERAGE LCC AND PBP RESULTS FOR MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Watts	Average costs 2020$				Simple payback years	Average lifetime years
		Installed cost	First year's operating cost	Lifetime operating cost	LCC		
1	9.5	1	22	317	318	0.6	21.4
2	9.2	3	22	312	315	1.3	21.4
3	8.5 (Max-Tech)	5	21	301	306	1.7	21.4

Note: The results for each TSL are calculated assuming that all consumers use products at that efficiency level. The PBP is measured relative to the baseline product.

TABLE V.12—AVERAGE LCC SAVINGS RELATIVE TO THE NO-NEW-STANDARDS CASE FOR MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Watts	Life-cycle cost savings	
		Average LCC savings * 2020$	Percentage of consumers that experience net cost
1	9.5	22	1.2
2	9.2	24	1.2
3	8.5 (Max-Tech)	27	1.6

* The savings represent the average LCC for affected consumers.

b. Consumer Subgroup Analysis

In the consumer subgroup analysis, DOE estimated the impact of the considered AFUE TSLs on low-income households and senior-only households.[264] Table V.13 and Table V.14 compare the average LCC savings

[264] DOE did not perform a subgroup analysis for the residential furnace standby mode and off mode efficiency levels. The standby mode and off mode analysis relied on the test procedure to assess energy savings for the considered standby mode and off mode efficiency levels. Because the analysis used the same test procedure parameters for all sample households, there is no difference in energy savings between the consumer subgroups and the full sample.

and PBP at each efficiency level for the consumer subgroups, along with the average LCC savings for the entire consumer sample. Because the small NWGF and MHGF efficiency levels at TSLs 1, 2, 3, 5, and 7 and the Rest of Country efficiency level at TSL 4 are at the baseline (*i.e.,* the current standard), these tables only include results for large NWGFs and MHGFs or the Northern region for these TSLs. The percent of low-income NWGF and MHGF consumers experiencing a net cost is smaller than the full LCC sample in all cases, largely due to the high proportion of renter households. The percentage of senior-only NWGF and MHGF households experiencing a net cost is either very similar to or smaller than the full LCC sample. Chapter 11 of the NOPR TSD presents the complete LCC and PBP results for the subgroups.

TABLE V.13—COMPARISON OF LCC SAVINGS AND PBP FOR CONSUMER SUBGROUPS AND ALL HOUSEHOLDS FOR NON-WEATHERIZED GAS FURNACE AFUE STANDARDS

TSL	Average LCC savings			Simple payback period			% of Consumers experiencing net cost			% of Consumers experiencing net benefit		
	2020$			Years			%			%		
	Low-income	Senior-only	All	Low-income	Senior-only	All	Low-income	Senior-only	All	Low-income	Senior-only	All
1 *	384	190	663	3.1	6.6	6.8	2.0	3.9	3.7	4.3	6.4	6.8
2 *	427	257	603	2.8	7.1	6.6	2.8	6.0	6.0	6.2	10.4	11.0
3 *	307	293	575	2.4	6.9	6.7	4.2	7.5	7.9	11.0	13.2	13.8
4 **	314	173	350	1.2	5.7	8.0	3.6	3.9	5.2	19.8	20.7	18.1
5 *	359	430	625	2.5	7.2	7.1	5.0	9.1	9.1	14.2	16.0	15.9
6 †	266	402	470	2.6	7.8	8.9	14.0	17.4	17.7	31.7	23.2	22.5
7 *	376	328	563	2.0	5.8	5.8	5.0	7.4	8.3	24.7	31.7	31.1
8 †	292	327	464	2.1	6.3	7.2	13.7	15.1	16.6	46.1	41.2	40.1
9 †	160	329	254	2.8	8.2	9.1	34.8	43.4	52.4	58.2	52.0	45.6

* Refers to TSLs with separate standards for small and large NWGFs. The input capacity threshold definitions for small NWGFs are as follows:
TSL 1: 80 kBtu/h
TSL 2: 70 kBtu/h
TSL 3: 60 kBtu/h
TSL 5: 55 kBtu/h
TSL 7: 55 kBtu/h
** Regional standards.
† Refers to national standards.
Note: The savings represent the average LCC for affected consumers. The PBP is measured relative to the baseline product.

TABLE V.14—COMPARISON OF LCC SAVINGS AND PBP FOR CONSUMER SUBGROUPS AND ALL HOUSEHOLDS FOR MOBILE HOME GAS FURNACE AFUE STANDARDS

TSL	Average LCC savings (2020$)			Simple payback period (Years)			% of Consumers experiencing net cost			% of Consumers experiencing net benefit		
	Low-income	Senior-only	All	Low-income	Senior-only	All	Low-income	Senior-only	All	Low-income	Senior-only	All
1 *	1,118	632	406	3.6	4.4	6.5	0.1	0.3	1.9	1.6	8.4	3.0
2 *	965	480	516	3.1	5.0	5.6	0.5	3.5	3.2	16.0	24.0	16.2
3 *	876	488	501	3.2	5.3	5.7	0.9	4.1	3.9	19.1	29.9	21.6
4 **	779	401	298	2.3	3.6	12.1	5.3	7.2	22.6	31.7	17.8	28.0
5 *	992	463	569	3.2	5.4	5.7	1.4	4.3	4.8	41.6	31.1	32.6
6 †	745	796	493	4.7	4.5	8.5	11.8	17.0	21.8	61.5	49.5	48.7
7 *	1024	411	603	2.8	4.6	5.1	1.5	3.7	4.6	47.4	40.6	39.0
8 †	782	701	526	4.2	4.0	7.5	12.6	14.8	21.5	69.6	61.1	57.3
9 †	663	1,648	414	7.0	5.3	12.6	23.3	32.0	38.0	75.4	65.4	60.5

* Refers to TSLs with separate standards for small and large MHGFs. The input capacity threshold definitions for small MHGFs are as follows:
* TSL 1: 80 kBtu/h
* TSL 2: 70 kBtu/h
* TSL 3: 60 kBtu/h
* TSL 5: 55 kBtu/h
* TSL 7: 55 kBtu/h
** Regional standards.
† Refers to national standards.
Note: The savings represent the average LCC for affected consumers. The PBP is measured relative to the baseline product.

c. Rebuttable Presumption Payback

As discussed in section III.E.2, EPCA establishes a rebuttable presumption that an energy conservation standard is economically justified if the increased purchase cost for a product that meets the standard is less than three times the value of the first-year energy savings resulting from the standard. In calculating a rebuttable presumption payback period for each of the considered TSLs, DOE used discrete values, and, as required by EPCA, based the energy use calculation on the DOE test procedures for residential furnaces and boilers. In contrast, the PBPs presented in section V.B.1.a were calculated using distributions that reflect the range of energy use in the field.

Table V.15 and Table V.16 present the rebuttable-presumption payback periods for the considered AFUE and standby mode/off mode TSLs, respectively, for NWGFs and MHGFs. The payback periods for most NWGF and MHGF AFUE TSLs do not meet the rebuttable-presumption criterion. The payback periods for all NWGF and MHGF standby mode and off mode TSLs meet the rebuttable-presumption criterion. While DOE examined the rebuttable-presumption criterion, it considered whether the standard levels considered for this rule are economically justified through a more detailed analysis of the economic impacts of those levels, pursuant to 42 U.S.C. 6295(o)(2)(B)(i), that considers the full range of impacts to the consumer, manufacturer, Nation, and environment. The results of that analysis serve as the basis for DOE to definitively evaluate the economic justification for a potential standard level, thereby supporting or rebutting the results of any preliminary determination of economic justification.

TABLE V.15—REBUTTABLE-PRESUMPTION PAYBACK PERIODS (YEARS) FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE STANDARDS

TSL	Non-weatherized gas furnaces	Mobile home gas furnaces
1 *	3.24	3.17
2 *	3.52	3.44
3 *	3.64	3.64
4 **	2.70	2.45
5 *	3.79	3.66
6 †	3.96	3.92
7 *	3.47	3.11
8 †	3.63	3.29
9 †	3.98	3.26

* Refers to TSLs with separate standards for small and large MHGFs. The input capacity threshold definitions for small MHGFs are as follows:
* TSL 1: 80 kBtu/h
* TSL 2: 70 kBtu/h
* TSL 3: 60 kBtu/h
* TSL 5: 55 kBtu/h
* TSL 7: 55 kBtu/h
** Regional standards.
† Refers to national standards.

TABLE V.16—REBUTTABLE-PRESUMPTION PAYBACK PERIODS (YEARS) FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS

TSL	Standby and off mMode energy use (watts)	Non-weatherized gas furnaces	Mobile home gas furnaces
1	9.5	0.62	0.64
2	9.2	1.43	1.48
3	8.5	1.89	1.96

2. Economic Impacts on Manufacturers

DOE performed an MIA to estimate the impact of amended energy conservation standards on manufacturers of NWGFs and MHGFs. The next section describes the expected impacts on manufacturers at each considered TSL. Chapter 12 of the NOPR TSD explains the analysis in further detail.

a. Industry Cash Flow Analysis Results

In this section, DOE provides GRIM results from the analysis, which examines changes in the industry that could result from a standard. Table V.17 presents the financial impacts of analyzed standards on NWGF and MHGF manufacturers represented by changes in INPV and free cash flow in the year before the standard would take effect as well by the conversion costs that DOE estimates NWGF and MHGF manufacturers would incur at each TSL. To evaluate the range of cash-flow impacts on the NWGF and MHGF industry, DOE modeled three markup scenarios that correspond to the range of anticipated market responses to amended standards. For AFUE standards, DOE modeled a preservation of gross margin percentage markup scenario and a tiered markup scenario. For standby mode and off mode standards, DOE modeled a preservation of gross margin percentage markup scenario and a per-unit preservation of operating profit markup scenario. Each scenario results in a unique set of cash flows and corresponding industry values at each TSL.

In the following discussion, the INPV results refer to the difference in INPV between the no-new-standards case and the standards cases, calculated by summing discounted cash flows from the reference year (2022) through the end of the analysis period (2058).

Changes in INPV reflect the potential impacts on the value of the industry over the course of the analysis period as a result of implementing a particular TSL. The results also discuss the difference in cash flows between the no-new-standards case and the standards cases in the year before the compliance date for analyzed standards (2028). This difference in cash flow represents the size of the required conversion costs relative to the cash flow generated by the NWGF and MHGF industry in the absence of amended energy conservation standards.

To assess the upper (less severe) bound of the range of potential impacts on NWGF and MHGF manufacturers, DOE modeled a preservation of gross margin percentage scenario. This scenario assumes industry would be able to maintain its average no-new-standards case gross margin percentage in the standard case, even as MPCs increase and companies make upfront investments to bring products into compliance with amended standards. DOE assumed gross margin percentages of 25.3% for NWGFs and 21.3% for MHGF.[265] Manufacturers noted in interviews that it is optimistic to assume that as their production costs increase in response to an amended energy conservation standard, they would be able to maintain the same gross margin percentage markup. DOE understands this scenario to be an upper bound to industry profitability under an energy conservation standard.

To assess the lower (more severe) bound of the range of potential impacts of AFUE standards on NWGF and MHGF manufacturers, DOE modeled a tiered scenario. DOE implemented the tiered scenario because multiple manufacturers stated in interviews that they offer multiple tiers of product lines that are differentiated, in part, by efficiency level. Manufacturers further noted that pricing tiers encompass additional differentiators, such as the combustion system (*e.g.,* single-stage, two-stage, and modulating combustion systems). To account for this nuance, the tiered markup in the GRIM incorporates both efficiency and combustion system technology into the ''good, better, best'' manufacturer markup scenario.

Several manufacturers suggested that amended standards would lead to a reduction in premium markups and would reduce the profitability of higher efficiency products. During the MIA interviews, manufacturers provided information on the range of typical efficiency levels in those tiers and the change in profitability at each level. DOE used this information to estimate manufacturer markups for NWGFs and MHGFs under a tiered pricing strategy in the no-new-standards case. In the standards cases, DOE modeled the situation in which standards result in less product differentiation, compression of the markup tiers, and an overall reduction in profitability.

To assess the lower (more severe) bound of the range of potential impacts of standby mode and off mode standards on NWGF and MHGF manufacturers, DOE modeled a per-unit preservation of operating profit scenario. In this scenario, manufacturer markups are set so that operating profit one year after the compliance date of amended energy conservation standards (2030) is the same as in the no-new-standards case on a per-unit basis. Under this scenario, manufactures do not earn additional operating profit from increased manufacturer production costs and conversion costs incurred as a result of standards.

Cash-Flow Analysis Results for Non-Weatherized Gas Furnaces and Mobile Home Gas Furnaces AFUE Standards

Table V.17 presents the financial impacts of the analyzed AFUE standards on NWGF and MHGF manufacturers. These impacts are represented by changes in INPV summed over the analysis period and free cash flow in the year before the standard (2028), as well as by the conversion costs that DOE estimates NWGF and MHGF manufacturers would incur at each TSL. The range of results reflect the two manufacturer markup scenarios that were modeled.

TABLE V.17—MANUFACTURER IMPACT ANALYSIS: AFUE STANDARDS RESULTS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

	Units	No-new standards case	Trial standard level								
			TSL 1	TSL 2	TSL 3	TSL 4	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
INPV	*2020$ millions*	1,411.8	1,316.7 to 1,394.6	1,280.4 to 1,395.0	1,260.0 to 1,387.8	1,126.6 to 1,395.7	1,250.7 to 1,394.2	1,237.4 to 1,377.4	1,067.5 to 1,396.8	1,031.5 to 1,381.4	728.0 to 1,420.8
Change in INPV	*2020$ millions*		(95.2) to (17.3)	(131.5) to (16.8)	(151.9) to (24.1)	(285.2) to (16.2)	(161.2) to (17.6)	(174.4) to (34.5)	(344.4) to (15.0)	(380.3) to (30.5)	(683.8) to 9.0
	%		(6.7) to (1.2)	(9.3) to (1.2)	(10.8) to (1.7)	(20.2) to (1.1)	(11.4) to (1.2)	(12.4) to (2.4)	(24.4) to (1.1)	(26.9) to (2.2)	(48.4) to 0.6
Free Cash Flow (2028)	*2020$ millions*	85.8	65.0	58.6	55.3	45.1	52.2	44.9	34.0	22.8	(42.1)
Change in Free Cash Flow (2028).	*%*		(24.2)	(31.7)	(35.6)	(47.5)	(39.2)	(47.7)	(60.4)	(73.4)	(149.0)
Product Conversion Costs.	*2020$ millions*		26.6	26.6	26.6	41.2	26.6	26.6	41.2	41.2	79.9
Capital Conversion Costs.	*2020$ millions*		25.4	39.6	47.1	58.3	53.9	70.2	82.9	107.8	221.6
Total Investment Required.	*2020$ millions*		51.9	66.1	73.6	99.6	80.5	96.8	124.1	149.0	301.6

Note: Parentheses indicate negative values.

The following cash flow results discussion refers to the AFUE efficiency levels and capacity threshold cutoffs detailed in section V.A of this document. Table V.18 and Table V.19 present the percentage of NWGF and MHGF shipments in 2028 that are considered to be large or small, based on the input capacity threshold for each TSL. See section IV.G of this document for additional details on the shipments analysis.

[265] The gross margin percentage values correspond to manufacturer markups of 1.34 for NWGFs and 1.27 for MHGFs.

TABLE V.18—SHIPMENTS BREAKDOWNS (2028) REPRESENTING LARGE AND SMALL NON-WEATHERIZED GAS FURNACES AT EACH TRIAL STANDARD LEVEL

Size	Trial standard level and capacity threshold								
	TSL 1 80 kBtu/h (%)	TSL 2 70 kBtu/h (%)	TSL 3 60 kBtu/h (%)	TSL 4 no cutoff (%)	TSL 5 55 kBtu/h (%)	TSL 6 no cutoff (%)	TSL 7 55 kBtu/h (%)	TSL 8 no cutoff (%)	TSL 9 no cutoff (%)
Large	41.2	65.0	76.7	100.0	88.8	100.0	88.8	100.0	100.0
Small	58.8	35.0	23.3	0.0	11.2	0.0	11.2	0.0	0.0

TABLE V.19—SHIPMENTS BREAKDOWNS (2028) REPRESENTING LARGE AND SMALL MOBILE HOME GAS FURNACES AT EACH TRIAL STANDARD LEVEL

Size	Trial standard level and capacity threshold								
	TSL 1 80 kBtu/h (%)	TSL 2 70 kBtu/h (%)	TSL 3 60 kBtu/h (%)	TSL 4 no cutoff (%)	TSL 5 55 kBtu/h (%)	TSL 6 no cutoff (%)	TSL 7 55 kBtu/h (%)	TSL 8 no cutoff (%)	TSL 9 no cutoff (%)
Large	11.6	40.2	53.3	100.0	78.2	100.0	78.2	100.0	100.0
Small	88.4	59.8	46.7	0.0	21.8	0.0	21.8	0.0	0.0

TSLs 1, 2, 3, and 5 all represent national standards set at 92-percent AFUE for large furnaces, while small furnaces remain at the current Federal minimum of 80-percent AFUE. However, the capacity threshold used to classify small furnaces is different at each TSL. Small NWGFs and MHGFs are defined as units having an input capacity of 80 kBtu/h or less at TSL 1, 70 kBtu/h or less at TSL 2, 60 kBtu/h or less at TSL 3, and 55 kBtu/h or less at TSL 5. As the capacity threshold decreases from 80 kBtu/h at TSL 1 down to 55 kBtu/h at TSL 5, the number of furnace shipments classified as large gas-fired consumer furnaces, and subsequently the portion of shipments that must be condensing after the standard year, increases. Capital conversion costs increase as manufacturers add additional capacity to their secondary heat exchanger production lines. Manufacturers would also incur product conversion costs as they invest resources to develop cost-optimized 92-percent AFUE models that are competitive at lower price points. Manufacturers are expected to incur $26.6 million in product conversion costs to develop such models at each of TSLs 1, 2, 3, and 5.

In addition to conversion costs, a national standard of 92-percent AFUE for large NWGFs and MHGFs could lead to a slight compression of manufacturer markups. In its manufacturer markup scenarios, DOE includes a scenario which models the industry maintaining three tiers of markups, with efficiency as one differentiating attribute. In a market where the national standard is 92-percent AFUE, DOE characterizes these markups as ''good,'' ''better,'' and ''best,'' and they correspond to 92-percent AFUE, 95-percent AFUE, and max-tech levels (98-percent for NWGFs and 96-percent for MHGFs), respectively.

TSL 1 represents a national standard set at 92-percent AFUE for large NWGFs and MHGFs, while small NWGFs and MHGFs remain at the current Federal minimum of 80-percent AFUE. At TSL 1, small furnaces are defined as NWGFs and MHGFs with input capacities of 80 kBtu/h or less. DOE estimates the change in INPV to range from −$95.2 million to −$17.3 million, or a change of −6.7 percent to −1.2 percent. At this level, industry free cash flow in 2028 (the year before the compliance date) is estimated to decrease to $65.0 million, or a decrease of 24.2 percent compared to the no-new-standards case value of $85.8 million.

Small furnaces with input capacities of 80 kBtu/h or less account for approximately 58.8 percent of NWGF shipments and 88.4 percent of MHGF shipments in 2028, a year before the standard goes into effect. In the no-new-standards case, approximately 59.1 percent of NWGF shipments and 30.4 percent of MHGF shipments are expected to be sold at condensing levels in the year before the standard goes into effect. At TSL 1, once the standard goes into effect, DOE expects 70.5 percent of NWGF shipments and 36.5 percent of MHGF shipments to be sold at condensing levels, requiring the industry to expand its production of secondary heat exchangers. Manufacturers will incur an estimated $25.4 million in capital conversion costs as manufacturers increase secondary heat exchanger production line capacity. Manufacturers would also incur product conversion costs driven by the development necessary to create compliant, cost-competitive products. Total industry conversion costs are expected to reach $51.9 million at TSL 1.

TSL 2 represents a national standard at 92-percent AFUE for large furnaces, while small furnaces remain at the current Federal minimum of 80-percent AFUE. Small furnaces are defined as NWGFs and MHGFS with input capacities of 70 kBtu/h or less. At TSL 2, DOE estimates the change in INPV to range from −$131.5 million to −$16.8 million, or a change in INPV of −9.3 percent to −1.2 percent. At this level, free cash flow in 2028 is estimated to decrease to $58.6 million, or a decrease of 31.7 percent compared to the no-new-standards-case value of $85.8 million in the year 2028.

Small furnaces with input capacities of 70 kBtu/h or less account for approximately 35.0 percent of NWGF shipments and 59.8 percent of MHGF shipments in the year before standards go into effect. At TSL 2, once the standard goes into effect, DOE expects 77.2 percent of NWGF shipments and 50.6 percent of MHGF shipments to be sold at condensing levels, requiring the industry to expand its production of secondary heat exchangers. Capital conversion costs increase from $25.4 million at TSL 1 to $39.6 million at TSL 2. Manufacturers would also incur product conversion costs driven by the development necessary to create compliant, cost-competitive products. Total industry conversion costs are expected to reach $66.1 million at TSL 2.

TSL 3 represents a national standard at 92-percent AFUE for large furnaces, while small furnaces remain at the

current Federal minimum of 80-percent AFUE. Small furnaces are defined as NWGFs and MHGFs with input capacities of 60 kBtu/h or less. At TSL 3, DOE estimates the change in INPV to range from −$151.9 million to −$24.1 million, or a change in INPV of −10.8 percent to −1.7 percent. At this level, free cash flow is estimated to decrease to $55.3 million, or a decrease of 35.6 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

Small furnaces with input capacities of 60 kBtu/h or less account for approximately 23.3 percent of NWGF shipments and 46.7 percent of MHGF shipments in the year before standards take effect. At TSL 3, once standards go into effect, DOE expects 81.4 percent of NWGF shipments and 57.5 percent of MHGF shipments to be sold at condensing levels, requiring the industry to expand its production of secondary heat exchangers. Capital conversion costs would increase from $39.6 million at TSL 2 to $47.1 million at TSL 3 as manufacturers increase secondary heat exchanger production line capacity. Manufacturers would also incur product conversion costs driven by the development necessary to create compliant, cost-competitive products. Total industry conversion costs could reach $73.6 million at TSL 3.

TSL 4 represents a regional standard set at 95-percent AFUE for products sold in the North and 80-percent AFUE for products sold in the Rest of Country. TSL 4 does not have a small furnace capacity threshold. At TSL 4, DOE estimates the change in INPV to range from −$285.2 million to −$16.2 million, or a change in INPV of −20.2 percent to –1.1 percent. At this level, free cash flow is estimated to decrease to $45.1 million, or a decrease of 47.5 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

In the year before the standard goes into effect, DOE expects that the North region will account for approximately 57.3 percent of consumer furnace shipments, with the remaining shipments attributable to the Rest of Country region. Once the standard goes into effect, consumer furnaces sold in the North must achieve 95-percent AFUE. At TSL 4, DOE expects 72.7 percent of NWGFs and 69.0 percent of MHGFs would be sold at condensing levels in 2029. Capital conversion costs are expected to reach $58.3 million as manufacturers increase secondary heat exchanger production line capacity. Product conversion costs reach $41.2 million, as manufacturers develop cost-optimized 95-percent AFUE furnaces that are competitive at reduced markups. Total industry conversion costs would be expected to reach $99.6 million at TSL 4.

For products sold in the North that must achieve 95-percent AFUE, the industry faces a noticeable compression of markups. In the no-new-standards case, 95-percent AFUE products garner a higher markup than baseline products. At TSL 4, 95-percent AFUE products become the minimum AFUE efficiency offering and would no longer command the same premium manufacturer markup in the North. However, at this level, manufacturers can still differentiate products and offer multiple markup tiers based on ''comfort'' features, such as two-stage or modulating combustion technology. DOE models the industry maintaining three manufacturer markup tiers (''good, better, best'') but at a compressed range of manufacturer markup values. This approach accounts for manufacturers' continued ability to differentiate products based on combustion system technology while recognizing that manufacturer markups (and profitability) for high-efficiency products in the North may be reduced due to the higher AFUE standard.

TSL 5 represents a standard set at 92-percent AFUE for large furnaces, while small furnaces remain at the current Federal minimum of 80-percent AFUE. Small furnaces are defined as NWGFs and MHGFs with input capacities of 55 kBtu/h or less. At TSL 5, DOE estimates the change in INPV to range from −$161.2 million to −$17.6 million, or a change in INPV of −11.4 percent to −1.2 percent. At this level, free cash flow is estimated to decrease to $52.2 million, or a decrease of 39.2 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

Small furnaces with input capacities of 55 kBtu/h or less account for approximately 11.2 percent of NWGFs and 21.8 percent of MHGFs in the year before the standard goes into effect. At TSL 5, 84.6 percent of NWGF shipments and 70.0 percent of MHGF shipments would be sold at condensing levels when the standard goes into effect, requiring the industry to expand its production of secondary heat exchangers. Capital conversion costs would increase from $47.1 million at TSL 3, the previous TSL with a separate standard level for small furnaces, to $53.9 million at TSL 5. Manufacturers will also incur product conversion costs driven by the development necessary to create compliant, cost-competitive products. DOE estimates total industry conversion costs could reach $80.5 million at TSL 5.

TSLs 6, 8, and 9 represent national standards for all covered NWGFs and MHGFs. At these TSLs, there is no separate standard level based on furnace input capacity. As the TSL increases from 6 to 8 to 9, the national standard increases and DOE models a compression of markups in the tiered markup scenario. Compressed markups are a significant driver of negative impacts to INPV in the tiered markup scenario, particularly at TSL 9 for NWGFs, when neither efficiency nor combustion system technology (*e.g.,* single-stage, two-stage, or modulating combustion) is a means for product differentiation.

TSL 6 represents a national 92-percent AFUE standard for all covered NWGFs and MHGFs. TSL 6 does not have a small furnace capacity threshold. At this level, DOE estimates the change in INPV to range from −$174.4 million to −$34.5 million, or a change in INPV of −12.4 percent to −2.4 percent. At this level, free cash flow is estimated to decrease to $44.9 million, or a decrease of 47.7 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

At TSL 6, all shipments of the covered product would be at a condensing level once the standard goes into effect. Manufacturer markups at TSL 6 are slightly reduced, but the industry is still able to maintain three tiers of markups. Manufacturers would incur product conversion costs of $26.6 million at TSL 6, as manufacturers develop 92-percent AFUE furnaces that are competitive at reduced markups. Capital conversion costs would total $70.2 million, as manufacturers add production capacity to have secondary heat exchangers for all NWGF and MHGF shipments sold into the domestic market. Total conversion costs could reach $96.8 million for the industry.

TSL 7 represents a 95-percent AFUE standard for large furnaces, while small furnaces remain at the current Federal minimum of 80-percent AFUE. At TSL 7, small furnaces are defined as NWGFs and MHGFs with input capacities of 55 kBtu/h or less. DOE estimates the change in INPV to range from −$344.4 million to −$15.0 million, or a change in INPV of −24.4 percent to −1.1 percent. At this level, free cash flow is estimated to decrease to $34.0 million, or a decrease of 60.4 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

Small furnaces with input capacities of 55 kBtu/h or less account for approximately 11.2 percent of NWGF shipments and 21.8 percent of MHGF shipments before the standard goes into effect. At this level, 84.6 percent of

NWGF shipments and 70.0 percent of MHGF shipments would be sold at condensing levels when the standard goes into effect, requiring the industry to expand its production of secondary heat exchangers. Capital conversion costs would total $82.9 million, as manufacturers add production capacity to have secondary heat exchangers for the majority of NWGF and MHGF shipments sold into the domestic market. Manufacturers would also incur product conversion costs of an estimated $41.2 million, driven by the development necessary to create compliant, cost-competitive products. Total conversion costs could reach $124.1 million.

For large NWGFs and MHGFs, industry faces a noticeable compression of markups due to their limited ability to differentiate products purely based on AFUE. However, as with TSL 4, manufacturers can still differentiate products subject to the 95-percent standard based on ''comfort'' features, such as two-stage or modulating combustion technology. DOE models the industry as maintaining three markup tiers (''good, better, best'') but at a compressed range of tiers where max-tech products do not command the same premium as they did in the no-new-standards case. This approach accounts for manufacturers' continued ability to differentiate large NWGFs and MHGFs based on combustion systems while recognizing that markups (and profitability) for high-efficiency products may be reduced for large furnaces due to the 95-percent AFUE standard. While manufacturers would not experience a compression of markups for small capacity products, most shipments qualify as large furnaces at this capacity cutoff. The reduction in premium product offerings and deterioration of markups for the majority of furnace shipments coupled with increased conversion costs are expected to result in a negative change in INPV at TSL 7.

TSL 8 represents a national 95-percent AFUE standard for all covered NWGFs and MHGFs. TSL 8 does not have a small capacity threshold. At TSL 8, DOE estimates the change in INPV to range from −$380.3 million to −$30.5 million, or a change in INPV of −26.9 percent to −2.2 percent. At this level, free cash flow is estimated to decrease to $22.8 million, or a decrease of 73.4 percent compared to the no-new-standards case value of $85.8 million in the year 2028.

DOE estimates that approximately 39.3 percent of the annual NWGF shipments and approximately 14.9 percent of the annual MHGF shipments currently meet or exceed the efficiencies required at TSL 8. At TSL 8, all covered furnaces would be condensing after the standard goes into effect. DOE estimates capital conversion costs would increase to $107.8 million at TSL 8, as manufacturers add production capacity to have secondary heat exchangers for all NWGF and MHGF shipments sold into the domestic market. Product conversion costs would total $41.2 million, as manufacturers develop cost-optimized 95-percent AFUE NWGF and MHGF models that are competitive at reduced markups. Total industry conversion costs could reach $149.0 million.

With a national standard of 95-percent AFUE, industry faces a noticeable compression of markups due to their limited ability to differentiate products purely based on AFUE. As with TSL 4 and TSL 7, manufacturers can still differentiate products based on ''comfort'' features such as the combustion systems. At TSL 8, DOE models the industry as maintaining three markup tiers (''good, better, best'') but at a compressed range of manufacturer markup values where max-tech products do not command the same premium as they did in the no-new-standards case. This approach accounts for manufacturers' continued ability to differentiate NWGFs and MHGFs based on combustion systems while recognizing that markups (and profitability) for high-efficiency products may be reduced due to the 95-percent AFUE standard. The compression of markups and a reduction in product offerings, coupled with increased conversion costs are expected to result in INPV losses at TSL 8.

TSL 9 represents a national max-tech standard, where NWGF products must achieve 98-percent AFUE and MHGF products must achieve 96-percent AFUE. At TSL 9, DOE estimates the change in INPV to range from −$683.8 million to $9.0 million, or a change in INPV of −48.4 percent to 0.6 percent. At this level, the large conversion costs result in a free cash flow dropping below zero in the years before the standard year. The negative free cash flow calculation indicates manufacturers may need to access cash reserves or outside capital to finance conversion efforts.

At TSL 9, approximately 1.8 percent of NWGFs and 0.8 percent of MHGFs are sold at this level today. Manufacturers would incur $79.9 million in product conversion costs as they develop cost-optimized, high-efficiency NWGF models that can compete in a market where efficiency and combustion systems are no longer viable options for product differentiation and MHGF models that can compete in a market where efficiency is no longer a means for product differentiation. More than half of all NWGF and MHGF OEMs do not currently offer any models that meet the efficiency levels required by TSL 9. Manufacturers would also incur capital conversion costs of $221.6 million as manufacturers add the production capacity necessary to produce all NWGFs and MHGFs sold into the domestic market at 98-percent and 96-percent AFUE, respectively. Total conversion costs would be expected to reach $301.6 million for the industry.

Some manufacturers expressed great concern about the state of technology at max-tech. Specifically, those manufacturers' noted uncertainty about the ability to deliver cost-effective products for their customers. They also cited high conversion costs and large investments in R&D to produce all products at this level. Many OEMs do not currently manufacture any models that meet these efficiency levels. These OEMs would likely have more technical challenges in designing new models that meet max-tech levels. Furthermore, NWGF manufacturers would lose efficiency and combustion systems as differentiators between baseline and premium product offerings. The extent of conversion costs, the compression of markups, and the reduced ability to differentiate products would likely alter the consumer furnace competitive landscape.

DOE seeks comments, information, and data on the capital conversion costs and product conversion costs estimated for each AFUE standard TSL.

Cash-Flow Analysis Results for Non-Weatherized Gas Furnaces and Mobile Home Gas Furnaces Standby Mode and Off Mode Standards

Table V.20 presents the financial impacts of standby mode and off mode standards on NWGF and MHGF manufacturers. These impacts are represented by changes in INPV and free cash flow in the year before the standard (2028) as well as by the conversion costs that DOE estimates NWGF and MHGF manufacturers would incur at each TSL. The impacts of standby mode and off mode features were analyzed for the same product classes as the amended AFUE standards, but at different efficiency levels, which correspond to a different set of technology options for reducing standby mode and off mode energy consumption. Therefore, the TSLs in the standby mode and off mode

analysis do not correspond to the TSLs in the AFUE analysis.

DOE considered the impacts of standby mode and off mode features under two markup scenarios to represent the upper and lower bounds of industry impacts: (1) a preservation of gross margin percentage scenario, and (2) a preservation of operating profit scenario. The preservation of gross margin percentage scenario represents the upper bound of impacts (less severe), while the preservation of operating profit scenario represents the lower bound of impacts (more severe).

TABLE V.20—MANUFACTURER IMPACT ANALYSIS: STANDBY MODE AND OFF MODE STANDARDS RESULTS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

	Units	No-new-standards case	Trial standard level		
			TSL 1	TSL 2	TSL 3
INPV	*2020$ millions*	1,411.8	1,410.8 to 1,412.7	1,410.8 to 1,412.8	1,409.7 to 1,416.8
Change in INPV	*2020$ millions*		(1.0) to 0.9	(1.1) to 1.0	(2.1) to 5.0
	%		(0.1) to 0.1	(0.1) to 0.1	(0.1) to 0.4
Free Cash Flow (2028)	*2020$ millions*	85.8	85.4	85.4	85.3
Change in Free Cash Flow (2028)	*%*		(0.5)	(0.5)	(0.6)
Product Conversion Costs	*2020$ millions*		1.2	1.2	1.6
Capital Conversion Costs	*2020$ millions*				
Total Investment Required	*2020$ millions*		1.2	1.2	1.6

Note: Parentheses indicate negative values.

At TSL 1, DOE estimates the impacts on INPV for NWGF and MHGF manufacturers to change by less than 0.1 percent in both markup scenarios (preservation of gross margin percentage and preservation of operating profit). At this potential standard level, industry free cash flow is estimated to decrease by 0.5 percent compared to the no-new-standards case value of $85.8 million in 2028. DOE expects industry conversion costs for standby mode and off mode to be $1.2 million.

At TSL 2, DOE estimates the impacts on INPV for NWGF and MHGF manufacturers to change by less than 0.1 percent in both markup scenarios (preservation of gross margin percentage and preservation of operating profit). At this potential standard level, industry free cash flow is estimated to decrease by 0.5 percent compared to the no-new-standards case value of $85.8 million in 2028. DOE expects industry conversion costs for standby mode and off mode to be $1.2 million.

At TSL 3, DOE estimates the impacts on INPV for NWGF and MHGF manufacturers to range from a decrease of 0.1 percent to an increase of 0.4 percent. At this potential standard level, industry free cash flow is estimated to decrease by 0.6 percent compared to the no-new-standards case value of $85.8 million in 2028. DOE expects industry conversion costs for standby mode and off mode to be $1.6 million.

DOE seeks comments, information, and data on the capital conversion costs and product conversion costs estimated for each standby mode and off mode TSL.

b. Direct Impacts on Employment

To quantitatively assess the potential impacts of amended energy conservation standards on direct employment in the NWGF and MHGF industry, DOE used the GRIM to estimate the domestic labor expenditures and number of direct employees in the no-new-standards case and in each of the AFUE standards cases during the analysis period. DOE calculated these values using statistical data from the U.S. Census Bureau's 2019 ASM,[266] the U.S. Bureau of Labor Statistics' (''BLS'') employee compensation data,[267] results of the engineering analysis, and manufacturer interviews.

Labor expenditures related to product manufacturing depend on the labor intensity of the product, the sales volume, and an assumption that wages remain fixed in real terms over time. The total labor expenditures in each year are calculated by multiplying the total MPCs by the labor percentage of MPCs. The total labor expenditures in the GRIM were then converted to domestic production employment levels by dividing production labor expenditures by the average fully burdened wage multiplied by the average number of hours worked per year per production worker. To do this, DOE relied on the ASM inputs Production Workers Annual Wages, Production Workers Annual Hours, Production Workers Average for Year, and Number of Employees. DOE also relied on the BLS employee compensation data to determine the fully burdened wage ratio. The fully burdened wage ratio factors in paid leave, supplemental pay, insurance, retirement and savings, and legally required benefits.

Total production employees is then multiplied by the U.S. labor percentage to convert total production employment to total domestic production employment. The U.S. labor percentage represents the industry fraction of domestic manufacturing production capacity for the covered product. This value is derived from manufacturer interviews, product database analysis, and publicly available information. DOE estimates that 45 percent of gas-fired consumer furnaces are produced domestically.

The domestic production employees estimate covers production line workers, including line supervisors, who are directly involved in fabricating, processing, or assembling products within the OEM facility. Workers performing services that are closely associated with production operations, such as handling materials using forklifts, are also included as production labor.[268] DOE's estimates only account for production workers who

[266] U.S. Census Bureau's Annual Survey of Manufactures: 2018–2019 (Available at *www.census.gov/programs-surveys/asm/data/tables.html*) (Last accessed Oct. 19, 2021).

[267] U.S. Bureau of Labor Statistics, *Employer Costs for Employee Compensation* (June 17, 2021) (Available at: *www.bls.gov/news.release/pdf/ecec.pdf*) (Last accessed May 20, 2022).

[268] The comprehensive description of production and non-production workers is available online at: *www.census.gov/programs-surveys/asm/information.html,* ''Definitions and Instructions for the Annual Survey of Manufacturers, MA–10000.'' (pp. 13–14).

manufacture the specific equipment covered by this rulemaking.

Non-production workers account for the remainder of the direct employment figure. The non-production employees covers domestic workers who are not directly involved in the production process, such as sales, engineering, human resources, management, etc. Using the amount of domestic production workers calculated above, non-production domestic employees are extrapolated by multiplying the ratio of non-production workers in the industry compared to production employees. DOE assumes that this employee distribution ratio remains constant between the no-standards case and standards cases.

TABLE V.21—POTENTIAL CHANGES IN THE TOTAL NUMBER OF NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE PRODUCTION AND NON-PRODUCTION WORKERS IN 2029

	Trial standard level				
	No-new-standards case	TSL 1	TSL 2	TSL 3	TSL 4
Direct Employment in 2029 (Production workers + Non-Production Workers)	1,718	1,761	1,789	1,778	1,829
Potential Changes in Direct Employment Workers in 2029 *	.....	(1,274) to 43	(1,274) to 71	(1,274) to 60	(1,274) to 111
	Trial standard level				
	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
Direct employment estimate in 2029 (Production Workers + Non-Production Workers)	1,803	1,755	1,898	1,875	1,812
Potential Changes in Direct Employment Workers in 2029 *	(1,274) to 85	(1,274) to 37	(1,274) to 180	(1,274) to 157	(1,274) to 94

* DOE presents a range of potential employment impacts. Numbers in parentheses indicate negative values.

The direct employment impacts shown in Table V.23 represent the potential domestic employment changes that could result following the compliance date for the NWGF and MHGF product classes in this proposal. The upper end of the range estimates an increase in the number of domestic workers producing NWGFs and MHGFs after implementation of an amended energy conservation standard at each TSL. This upper bound assumes manufacturers would continue to produce the same scope of covered products within the United States and would require additional labor to produce more-efficient products. The lower bound of the range represents the estimated maximum decrease in the total number of U.S. domestic workers if production moved to lower labor-cost countries or manufacturers left the market. Some large manufacturers are currently producing covered products in countries with lower labor costs, and an amended standard that necessitates large increases in labor content or large expenditures to re-tool facilities could cause manufacturers to re-evaluate domestic production siting options.

The impacts in the direct employment analysis are based on the analysis of amended AFUE energy conservation standards only. Standby mode and off mode technology options considered in the engineering analysis would result in component swaps, which would not make the product significantly more complex. While some product development effort would be required, the standby mode and off mode standard would not significantly affect the amount of labor required in production. Therefore, DOE did not conduct a quantitative domestic manufacturing employment impact analysis for the proposed standby mode and off mode standards.

Additional detail on the analysis of direct employment can be found in chapter 12 of the NOPR TSD. Additionally, the employment impacts discussed in this section are independent of the employment impacts from the broader U.S. economy, which are documented in chapter 15 of the NOPR TSD.

c. Impacts on Manufacturing Capacity

According to manufacturer feedback, production facilities are not currently equipped to supply the entire NWGF and MHGF market with condensing products. However, most manufacturers would be able to add capacity and adjust product designs in the 5-year period between the announcement year of the standard and the compliance year of the standard. DOE interviewed manufacturers representing over 65 percent of industry shipments. None of the interviewed manufacturers expressed concern over the industry's ability increase the capacity of production lines that meet required efficiency levels at TSLs 1 through 8 to meet consumer demand. At TSL 9, technical uncertainty was expressed by manufacturers that do not offer max-tech efficiency products today, as they were unsure of what production lines changes would be needed to meet an amended standard set at max-tech.

d. Impacts on Subgroups of Manufacturers

Using average cost assumptions to develop an industry cash-flow estimate is not adequate for assessing differential impacts among subgroups of manufacturers. Small manufacturers, niche players, or manufacturers exhibiting a cost structure that differs substantially from the industry average could be affected disproportionately. DOE used the results of the industry characterization to group manufacturers exhibiting similar characteristics. Specifically, DOE identified small businesses as a manufacturer subgroup that it believes could be disproportionally impacted by energy conservation standards and would require a separate analysis in the MIA. DOE did not identify any other adversely impacted manufacturer subgroups for this rulemaking based on the results of the industry characterization.

DOE analyzes the impacts on small businesses in a separate analysis in

section VI.B of this NOPR as part of the Regulatory Flexibility Analysis. In summary, the SBA defines a ''small business'' as having 1,250 employees or less for NAICS 333415, ''Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing.'' Based on this classification, DOE identified four domestic OEMs that certify NWGFs and/or MHGFs in DOE's Compliance Certification Management System database (''CCMS'') [269] that qualify as a small business. For a discussion of the impacts on the small business manufacturer subgroup, see the Regulatory Flexibility Analysis in section VI.B of this NOPR and chapter 12 of the NOPR TSD.

e. Cumulative Regulatory Burden

One aspect of assessing manufacturer burden involves examining the cumulative impact of multiple DOE standards and the product-specific regulatory actions of other Federal agencies that affect the manufacturers of a covered product or equipment. While any one regulation may not impose a significant burden on manufacturers, the combined effects of several recent or impending regulations may have serious consequences for some manufacturers, groups of manufacturers, or an entire industry. Assessing the impact of a single regulation may overlook this cumulative regulatory burden. In addition to energy conservation standards, other regulations can significantly affect manufacturers' financial operations. For these reasons, DOE conducts an analysis of cumulative regulatory burden as part of its rulemakings pertaining to appliance efficiency.

For the cumulative regulatory burden analysis, DOE examines Federal, product-specific regulations that could affect NWGF and MHGF manufacturers that take effect approximately three years before or after the 2029 compliance date. Table V.22 presents the DOE energy conservation standards that would impact manufacturers of NWGF and MHGF products in the 2026 to 2032 timeframe.

TABLE V.22—COMPLIANCE DATES AND EXPECTED CONVERSION EXPENSES OF FEDERAL ENERGY CONSERVATION STANDARDS AFFECTING GAS-FIRED CONSUMER FURNACE ORIGINAL EQUIPMENT MANUFACTURERS

Federal energy conservation standard	Number of OEMs *	Number of OEMs affected from today's rule **	Approx. standards year	Industry conversion costs (millions $)	Industry conversion costs/product revenue *** (%)
Room Air Conditioners † 87 FR 20608 (April 7, 2022)	8	2	2026	$22.8	0. 5
Consumer Pool Heaters † 87 FR 22640 (April 15, 2022)	21	1	2028	38.8	1.9
Commercial Water Heating Equipment † 87 FR 30610 (May 19, 2022)	15	3	2026	34.6	4.7

* This column presents the total number of OEMs identified in the energy conservation standard rule contributing to cumulative regulatory burden.

** This column presents the number of OEMs producing consumer furnaces that are also listed as OEMs in the identified energy conservation standard contributing to cumulative regulatory burden.

*** This column presents industry conversion costs as a percentage of product revenue during the conversion period. Industry conversion costs are the upfront investments manufacturers must make to sell compliant products/equipment. The revenue used for this calculation is the revenue from just the covered product/equipment associated with each row. The conversion period is the time frame over which conversion costs are made and lasts from the publication year of the final rule to the compliance year of the final rule. The conversion period typically ranges from 3 to 5 years, depending on the energy conservation standard.

† The Room Air Conditioners, Consumer Pool Heaters, and Commercial Water Heating Equipment rulemakings are in the NOPR stage and all values are subject to change until finalized.

3. National Impact Analysis

This section presents DOE's estimates of the national energy savings and the NPV of consumer benefits that would result from each of the TSLs considered as potential amended AFUE standards and new standby mode and off mode standards.

a. Significance of Energy Savings

To estimate the energy savings attributable to potential amended and new standards for NWGFs and MHGFs, DOE compared their energy consumption under the no-new-standards case to their anticipated energy consumption under each TSL. The savings are measured over the entire lifetime of products purchased in the 30-year period that begins in the year of anticipated compliance with amended standards (2029–2058). Table V.23 presents DOE's projections of the national energy savings for each AFUE TSL considered for NWGFs and MHGFs. The savings were calculated using the approach described in section IV.H.2 of this document.

TABLE V.23—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)

Energy savings	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		quads								
Primary energy	NWGF	1.60	2.45	2.82	2.92	3.01	3.49	4.15	4.70	6.45
	MHGF	0.01	0.03	0.05	0.08	0.06	0.09	0.07	0.10	0.09
	Total	**1.61**	**2.49**	**2.86**	**3.00**	**3.07**	**3.58**	**4.22**	**4.81**	**6.54**
FFC energy	NWGF	1.77	2.72	3.14	3.26	3.37	4.03	4.63	5.37	7.38
	MHGF	0.01	0.04	0.05	0.09	0.06	0.10	0.08	0.12	0.11

[269] U.S. Department of Energy Compliance Certification Management System (''CCMS''). (Available at: *www.regulations.doe.gov/certification-data/*) (Last accessed July 7, 2021).

TABLE V.23—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)—Continued

Energy savings	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		quads								
	Total	**1.78**	**2.76**	**3.19**	**3.35**	**3.44**	**4.12**	**4.70**	**5.48**	**7.48**

For the proposed standards (TSL 8), the FFC energy savings of 5.48 quads are the FFC natural gas savings minus the increase in FFC energy use associated with higher electricity use due primarily to switching to electric heating.

The previously results reflect the use of the reference product switching scenario and repair vs. replace trend for NWGFs and MHGFs (as described in section IV.F.12 of this document). DOE also conducted a sensitivity analysis that considered scenarios with lower and higher rates of product switching, as compared to the default case. The results of these alternative cases are presented in appendix 10E of the NOPR TSD.

Table V.24 presents DOE's projections of the primary and FFC national energy savings for each standby mode and off mode TSL considered for NWGFs and MHGFs. National energy savings were calculated using the approach described in section IV.H.2 of this NOPR.

TABLE V.24—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)

Energy savings	Product class	Trial standard level		
		1	2	3
		quads		
Primary energy	NWGF	0.15	0.18	0.26
	MHGF	0.002	0.002	0.003
	Total	**0.15**	**0.18**	**0.27**
FFC energy	NWGF	0.15	0.18	0.27
	MHGF	0.002	0.002	0.003
	Total	**0.16**	**0.19**	**0.28**

OMB Circular A–4 [270] requires agencies to present analytical results, including separate schedules of the monetized benefits and costs that show the type and timing of benefits and costs. Circular A–4 also directs agencies to consider the variability of key elements underlying the estimates of benefits and costs. For this rulemaking, DOE undertook a sensitivity analysis using 9 years, rather than 30 years, of product shipments. The choice of a 9-year period is a proxy for the timeline in EPCA for the review of certain energy conservation standards and potential revision of and compliance with such revised standards.[271] The review timeframe established in EPCA is generally not synchronized with the product lifetime, product manufacturing cycles, or other factors specific to NWGFs and MHGFs. Thus, such results are presented for informational purposes only and are not indicative of any change in DOE's analytical methodology. The NES sensitivity analysis results based on a 9-year analytical period are presented in Table V.25 for AFUE standards and Table V.26 for standby and off mode standards.[272] The impacts are counted over the lifetime of NWGFs and MHGFs purchased in 2029–2037.

TABLE V.25—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES AFUE STANDARDS; 9 YEARS OF SHIPMENTS (2029–2037)

Energy savings	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		quads								
Primary energy	NWGF	0.45	0.69	0.79	0.78	0.85	0.98	1.17	1.33	1.94
	MHGF	0.00	0.01	0.01	0.02	0.02	0.02	0.02	0.03	0.03
	Total	**0.45**	**0.70**	**0.80**	**0.81**	**0.86**	**1.01**	**1.19**	**1.36**	**1.96**
FFC energy	NWGF	0.50	0.76	0.88	0.88	0.95	1.15	1.30	1.53	2.23
	MHGF	0.00	0.01	0.02	0.03	0.02	0.03	0.02	0.03	0.03

[270] U.S. Office of Management and Budget, *Circular A–4: Regulatory Analysis* (September 17, 2003) (Available at: *www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A4/a-4.pdf*) (Last accessed Sept. 9, 2021).

[271] Section 325(m) of EPCA requires DOE to review its standards at least once every 6 years, and requires, for certain products, a 3-year period after any new standard is promulgated before compliance is required, except that in no case may any new standards be required within 6 years of the compliance date of the previous standards. While adding a 6-year review to the 3-year compliance period adds up to 9 years, DOE notes that it may undertake reviews at any time within the 6 year period and that the 3-year compliance date may yield to the 6-year backstop. A 9-year analysis period may not be appropriate given the variability that occurs in the timing of standards reviews and the fact that for some products, the compliance period is 5 years rather than 3 years.

[272] DOE presents results based on a 9-year analytical period only for the AFUE TSLs; the percentage difference between nine-year and 30-year results for the standby mode and off mode TSLs is the same as for the AFUE TSLs.

TABLE V.25—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES AFUE STANDARDS; 9 YEARS OF SHIPMENTS (2029–2037)—Continued

Energy savings	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		quads								
	Total	**0.50**	**0.77**	**0.90**	**0.90**	**0.97**	**1.17**	**1.33**	**1.56**	**2.26**

TABLE V.26—CUMULATIVE NATIONAL ENERGY SAVINGS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS; 9 YEARS OF SHIPMENTS (2029–2037)

Energy savings	Product class	Trial standard level		
		1	2	3
		quads		
Primary energy	NWGF	0.04	0.05	0.07
	MHGF	0.000	0.001	0.001
	Total	**0.04**	**0.05**	**0.07**
FFC energy	NWGF	0.04	0.05	0.08
	MHGF	0.000	0.001	0.001
	Total	**0.04**	**0.05**	**0.08**

b. Net Present Value of Consumer Costs and Benefits

DOE estimated the cumulative NPV of the total costs and savings for consumers that would result from the TSLs considered for NWGFs and MHGFs. In accordance with OMB's guidelines on regulatory analysis,[273] DOE calculated NPV using both a 7-percent and a 3-percent real discount rate. Table V.27 E;shows the consumer NPV results for AFUE standards with impacts counted over the lifetime of products purchased in 2029–2058.

TABLE V.27—CUMULATIVE NET PRESENT VALUE OF CONSUMER BENEFITS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)

Discount rate	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		billion 2017$								
7 percent	NWGF	1.44	2.35	2.87	2.60	3.10	4.11	4.79	5.92	6.48
	MHGF	0.02	0.06	0.10	0.19	0.12	0.18	0.16	0.23	0.23
	Total	**1.45**	**2.41**	**2.97**	**2.79**	**3.22**	**4.28**	**4.95**	**6.15**	**6.71**
3 percent	NWGF	5.42	8.68	10.52	9.79	11.41	15.35	16.51	20.79	24.82
	MHGF	0.06	0.20	0.31	0.61	0.39	0.60	0.50	0.77	0.77
	Total	**5.48**	**8.88**	**10.83**	**10.40**	**11.79**	**15.94**	**17.01**	**21.56**	**25.59**

The above results reflect the use of the default product switching trend for NWGFs (as described in section IV.F.12 of this document). As previously discussed, DOE conducted a sensitivity analysis assuming higher and lower levels of product switching for NWGFs. The results of these alternative cases are presented in appendix 10 E of the NOPR TSD.

Table V.28 shows the consumer NPV results for standby mode and off mode standards with impacts counted over the lifetime of products purchased in 2029–2058.

TABLE V.28—CUMULATIVE NET PRESENT VALUE OF CONSUMER BENEFITS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)

Discount rate	Product class	Trial standard level		
		1	2	3
		billion 2020$		
7 percent	NWGF	0.67	0.77	1.13
	MHGF	0.01	0.01	0.01
	Total	**0.67**	**0.78**	**1.14**
3 percent	NWGF	1.94	2.27	3.34
	MHGF	0.02	0.03	0.04

[273] U.S. Office of Management and Budget, *Circular A–4: Regulatory Analysis* (September 17, 2003) (Available at: *www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A4/a-4.pdf*) (Last accessed September 9, 2021).

TABLE V.28—CUMULATIVE NET PRESENT VALUE OF CONSUMER BENEFITS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS; 30 YEARS OF SHIPMENTS (2029–2058)—Continued

Discount rate	Product class	Trial standard level		
		1	2	3
		billion 2020$		
	Total	**1.96**	**2.30**	**3.38**

The NPV results for AFUE standards based on the aforementioned 9-year analytical period are presented in Table V.29 for AFUE standards and Table V.30 for standby and off mode standards.[274] The impacts are counted over the lifetime of products purchased in 2029–2037. As mentioned previously, such results are presented for informational purposes only and are not indicative of any change in DOE's analytical methodology or decision criteria.

TABLE V.29—CUMULATIVE NET PRESENT VALUE OF CONSUMER BENEFITS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE STANDARDS; 9 YEARS OF SHIPMENTS (2029–2037)

Discount rate	Product class	Trial standard level								
		1	2	3	4	5	6	7	8	9
		billion 2020$								
7 percent	NWGF	0.7	1.1	1.4	1.3	1.5	2.1	2.5	3.2	3.6
	MHGF	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	**0.7**	**1.1**	**1.4**	**1.4**	**1.6**	**2.2**	**2.6**	**3.3**	**3.7**
3 percent	NWGF	1.8	3.0	3.7	3.6	4.1	5.5	6.3	8.0	9.9
	MHGF	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3
	Total	**1.9**	**3.1**	**3.8**	**3.8**	**4.2**	**5.8**	**6.4**	**8.2**	**10.2**

TABLE V.30—CUMULATIVE NET PRESENT VALUE OF CONSUMER BENEFITS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE STANDARDS; 9 YEARS OF SHIPMENTS (2029–2037)

Discount rate	Product class	Trial standard level		
		1	2	3
		billion 2020$		
7 percent	NWGF	0.3	0.4	0.6
	MHGF	0.00	0.00	0.01
	Total	**0.3**	**0.4**	**0.6**
3 percent	NWGF	0.7	0.9	1.3
	MHGF	0.01	0.01	0.01
	Total	**0.8**	**0.9**	**1.3**

The previous results reflect the use of a default trend to estimate the change in price for NWGFs and MHGFs over the analysis period (see section IV.F.2 of this document). DOE also conducted a sensitivity analysis that considered one scenario with a lower rate of price decline than the reference case and one scenario with a higher rate of price decline than the reference case. The results of these alternative cases are presented in appendix 10C of the NOPR TSD. In the high-price-decline case, the NPV of consumer benefits is higher than in the default case. In the low-price-decline case, the NPV of consumer benefits is lower than in the default case.

c. Indirect Impacts on Employment

It is estimated that amended energy conservation standards for NWGFs and MHGFs will reduce energy expenditures for consumers of those products, with the resulting net savings being redirected to other forms of economic activity. These expected shifts in spending and economic activity could affect the demand for labor. As described in section IV.N of this document, DOE used an input/output model of the U.S. economy to estimate indirect employment impacts of the TSLs that DOE considered. There are uncertainties involved in projecting employment impacts, especially changes in the later years of the analysis. Therefore, DOE generated results for near-term timeframes (2029–2034), where these uncertainties are reduced.

The results suggest that the proposed standards are likely to have a negligible impact on the net demand for labor in the economy. The net change in jobs is so small that it would be imperceptible in national labor statistics and might be offset by other, unanticipated effects on employment. Chapter 16 of the NOPR TSD presents detailed results regarding anticipated indirect employment impacts.

[274] DOE presents results based on a 9-year analytical period only for the AFUE TSLs; the percentage difference between nine-year and 30-year results for the standby mode and off mode TSLs is the same as for the AFUE TSLs.

4. Impact on Utility or Performance of Products

As discussed in section III.E.1.d of this document, DOE has initially concluded that the standards proposed in this NOPR would not lessen the utility or performance of the NWGFs and MHGFs under consideration in this rulemaking. Manufacturers of these products currently offer units that meet or exceed the proposed standards.

5. Impact of Any Lessening of Competition

DOE considered any lessening of competition that would be likely to result from new or amended standards. As discussed in section III.E.1.e of this document, EPCA directs the Attorney General of the United States (''Attorney General'') to determine the impact, if any, of any lessening of competition likely to result from a proposed standard and to transmit such determination in writing to the Secretary within 60 days of the publication of a proposed rule, together with an analysis of the nature and extent of the impact. DOE has also provided DOJ with copies of this NOPR and the accompanying TSD for review. DOE will consider DOJ's comments on the proposed rule in determining whether to proceed to a final rule. DOE will publish and respond to DOJ's comments in that document. DOE invites comment from the public regarding the competitive impacts that are likely to result from this proposed rule. In addition, stakeholders may also provide comments separately to DOJ regarding these potential impacts. See the **ADDRESSES** section for information to send comments to DOJ.

6. Need of the Nation to Conserve Energy

Enhanced energy efficiency, where economically justified, improves the Nation's energy security, strengthens the economy, and reduces the environmental impacts (costs) of energy production. Chapter 15 in the NOPR TSD presents the estimated impacts on electricity generating capacity, relative to the no-new-standards case, for the TSLs that DOE considered in this rulemaking.

Energy conservation resulting from potential energy conservation standards for NWGFs and MHGFs is expected to yield environmental benefits in the form of reduced emissions of certain air pollutants and greenhouse gases. Table V.31 provides DOE's estimate of cumulative emissions reductions expected to result from the AFUE TSLs considered in this rulemaking. The increase in emissions of SO_2, Hg, and N_2O is due to a fraction of NWGF consumers that are projected to switch from gas furnaces to electric heat pumps and electric furnaces in response to the potential standards. Table V.32 provides DOE's estimate of cumulative emissions reductions expected to result from the standby mode and off mode TSLs considered in this rulemaking. The emissions were calculated using the multipliers discussed in section IV.K of this document. DOE reports annual emissions reductions for each TSL in chapter 13 of the NOPR TSD.

TABLE V.31—AFUE STANDARDS: CUMULATIVE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

	Trial standard level								
	1	2	3	4	5	6	7	8	9
Power Sector Emissions									
CO_2 (*million metric tons*)	89	140	166	176	182	251	245	318	440
SO_2 (*thousand tons*)	(3)	(6)	(11)	(13)	(15)	(50)	(16)	(52)	(77)
NO_X (*thousand tons*)	37	58	69	74	75	104	102	133	182
Hg (*tons*)	(0.02)	(0.04)	(0.07)	(0.09)	(0.10)	(0.31)	(0.11)	(0.33)	(0.48)
CH_4 (*thousand tons*)	1.5	2.0	1.9	1.9	1.8	(1.3)	2.9	(0.1)	(0.8)
N_2O (*thousand tons*)	0.12	0.16	0.11	0.09	0.07	(0.48)	0.17	(0.38)	(0.62)
Upstream Emissions									
CO_2 (*million metric tons*)	11	18	22	23	24	36	32	44	62
SO_2 (*thousand tons*)	0.02	0.01	(0.02)	(0.03)	(0.05)	(0.34)	(0.03)	(0.32)	(0.49)
NO_X (*thousand tons*)	172	275	332	353	367	555	489	686	957
Hg (*tons*)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
CH_4 (*thousand tons*)	1,258	2,009	2,435	2,588	2,694	4,113	3,583	5,068	7,071
N_2O (*thousand tons*)	0.02	0.03	0.03	0.03	0.03	0.03	0.04	0.05	0.06
Total FFC Emissions									
CO_2 (*million metric tons*)	100	158	188	199	205	286	277	363	502
SO_2 (*thousand tons*)	(3)	(6)	(11)	(13)	(15)	(51)	(16)	(52)	(77)
NO_X (*thousand tons*)	209	333	401	427	443	660	591	819	1,139
Hg (*tons*)	(0.02)	(0.04)	(0.07)	(0.09)	(0.10)	(0.32)	(0.11)	(0.33)	(0.48)
CH_4 (*thousand tons*)	1,259	2,011	2,437	2,590	2,696	4,112	3,586	5,068	7,070
N_2O (*thousand tons*)	0.14	0.18	0.14	0.13	0.10	(0.45)	0.21	(0.33)	(0.56)

Negative values (shown in parentheses) refer to an increase in emissions.

TABLE V.32—STANDBY MODE AND OFF MODE STANDARDS: CUMULATIVE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

	Trial standard level		
	1	2	3
Power Sector Emissions			
CO_2 (*million metric tons*)	5.0	6.0	9.0
SO_2 (*thousand tons*)	2.5	3.0	4.4
NO_X (*thousand tons*)	2.1	2.5	3.7

TABLE V.32—STANDBY MODE AND OFF MODE STANDARDS: CUMULATIVE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058—Continued

	Trial standard level		
	1	2	3
Hg (*tons*)	0.01	0.02	0.03
CH_4 (*thousand tons*)	0.4	0.5	0.7
N_2O (*thousand tons*)	0.1	0.1	0.1
Upstream Emissions			
CO_2 (*million metric tons*)	0.4	0.4	0.7
SO_2 (*thousand tons*)	0.0	0.0	0.0
NO_X (*thousand tons*)	5.4	6.5	9.8
Hg (*tons*)	0.0	0.0	0.0
CH_4 (*thousand tons*)	36.3	43.6	65.1
N_2O (*thousand tons*)	0.0	0.0	0.0
Total FFC Emissions			
CO_2 (*million metric tons*)	5.4	6.4	9.6
SO_2 (*thousand tons*)	2.5	3.0	4.5
NO_X (*thousand tons*)	7.5	9.0	13.5
Hg (*tons*)	0.01	0.02	0.03
CH_4 (*thousand tons*)	36.7	44.1	65.9
N_2O (*thousand tons*)	0.1	0.1	0.1

As part of the analysis for this rulemaking, DOE estimated monetary benefits likely to result from the reduced emissions of CO_2 that DOE estimated for each of the considered TSLs for NWGFs and MHGFs. Section IV.L.1.a of this document discusses the SC–CO_2 values used.

Table V.33 presents the present value of the CO_2 emissions reduction at each AFUE TSL. Table V.34 presents the present value of CO_2 emissions reductions at each standby mode and off mode TSL.

TABLE V.33—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF CO_2 EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–CO_2 case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	648	3,038	4,868	9,191
2	1,021	4,788	7,673	14,486
3	1,217	5,701	9,134	17,249
4	1,250	5,886	9,445	17,800
5	1,332	6,240	9,998	18,882
6	1,867	8,733	13,984	26,427
7	1,789	8,389	13,442	25,380
8	2,360	11,047	17,695	33,429
9	3,307	15,441	24,714	46,740

TABLE V.34—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: PRESENT VALUE OF CO_2 EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–CO_2 case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	35	165	264	499
2	42	198	317	599
3	63	296	473	895

As discussed in section IV.L.1.b of this document, DOE estimated monetary benefits likely to result from the reduced emissions of methane and N_2O that DOE estimated for each of the considered TSLs for furnaces. Table

V.35 and Table V.36 presents the value of the CH_4 emissions reduction at each TSL, and Table V.37 and Table V.38 presents the value of the N_2O emissions reduction at each TSL.

TABLE V.35—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF METHANE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–CH_4 case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	386	1,270	1,814	3,360
2	616	2,027	2,894	5,361
3	749	2,460	3,512	6,507
4	773	2,557	3,656	6,763
5	829	2,724	3,887	7,204
6	1,276	4,173	5,950	11,040
7	1,099	3,615	5,161	9,561
8	1,566	5,133	7,322	13,578
9	2,210	7,218	10,289	19,096

TABLE V.36—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: PRESENT VALUE OF METHANE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–CH_4 case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	11	37	53	98
2	14	45	64	118
3	20	67	95	176

TABLE V.37—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF NITROUS OXIDE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–N_2O case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	0.3	1.5	2.4	4.1
2	0.4	2.0	3.1	5.2
3	0.3	1.5	2.4	3.9
4	0.3	1.4	2.2	3.7
5	0.2	1.1	1.7	2.8
6	(1.2)	(5.2)	(8.1)	(13.8)
7	0.5	2.3	3.6	6.1
8	(0.9)	(3.9)	(6.0)	(10.3)
9	(1.5)	(6.4)	(10.0)	(17.0)

TABLE V.38—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: PRESENT VALUE OF NITROUS OXIDE EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	SC–N_2O case discount rate and statistics			
	5%, Average	3%, Average	2.5%, Average	3%, 95th percentile
	million 2020$			
1	0.2	0.7	1.0	1.8
2	0.2	0.8	1.3	2.1
3	0.3	1.2	1.9	3.2

DOE is well aware that scientific and economic knowledge about the contribution of CO_2 and other GHG emissions to changes in the future global climate and the potential resulting damages to the world economy continues to evolve rapidly. Thus, any value placed on reduced GHG emissions in this rulemaking is subject to change. That said, because of omitted damages, DOE agrees with the IWG that these estimates most likely underestimate the climate benefits of greenhouse gas reductions. DOE, together with other Federal agencies, will continue to review various methodologies for estimating the monetary value of reductions in CO_2 and other GHG emissions. This ongoing review will consider the comments on this subject that are part of the public record for this and other rulemakings, as well as other methodological assumptions and issues. DOE notes that the proposed standards would be economically justified even without inclusion of monetized benefits of reduced GHG emissions.

DOE also estimated the monetary value of the economic impacts associated with changes in SO_2 emissions anticipated to result from the considered TSLs for NWGFs and MHGFs. The dollar-per-ton values that DOE used are discussed in section IV.L.2 of this document. Table V.39 presents the present value SO_2 emission changes for each AFUE TSL calculated using 7-percent and 3-percent discount rates. Table V.40 presents the cumulative present values for SO_2 emissions for each standby mode and off mode TSL calculated using 7-percent and 3-percent discount rates. These tables present results that use the low benefit-per-ton values, which reflect DOE's primary estimate.

TABLE V.39—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF SO_2 EMISSION CHANGES FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	7% discount rate	3% discount rate
	million 2020$	
1	(39)	(125)
2	(91)	(288)
3	(165)	(517)
4	(173)	(570)
5	(218)	(680)
6	(745)	(2,296)
7	(229)	(737)
8	(756)	(2,357)
9	(1,122)	(3,490)

Parentheses indicate negative (−) values.

TABLE V.40—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: PRESENT VALUE OF SO_2 EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	7% discount rate	3% discount rate
	million 2020$	
1	33.3	108.3
2	40.0	129.9
3	59.7	194.1

DOE also estimated the monetary value of the economic benefits associated with NO_X emissions reductions anticipated to result from the considered TSLs for NWGFs and MHGFs. The dollar-per-ton values that DOE used are discussed in section IV.L of this document. Table V.41 presents the present value for NO_X emissions reduction for each AFUE TSL calculated using 7-percent and 3-percent discount rates. Table V.42 presents the cumulative present values for NO_X emissions for each standby mode and off mode TSL calculated using 7-percent and 3-percent discount rates. These tables present results that use the low benefit-per-ton values, which reflect DOE's primary estimate.

TABLE V.41—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF NO_X EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	7% discount rate	3% discount rate
	million 2020$	
1	1,720	5,682
2	2,726	9,008
3	3,284	10,820
4	3,327	11,233
5	3,620	11,907
6	5,344	17,393
7	4,815	15,903

TABLE V.41—POTENTIAL AFUE STANDARDS: PRESENT VALUE OF NO_X EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058—Continued

TSL	7% discount rate	3% discount rate
	million 2020$	
8	6,631	21,695
9	9,390	30,407

Note: Results are based on the low benefit-per-ton values.

TABLE V.42—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: PRESENT VALUE OF NO_X EMISSIONS REDUCTION FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES SHIPPED IN 2029–2058

TSL	7% discount rate	3% discount rate
	million 2020$	
1	75.7	247.8
2	90.8	297.4
3	135.7	444.3

Note: Results are based on the low benefit-per-ton values.

The benefits of reduced CO_2, CH_4, and N_2O emissions are collectively referred to as climate benefits. The net benefits of SO_2 and NO_X emission changes are collectively referred to as health benefits. For the time series of estimated monetary values of reduced emissions, see chapter 14 of the NOPR TSD.

7. Other Factors

The Secretary of Energy, in determining whether a standard is economically justified, may consider any other factors that the Secretary deems to be relevant. (42 U.S.C. 6295(o)(2)(B)(i)(VII)) No other factors were considered in this analysis.

8. Summary of National Economic Impacts

Table V.43 and Table V.44 present the NPV values that result from adding the monetized estimates of the potential economic, climate, and health net benefits resulting from GHG, SO_2, and NO_X emission changes to the NPV of consumer savings calculated for each TSL considered in this rulemaking. The consumer benefits are domestic U.S. monetary savings that occur as a result of purchasing the covered NWGFs and MHGFs, and are measured for the lifetime of products shipped in 2029–2058. The climate benefits associated with reduced GHG emissions resulting from the adopted standards are global benefits and are also calculated based on the lifetime of consumer furnaces shipped in 2029–2058. The climate benefits associated with four SC–GHG estimates are shown. DOE does not have a single central SC–GHG point estimate and it emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

TABLE V.43—POTENTIAL AFUE STANDARDS: NPV OF CONSUMER BENEFITS COMBINED WITH MONETIZED CLIMATE AND HEALTH BENEFITS FROM EMISSIONS REDUCTIONS

Category	TSL 1	TSL 2	TSL 3	TSL 4	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
3% discount rate for NPV of Consumer and Health Benefits (billion 2020$)									
5% d.r., Average SC–GHG case	12.1	19.2	23.1	23.1	25.2	34.2	35.1	44.8	58.0
3% d.r., Average SC–GHG case	15.3	24.4	29.3	29.5	32.0	43.9	44.2	57.1	75.2
2.5% d.r., Average SC–GHG case	17.7	28.2	33.8	34.2	36.9	51.0	50.8	65.9	87.5
3% d.r., 95th percentile SC–GHG case	23.6	37.4	44.9	45.6	49.1	68.5	67.1	87.9	118.3
7% discount rate for NPV of Consumer and Health Benefits (billion 2020$)									
5% d.r., Average SC–GHG case	4.2	6.7	8.1	8.0	8.8	12.0	12.4	16.0	20.5
3% d.r., Average SC–GHG case	7.4	11.9	14.2	14.4	15.6	21.8	21.5	28.2	37.6
2.5% d.r., Average SC–GHG case	9.8	15.6	18.7	19.0	20.5	28.8	28.1	37.0	50.0
3% d.r., 95th percentile SC–GHG case	15.7	24.9	29.8	30.5	32.7	46.3	44.5	59.0	80.8

TABLE V.44—POTENTIAL STANDBY MODE AND OFF MODE STANDARDS: NPV OF CONSUMER BENEFITS COMBINED WITH MONETIZED CLIMATE AND HEALTH BENEFITS FROM EMISSIONS REDUCTIONS

Category	TSL 1	TSL 2	TSL 3
3% discount rate for NPV of Consumer and Health Benefits (billion 2020$)			
5% d.r., Average SC–GHG case	2.4	2.8	4.1
3% d.r., Average SC–GHG case	2.5	3.0	4.4
2.5% d.r., Average SC–GHG case	2.6	3.1	4.6
3% d.r., 95th percentile SC–GHG case	2.9	3.4	5.1
7% discount rate for NPV of Consumer and Health Benefits (billion 2020$)			
5% d.r., Average SC–GHG case	0.8	1.0	1.4
3% d.r., Average SC–GHG case	1.0	1.2	1.7
2.5% d.r., Average SC–GHG case	1.1	1.3	1.9
3% d.r., 95th percentile SC–GHG case	1.4	1.6	2.4

C. Conclusion

When considering new or amended energy conservation standards, the standards that DOE adopts for any type (or class) of covered product must be designed to achieve the maximum improvement in energy efficiency that the Secretary determines is technologically feasible and economically justified. (42 U.S.C. 6295(o)(2)(A)) In determining whether a standard is economically justified, the Secretary must determine whether the benefits of the standard exceed its burdens by, to the greatest extent practicable, considering the seven statutory factors discussed previously. (42 U.S.C. 6295(o)(2)(B)(i)) The new or amended standard must also result in significant conservation of energy. (42 U.S.C. 6295(o)(3)(B))

In this NOPR, DOE considered the impacts of amended and new standards for NWGFs and MHGFs at each TSL, beginning with the maximum technologically feasible level, to determine whether that level was economically justified. Where the max-tech level was not justified, DOE then considered the next most efficient level and undertook the same evaluation until it reached the highest efficiency level that is both technologically feasible and economically justified and saves a significant amount of energy.

To aid the reader as DOE discusses the benefits and/or burdens of each TSL, tables in this section present a summary of the results of DOE's quantitative analysis for each TSL. In addition to the quantitative results presented in the tables, DOE also considers other burdens and benefits that affect economic justification. These include the impacts on identifiable subgroups of consumers who may be disproportionately affected by a national standard and impacts on employment.

DOE also notes that the economics literature provides a wide-ranging discussion of how consumers trade off upfront costs and energy savings in the absence of government intervention. Much of this literature attempts to explain why consumers appear to undervalue energy efficiency improvements. There is evidence that consumers undervalue future energy savings as a result of (1) a lack of information; (2) a lack of sufficient salience of the long-term or aggregate benefits; (3) a lack of sufficient savings to warrant delaying or altering purchases; (4) excessive focus on the short term, in the form of inconsistent weighting of future energy cost savings relative to available returns on other investments; (5) computational or other difficulties associated with the evaluation of relevant tradeoffs; and (6) a divergence in incentives (for example, between renters and owners, or builders and purchasers). Having less than perfect foresight and a high degree of uncertainty about the future, consumers may trade off these types of investments at a higher than expected rate between current consumption and uncertain future energy cost savings.

In DOE's current regulatory analysis, potential changes in the benefits and costs of a regulation due to changes in consumer purchase decisions are included in two ways. First, if consumers forego the purchase of a product in the standards case, this decreases sales for product manufacturers, and the impact on manufacturers attributed to lost revenue is included in the MIA. Second, DOE accounts for energy savings attributable only to products actually used by consumers in the standards case; if a standard decreases the number of products purchased by consumers, this decreases the potential energy savings from an energy conservation standard. DOE provides estimates of shipments and changes in the volume of product purchases in chapter 9 of the SNOPR TSD. However, DOE's current analysis does not explicitly control for heterogeneity in consumer preferences, preferences across subcategories of products or specific features, or consumer price sensitivity variation according to household income.[275]

1. Benefits and Burdens of TSLs Considered for Non-Weatherized Gas Furnace and Mobile Home Gas Furnace AFUE Standards

Table V.45 and Table V.46 summarize the quantitative impacts estimated for each AFUE TSL for NWGFs and MHGFs. The national impacts are measured over the lifetime of NWGFs and MHGFs purchased in the 30-year period that begins in the anticipated year of compliance with amended standards (2029–2058). The energy savings and emissions reductions refer to full-fuel-cycle results. The efficiency levels contained in each TSL are described further in section V.A of this document.

[275] P.C. Reiss and M.W. White (2005), Household Electricity Demand, Revisited. *The Review of Economic Studies,* 72 (3), 853–883 (Available at: *academic.oup.com/restud/article/72/3/853/1557538*) (Last accessed Feb. 15, 2022).

TABLE V.45—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE TSLS: NATIONAL IMPACTS

Category	TSL 1	TSL 2	TSL 3	TSL 4	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
Cumulative FFC National Energy Savings (quads)									
Quads	1.78	2.76	3.19	3.35	3.44	4.12	4.70	5.48	7.48
Cumulative FFC Emissions Reduction (total FFC emission)									
CO_2 (*million metric tons*)	100	158	188	199	205	286	277	363	502
SO_2 (*thousand tons*)	(2.6)	(6.2)	(11.3)	(13.1)	(14.9)	(50.6)	(16.4)	(52.3)	(77.1)
NO_X (*thousand tons*)	209	333	401	427	443	660	591	819	1,139
Hg (*tons*)	(0.02)	(0.04)	(0.07)	(0.09)	(0.10)	(0.32)	(0.11)	(0.33)	(0.48)
CH_4 (*thousand tons*)	1,259	2,011	2,437	2,590	2,696	4,112	3,586	5,068	7,070
N_2O (*thousand tons*)	0.14	0.18	0.14	0.13	0.10	(0.45)	0.21	(0.33)	(0.56)
Present Value of Benefits and Costs (3% discount rate, billion 2020$)									
Consumer Operating Cost Savings	7.8	12.4	15.1	15.0	16.6	22.8	22.8	29.7	40.0
Climate Benefits *	4.3	6.8	8.2	8.4	9.0	12.9	12.0	16.2	22.7
Net Health Benefits **	5.6	8.7	10.3	10.7	11.2	15.1	15.2	19.3	26.9
Total Benefits †	17.6	27.9	33.6	34.1	36.8	50.8	50.0	65.2	89.6
Consumer Incremental Product Costs ‡	2.3	3.6	4.3	4.6	4.9	6.9	5.9	8.2	14.4
Consumer Net Benefits	5.5	8.9	10.8	10.4	11.8	15.9	17.0	21.6	25.6
Total Net Benefits	15.3	24.4	29.3	29.5	32.0	43.9	44.2	57.1	75.2
Present Value of Benefits and Costs (7% discount rate, billions 2020$)									
Consumer Operating Cost Savings	2.6	4.2	5.2	5.0	5.7	7.8	7.8	10.2	13.9
Climate Benefits *	4.3	6.8	8.2	8.4	9.0	12.9	12.0	16.2	22.7
Health Benefits **	1.7	2.6	3.1	3.2	3.4	4.6	4.6	5.9	8.3
Total Benefits †	8.6	13.7	16.4	16.6	18.1	25.3	24.4	32.2	44.8
Consumer Incremental Product Costs ‡	1.2	1.8	2.2	2.2	2.5	3.5	2.9	4.0	7.2
Consumer Net Benefits	1.5	2.4	3.0	2.8	3.2	4.3	4.9	6.2	6.7
Total Net Benefits	7.4	11.9	14.2	14.4	15.6	21.8	21.5	28.2	37.6

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058. Parentheses indicate negative (−) values.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21-cv-1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Net health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total and net benefits include those consumer, climate, and health benefits that can be monetized. For presentation purposes, total and net benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

TABLE V.46—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE TSLS: MANUFACTURER AND CONSUMER IMPACTS

Category	TSL 1	TSL 2	TSL 3	TSL 4	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
Manufacturer Impacts									
Industry NPV (*million 2020$*) (No-new-standards case INPV = 1,411.8)	1,316.7 to 1,394.6	1,280.4 to 1,395.0	1,260.0 to 1,387.8	1,126.6 to 1,395.7	1,250.7 to 1,394.2	1,237.4 to 1,377.4	1,067.5 to 1,396.8	1,031.5 to 1,381.4	728.0 to 1,420.8
Industry NPV (*% change*)	(6.7) to (1.2)	(9.3) to (1.2)	(10.8) to (1.7)	(20.2) to (1.1)	(11.4) to (1.2)	(12.4) to (2.4)	(24.4) to (1.1)	(26.9) to (2.2)	(48.4) to 0.6
Consumer Average LCC Savings (2020$)									
NWGF	663	603	575	350	625	470	563	464	254
MHGF	406	516	501	298	569	493	603	526	414
Shipment-Weighted Average *	661	601	573	348	624	471	564	466	258

TABLE V.46—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE AFUE TSLS: MANUFACTURER AND CONSUMER IMPACTS—Continued

Category	TSL 1	TSL 2	TSL 3	TSL 4	TSL 5	TSL 6	TSL 7	TSL 8	TSL 9
Consumer Simple PBP (*years*)									
NWGF	6.8	6.6	6.7	8.0	7.1	8.9	5.8	7.2	9.1
MHGF	6.5	5.6	5.7	12.1	5.7	8.5	5.1	7.5	12.6
Shipment-Weighted Average *	6.8	6.6	6.7	8.0	7.1	8.8	5.8	7.2	9.2
Percentage of Consumers That Experience a Net Cost									
NWGF	3.7	6.0	7.9	5.2	9.1	17.7	8.3	16.6	52.4
MHGF	1.9	3.2	3.9	10.4	4.8	21.8	4.6	21.5	38.0
Shipment-Weighted Average *	3.7	6.0	7.8	5.3	9.0	17.8	8.3	16.7	52.1

Parentheses indicate negative (−) values.
* Weighted by shares of each product class in total projected shipments in 2029.

DOE first considered the AFUE standards at TSL 9, which represents the max-tech efficiency levels and which includes the highest efficiency commercially available for both non-weatherized gas furnaces and mobile furnaces (*i.e.,* 98-percent AFUE for NWGFs and 96-percent AFUE for MHGFs). TSL 9 would save 7.48 quads of energy, an amount DOE considers significant. Under TSL 9, the NPV of consumer benefit would be $6.7 billion using a discount rate of 7 percent, and $25.6 billion using a discount rate of 3 percent.

The cumulative emissions reductions at TSL 9 are 502 Mt of CO_2, 1.1 million tons of NO_X, and 7.1 million tons of CH_4. Projected emissions show an increase of 77 thousand tons of SO_2, 0.6 thousand tons of N_2O, and 0.5 tons of Hg. The increase is due to projected switching from gas furnaces to electric heat pumps and electric furnaces under standards at TSL 9. The estimated monetary value of the climate benefits from reduced GHG emissions (associated with the average SC–GHG at a 3-percent discount rate) at TSL 9 is $22.7 billion. The estimated monetary value of the health benefits from changes to SO_2 and NO_X emissions at TSL 9 is $8.3 billion using a 7-percent discount rate and $26.9 billion using a 3-percent discount rate.

Using a 7-percent discount rate for consumer benefits and costs, health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated total NPV at TSL 9 is $37.6 billion. Using a 3-percent discount rate for all benefits and costs, the estimated total NPV at TSL 9 is $75.2 billion.

At TSL 9, the average LCC impact on affected consumers is a savings of $254 for NWGFs and $414 for MHGFs. The simple payback period is 9.1 years for NWGFs and 12.6 years for MHGFs. The fraction of consumers experiencing a net LCC cost is 52.4 percent for NWGFs and 38.0 percent for MHGFs. The fraction of low-income consumers experiencing a net LCC cost is 34.8 percent for NWGFs and 23.3 percent for MHGFs.

At TSL 9, the projected changes in INPV range from a decrease of $683.8 million to an increase of 9.0 million. If the more severe end of this range is realized, TSL 9 could result in a net loss of 48.4 percent in INPV. Industry conversion costs could reach $301.6 million at this TSL.

At TSL 9, manufacturers would need to significantly restructure their product offerings. Currently, less than half of consumer furnace manufacturers offer a product that meets the max-tech efficiencies. The models available at these efficiencies are not produced in high volumes. DOE estimates that approximately 1.8 percent of NWGF shipments and 0.8 percent of MHGF shipments are currently sold at the max-tech levels, 98-percent AFUE and 96-percent AFUE, respectively. The NWGF industry would incur significant product conversion costs to develop cost-optimized NWGF models for a marketplace where efficiency and combustion system technology are no longer viable options for product differentiation. Similarly, the MHGF industry would incur significant product conversion costs to develop cost-optimized models for a marketplace where efficiency is no longer a means for product differentiation. As noted in section IV.J.2.d of this document, manufacturers currently maintain multiple tiers of product lines, which have varying levels of profitability. DOE models the industry operating with three manufacturer markup tiers (''good, better, best'') that are primarily differentiated on AFUE and combustion system technology (*e.g.,* single-stage, two-stage, and modulating combustion systems). Generally, higher efficiency models and those with more advanced combustion system technology command a higher manufacturer markup than lower efficiency models. At max-tech, NWGF and MHGF manufacturers would lose the ability to charge a premium markup based on AFUE, which would lead to an overall reduction in profitability. At the NWGF max-tech level, manufacturers would also lose the ability to differentiate products based on combustion system technology as all models would need to integrate modulating combustion. Without these differentiators, manufacturers would have a more difficult time maintaining premium product lines that command higher manufacturer markups. The reduction in product differentiation leads to a reduction in profitability, which is a key driver of loss in INPV. Even as profitability of products are expected to decline, NWGF and MHGF manufacturers would need to invest in significant capital conversion costs to update manufacturing lines to produce max-tech designs at high volume. The reduced profitability due to limited product differentiation, large upfront investments to remain in the market, and negative impacts on INPV could alter the consumer furnaces competitive landscape. Manufacturers that have lower cash reserves, more difficulty raising capital, a greater portion of products that require redesign, or fewer technical resources would experience more business risk than their competitors in the industry.

Based upon the above considerations, the Secretary tentatively concludes that at TSL 9 for NWGFs and MHGFs AFUE standards, the benefits of energy savings, positive NPV of consumer benefits, emission reductions, and the estimated monetary value of the health benefits of emissions reductions would be outweighed by the economic burden on many consumers, especially low-income consumers, as well as the impacts on manufacturers, including the large potential reduction in INPV. In

reaching this initial decision, DOE notes that a large fraction of both NWGF and MHGF consumers (52.4 percent and 38.0 percent, respectively), including low-income consumers, experience a net cost at TSL 9. This is due to the high incremental cost of NWGFs and MHGFs at the max-tech efficiency levels. This is particularly pronounced for NWGFs, where the incremental production cost above baseline is more than twice as large as the next highest efficiency level (see section IV.C.2 of this document). Consumers with existing furnaces above 90-percent AFUE but below 98-percent AFUE are more likely to experience a net cost at TSL 9, given the relatively modest decrease in operating costs compared to the high incremental installed costs. At max-tech, most manufacturers would need to make significant upfront investments to update product lines and manufacturing facilities. Additionally, the companies must make those investments to remain in a less-profitable market where there is less product differentiation to maintain premium pricing tiers and where consumers are more likely to repair their existing furnaces or switch to alternative heating technologies. As result, there is risk that some manufacturers would choose to leave the market and risk that the standard would drive industry consolidation that would not otherwise have occurred. Consequently, the Secretary has tentatively concluded that TSL 9 is not economically justified.

DOE then considered the AFUE standards at TSL 8, which consists of intermediate condensing efficiency levels at 95-percent AFUE for both NWGFs and MHGFs across the Nation. TSL 8 would save 5.48 quads of energy, an amount DOE considers significant. Under TSL 8, the NPV of consumer benefit would be $6.2 billion using a discount rate of 7 percent, and $21.6 billion using a discount rate of 3 percent.

The cumulative emissions reductions at TSL 8 would be expected to be 363 Mt of CO_2, 0.8 million tons of NO_X, and 5.1 million tons of CH_4. Projected emissions show an increase of 52 thousand tons of SO_2, 0.3 thousand tons of N_2O, and 0.3 tons of Hg. The increase is due to projected switching from gas furnaces to electric heat pumps and electric furnaces under standards at TSL 8. The estimated monetary value of the climate benefits from reduced GHG emissions (associated with the average SC–GHG at a 3-percent discount rate) at TSL 8 is $16.2 billion. The estimated monetary value of the health benefits from changes to SO_2 and NO_X emissions at TSL 8 is $5.9 billion using a 7-percent discount rate and $19.3 billion using a 3-percent discount rate.

Using a 7-percent discount rate for consumer benefits and costs, health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated total NPV at TSL 8 is $28.2 billion. Using a 3-percent discount rate for all benefits and costs, the estimated total NPV at TSL 8 is $57.1 billion.

At TSL 8, the average LCC impact on affected consumers is a savings of $464 for NWGFs and $526 for MHGFs. The simple payback period is 7.2 years for NWGFs and 7.5 years for MHGFs. The fraction of consumers experiencing a net LCC cost is 16.6 percent for NWGFs and 21.5 percent for MHGFs. The fraction of low-income consumers experiencing a net LCC cost is 13.7 percent for NWGFs and 12.6 percent for MHGFs.

At TSL 8, the projected changes in INPV range from a decrease of $380.3 million to a decrease of $30.5 million. If the more severe end of this range is realized, TSL 8 could result in a net loss of 26.9 percent in INPV. Industry conversion costs would reach $149.0 million as manufacturers expand secondary heat exchanger capacity and redesign products to meet the standard.

At TSL 8, manufacturers would incur conversion costs to develop cost-optimized model offerings at the new minimum 95-percent AFUE and to expand secondary heat exchanger production capacity. However, the conversion costs at TSL 8 are substantially lower than those at TSL 9. Ninety percent of manufacturers currently have a range of compliant offerings at TSL 8. DOE estimates that approximately 39.3 percent of the annual NWGF shipments and approximately 14.9 percent of the annual MHGF shipments are already at this level. Furthermore, manufacturers would not be making the upfront investments with same level of profitability risk noted at TSL 9. With a national standard of 95-percent AFUE, both NWGF and MHGF manufacturers would maintain the ability to differentiate products based on efficiency and combustion system technology. With these options available, industry can continue to operate with three markup tiers (''good, better, best'') that enable greater industry profitability. However, the range of manufacturer markups are compressed, as max-tech products would not be expected to command the same premium as they did in the no-new-standards case.

After considering the analysis and weighing the benefits and burdens, the Secretary has tentatively concluded that an AFUE standard set at TSL 8 for NWGFs and MHGFs would be economically justified. At this TSL, the average LCC savings for both NWGF and MHGF consumers are positive. An estimated 16.6 percent of NWGF consumers and 21.5 percent of MHGF consumers experience a net cost. The reduction in the percentage of consumers experiencing a net cost at TSL 8 compared to TSL 9 is largely due to the market share of consumers already with a furnace at 95-percent AFUE (see section IV.F.9 of this document). These consumers are not impacted by a standard set at TSL 8. For the remaining consumers that are impacted, the lower incremental cost above baseline for a 95-percent AFUE furnace compared to a max-tech furnace (see section IV.C.2 of this document), particularly for NWGFs, results in fewer consumers experiencing a net cost as compared to TSL 9. The FFC national energy savings at TSL 8 are significant and the NPV of consumer benefits is positive using both a 3-percent and 7-percent discount rate. Notably, the benefits to consumers vastly outweigh the cost to manufacturers. At TSL 8, the NPV of consumer benefits, even measured at the more conservative discount rate of 7 percent is over 15 times higher than the maximum estimated manufacturers' loss in INPV. The shipment-weighted average LCC savings are more than 80 percent larger than at TSL 9. The standard levels at TSL 8 are economically justified even without weighing the estimated monetary value of the health benefits of emissions reductions. When those emissions reductions are included—representing $16.2 billion in climate benefits (associated with the average SC–GHG at a 3-percent discount rate), and $19.3 billion (using a 3-percent discount rate) or $5.9 billion (using a 7-percent discount rate) in health benefits—the rationale becomes stronger still.

DOE further notes that there have been regulations in Canada requiring condensing furnaces with at least 90-percent AFUE for over ten years and requiring at least 95-precent AFUE since July 2019 (see section II.B.3 of this NOPR). The proposed standard levels for NWGFs at TSL 8 align with the Canadian regulations. As discussed in the 2016 SNOPR (since withdrawn), some stakeholders noted that Canada has required condensing furnaces for years and stated that neither Natural Resources Canada nor its mortgage agency found any significant implementation issues. 81 FR 65720,

65779 (Sept. 23, 2016). While DOE realizes that climate and fuel prices differ between the U.S. and Canada and will yield different results on costs and benefits of the standard, there are similarities in the equipment and venting materials used in both the U.S. and Canada with respect to NWGFs. Because the stock of buildings using NWGFs in Canada has many similarities to the stock using NWGFs in northern parts of the U.S., the Canadian experience in terms of installation of condensing furnaces may have relevance to the U.S.

DOE acknowledges that an estimated 13.7 percent of low-income NWGF and 12.6 percent of low-income MHGF consumers experience a net cost at TSL 8, whereas an estimated 5.0 percent of low-income NWGF and 1.5 percent of low-income MHGF consumers experience a net cost at TSL 7. (TSL 7 is an AFUE standard at the same level as TSL 8 but for NWGFs and MHGFs greater than 55 kBtu/h only.) The majority of negatively impacted low-income consumers at TSL 8 have smaller capacity NWGFs or MHGFs below 55 kBtu/h and, therefore, would not be impacted by a standard set at TSL 7, since the standards for NWGFs and MHGFs below 55 kBtu/h would remain at 80-percent AFUE. However, compared to TSL 7, it is estimated that TSL 8 would result in additional FFC national energy savings of 0.78 quads and additional health benefits of $4.1 billion (using a 3-percent discount rate) or $1.3 billion (using a 7-percent discount rate). The national consumer NPV similarly increases at TSL 8, compared to TSL 7, by $1.3 billion using a 7-percent discount rate and $4.6 billion using a 3-percent discount rate. These additional savings and benefits at TSL 8 are significant. DOE considers these impacts to be, as a whole, economically justified at TSL 8, but will continue to evaluate the impacts on low-income consumers relative to all consumers. If DOE were to conclude that the costs of TSL 8 outweighed the benefits of TSL 8, then DOE could consider factors in TSL 7 such as the national energy savings of 4.70 quads, the NPV of consumer benefit of $4.9 billion using a discount rate of 7 percent and $17.0 billion using a discount rate of 3 percent, and CO_2 emission reductions of 277 million metric tons over the analysis period. Accordingly, DOE seeks comment on the merits of adopting TSL 7 as an alternative consideration to mitigating the impacts on low-income consumers. DOE could consider TSL 7, among others, in the final rule based on comments received.

Accordingly, the Secretary has tentatively concluded that TSL 8 would offer the maximum improvement in efficiency that is technologically feasible and economically justified and would result in the significant conservation of energy. Although results are presented here in terms of TSLs, DOE analyzes and evaluates all possible ELs for each product class in its analysis. For both NWGFs and MHGFs, TSL 8 is comprised of the highest efficiency level below max-tech. For NWGFs and MHGFs, the max-tech efficiency level results in a large percentage of consumers that experience a net LCC cost, in addition to significant manufacturer impacts. The ELs one level below max-tech, representing the proposed standard levels, result in positive LCC savings for both classes, significantly reduce the number of consumers experiencing a net cost, and reduce the decrease in INPV and conversion costs to the point where DOE has tentatively concluded they are economically justified, as discussed for TSL 8 in the preceding paragraphs. However, DOE acknowledges the potential impacts to low-income consumers and seeks additional information for further consideration.

Therefore, based on the above considerations, DOE proposes the AFUE energy conservation standards for NWGFs and MHGFs at TSL 8. The proposed energy conservation standards for NWGFs and MHGFs, which are expressed as AFUE, are shown in Table V.47.

TABLE V.47—PROPOSED AFUE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

[Compliance starting 2029]

Product class	AFUE (percent)
Non-Weatherized Gas Furnaces	95
Mobile Home Gas Furnaces	95

2. Benefits and Burdens of TSLs Considered for Non-Weatherized Gas Furnace and Mobile Home Gas Furnace Standby Mode and Off Mode Standards

Table V.48 and Table V.49 summarize the quantitative impacts estimated for each standby mode and off mode TSL for NWGFs and MHGFs. The national impacts are measured over the lifetime of NWGFs and MHGFs purchased in the 30-year period that begins in the anticipated year of compliance with amended standards (2029–2058). The energy savings and emissions reductions refer to full-fuel-cycle results. The efficiency levels contained in each TSL are described in section V.A of this document.

TABLE V.48—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE TSLS: NATIONAL IMPACTS

Category	TSL 1	TSL 2	TSL 3
Cumulative FFC National Energy Savings (*quads*)			
Quads	0.16	0.19	0.28
Cumulative FFC Emissions Reduction (Total FFC Emission)			
CO_2 (*million metric tons*)	5.4	6.4	9.6
SO_2 (*thousand tons*)	2.5	3.0	4.5
NO_X (*thousand tons*)	7.5	9.0	13.5

TABLE V.48—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE TSLS: NATIONAL IMPACTS—Continued

Category	TSL 1	TSL 2	TSL 3
Hg (*tons*)	0.015	0.018	0.027
CH_4 (*thousand tons*)	36.7	44.1	65.9
N_2O (*thousand tons*)	0.06	0.07	0.11
Present Value of Benefits and Costs (*3% discount rate, billion 2020$*)			
Consumer Operating Cost Savings	2.0	2.4	3.6
Climate Benefits *	0.2	0.2	0.4
Health Benefits **	0.4	0.4	0.6
Total Benefits †	2.6	3.1	4.6
Consumer Incremental Product Costs‡	0.0	0.1	0.2
Consumer Net Benefits	2.0	2.3	3.4
Total Net Benefits	2.5	3.0	4.4
Present Value of Benefits and Costs (*7% discount rate, billions 2020$*)			
Consumer Operating Cost Savings	0.7	0.8	1.2
Climate Benefits *	0.2	0.2	0.4
Health Benefits **	0.1	0.1	0.2
Total Benefits †	1.0	1.2	1.8
Consumer Incremental Product Costs ‡	0.0	0.0	0.1
Consumer Net Benefits	0.7	0.8	1.1
Total Net Benefits	1.0	1.2	1.7

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058. Parentheses indicate negative (−) values.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

* Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total and net benefits include those consumer, climate, and health benefits that can be monetized. For presentation purposes, total and net benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

TABLE V.49—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE TSLS: MANUFACTURER AND CONSUMER IMPACTS

Category	TSL 1	TSL 2	TSL 3
Manufacturer Impacts			
Industry NPV (*million 2020$*) (No-new-standards case INPV = 1,411.8)	1,410.8 to 1,412.7	1,410.8 to 1,412.8	1,409.7 to 1,416.8
Industry NPV (*% change*)	(0.1) to 0.1	(0.1) to 0.1	(0.1) to 0.4
Consumer Average LCC Savings (*2020$*)			
NWGF	21	23	26
MHGF	22	24	27
Shipment-Weighted Average *	21	23	26
Consumer Simple PBP (*years*)			
NWGF	0.7	1.5	2.0
MHGF	0.6	1.3	1.7
Shipment-Weighted Average *	0.7	1.5	2.0
Percent of Consumers that Experience a Net Cost			
NWGF	2.5	2.5	3.5
MHGF	1.2	1.2	1.6

TABLE V.49—SUMMARY OF ANALYTICAL RESULTS FOR NON-WEATHERIZED GAS FURNACE AND MOBILE HOME GAS FURNACE STANDBY MODE AND OFF MODE TSLS: MANUFACTURER AND CONSUMER IMPACTS—Continued

Category	TSL 1	TSL 2	TSL 3
Shipment-Weighted Average *	2.5	2.5	3.4

Parentheses indicate negative (−) values.
* Weighted by shares of each product class in total projected shipments in 2029.

DOE first considered TSL 3, which represents the max-tech efficiency levels. TSL 3 would save 0.28 quads of energy, an amount DOE considers significant. Under TSL 3, the NPV of consumer benefit would be $1.1 billion using a discount rate of 7 percent, and $3.4 billion using a discount rate of 3 percent.

The cumulative emissions reductions at TSL 3 are 9.6 Mt of CO_2, 4.5 thousand tons of SO_2, 13.5 thousand tons of NO_X, 0.03 tons of Hg, 65.9 thousand tons of CH_4, and 0.1 thousand tons of N_2O. The estimated monetary value of the climate benefits from reduced GHG emissions (associated with the average SC–GHG at a 3-percent discount rate) at TSL 3 is $0.4 billion. The estimated monetary value of the health benefits from reduced SO_2 and NO_X emissions at TSL 3 is $0.2 million using a 7-percent discount rate and $0.6 million using a 3-percent discount rate.

Using a 7-percent discount rate for consumer benefits and costs, health benefits from reduced SO_2 and NO_X emissions, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated total NPV at TSL 3 is $1.7 billion. Using a 3-percent discount rate for all benefits and costs, the at TSL 3 is $4.4 billion.

At TSL 3, the average LCC impact is a savings of $26 for NWGFs and $27 for MHGFs. The simple payback period is 2.0 years for NWGFs and 1.7 years for MHGFs. The fraction of consumers experiencing a net LCC cost is 3.5 percent for NWGFs and 1.6 percent for MHGFs.

At TSL 3, the change in INPV is projected to range from a decrease of $2.1 million to an increase of $5.0 million, which corresponds to a 0.1 percent decrease and 0.4 percent increase, respectively. The more negative INPV results are driven by the conversion costs, which could reach $1.6 million, and the model's lower bound assumption that manufacturers would not be able to pass these costs onto consumers. These changes have less than a one percent impact on free cash flow in 2028.

After considering the analysis and weighing the benefits and burdens, the Secretary has tentatively concluded that standby and off mode standards set at TSL 3 for NWGFs and MHGFs would be economically justified. At this TSL, the average LCC savings for both NWGF and MHGF consumers are expected to be positive. Only an estimated 3.5 percent of NWGF consumers and 1.6 percent of MHGF consumers are expected to experience a net cost. The FFC national energy savings are significant and the NPV of consumer benefits is positive using both a 3-percent and 7-percent discount rate. Notably, the national benefits vastly outweigh the costs. The positive LCC savings—a different way of quantifying consumer benefits—reinforces this conclusion. The shipment-weighted average LCC savings are largest at TSL 3. The standard levels at TSL 3 are economically justified even without weighing the estimated monetary value of emissions reductions. When those emissions reductions are included—representing $0.4 billion in climate benefits (associated with the average SC–GHG at a 3-percent discount rate), and $0.6 billion (using a 3-percent discount rate) or $0.2 billion (using a 7-percent discount rate) in health benefits—the rationale becomes stronger still.

Accordingly, the Secretary has tentatively concluded that TSL 3 would offer the maximum improvement in efficiency that is technologically feasible and economically justified, and would result in the significant conservation of energy. Although results are presented here in terms of TSLs, DOE analyzes and evaluates all possible ELs for each product class in its analysis. For both NWGFs and MHGFs, TSL 3 is comprised of the max-tech efficiency level. The ELs representing the proposed standard levels result in positive LCC savings for both classes, a small percentage of consumers experiencing a net cost, and a small decrease in INPV to the point where DOE has tentatively concluded they are economically justified, as discussed for TSL 3 in the preceding paragraphs.

Therefore, based on the above considerations, DOE proposes the standby mode and off mode energy conservation standards for NWGFs and MHGFs at TSL 3. The proposed energy conservation standards for NWGFs and MHGFs, which are expressed as watts, are shown in Table V.50.

TABLE V.50—PROPOSED STANDBY MODE AND OFF MODE ENERGY CONSERVATION STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (COMPLIANCE STARTING 2029)

Product class	Standby mode standard: $P_{W,SB}$ (watts)	Off mode standard: $P_{W,OFF}$ (watts)
Non-Weatherized Gas Furnaces	8.5	8.5
Mobile Home Gas Furnaces	8.5	8.5

3. Benefits and Costs of the Proposed Standards

The benefits and costs of the proposed standards can also be expressed in terms of annualized values. The annualized net benefit is (1) the annualized national economic value (expressed in 2020$) of the benefits from operating products that meet the proposed standards (consisting primarily of operating cost savings from using less energy, minus increases in product purchase costs), and (2) the annualized monetary value of the climate and health benefits from emission reductions.

Table V.51 shows the annualized values for NWGFs and MHGFs AFUE standards under TSL 8, expressed in

2020$. The results under the primary estimate are as follows.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed AFUE standards for NWGFs and MHGFs is $524 million per year in increased equipment costs, while the estimated annual benefits would be $1,320 million in reduced equipment operating costs, $1,015 million in climate benefits, and $760 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit amounts to $2,571 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed AFUE standards for NWGFs and MHGFs is $511 million per year in increased equipment costs, while the estimated annual benefits would be $1,865 million in reduced operating costs, $1,015 million in climate benefits, and $1,213 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit amounts to $3,581 million per year.

TABLE V.51—ANNUALIZED MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 8)

	Million 2020$/year		
	Primary estimate	Low-net-benefits estimate	High-net-benefits estimate
3% discount rate			
Consumer Operating Cost Savings	1,865	1,891	1,937
Climate Benefits *	1,015	1,000	1,042
Net Health Benefits **	1,213	1,197	1,251
Total Benefits †	4,093	4,088	4,230
Consumer Incremental Product Costs ‡	511	508	461
Net Benefits	3,581	3,580	3,769
7% discount rate			
Consumer Operating Cost Savings	1,320	1,338	1,352
Climate Benefits *	1,015	1,000	1,042
Health Benefits **	760	751	780
Total Benefits †	3,095	3,089	3,173
Consumer Incremental Product Costs ‡	524	516	471
Net Benefits	2,571	2,573	2,702

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

Table V.52 shows the annualized values for NWGFs and MHGFs standby mode and off mode standards under TSL 3, expressed in 2020$. The results under the primary estimate are as follows.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from reduced SO_2 and NO_X emissions, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed standby mode and off mode standards for NWGFs and MHGFs is $12.2 million per year in increased equipment costs, while the estimated annual benefits would be $160 million in reduced equipment operating costs, $23 million in climate benefits, and $25 million in health benefits. In this case, the net benefit would amount to $196 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed standby mode and off mode standards for NWGFs and MHGFs is $12.4 million per year in increased equipment costs, while the estimated annual benefits would be $224 million in reduced operating costs, $23 million in climate benefits, and $40 million in health benefits. In this case, the net

benefit would amount to $275 million per year.

TABLE V.52—ANNUALIZED MONETIZED BENEFITS AND COSTS OF PROPOSED STANDBY MODE AND OFF MODE STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES (TSL 3)

	Million 2020$/year		
	Primary estimate	Low-net-benefits estimate	High-net-benefits estimate
3% discount rate			
Consumer Operating Cost Savings	224	214	251
Climate Benefits *	23	23	24
Health Benefits **	40	40	43
Total Benefits †	287	276	318
Consumer Incremental Product Costs ‡	12	12	13
Net Benefits	275	264	305
7% discount rate			
Consumer Operating Cost Savings	160	155	176
Climate Benefits *	23	23	24
Health Benefits **	25	25	27
Total Benefits †	208	203	227
Consumer Incremental Product Costs ‡	12	12	13
Net Benefits	196	190	214

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

DOE considers and evaluates these standards independently under EPCA and the analytical process outlined in DOE's Process Rule (as amended). However, DOE is also presenting the combined effects of these standards for the benefit of the public and in compliance with E.O. 12866. To provide a complete picture of the overall impacts of this NOPR, the following combines and summarizes the benefits and costs for both the amended AFUE standards and the proposed standby mode and off mode standards for NWGFs and MHGFs. Table V.53 shows the combined annualized benefit and cost values for the proposed AFUE standards and the standby mode and off mode standards for NWGFs and MHGFs.

Using a 7-percent discount rate for consumer benefits and costs and health benefits from SO_2 and NO_X emission changes, and the 3-percent discount rate case for climate benefits from reduced GHG emissions, the estimated cost of the proposed standards in this rule is $536 million per year in increased equipment costs, while the estimated annual benefits would be $1,480 million in reduced equipment operating costs, $1,038 million in climate benefits, and $785 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit amounts to $2,767 million per year.

Using a 3-percent discount rate for all benefits and costs, the estimated cost of the proposed standards in this rule is $524 million per year in increased equipment costs, while the estimated annual benefits would be $2,089 million in reduced operating costs, $1,038 million in climate benefits, and $1,253 million in health benefits (accounting for reduced NO_X emissions and increased SO_2 emissions). In this case, the net benefit would amount to $3,856 million per year.

TABLE V.53—MONETIZED BENEFITS AND COSTS OF PROPOSED AFUE (TSL 8) AND STANDBY MODE AND OFF MODE (TSL 3) STANDARDS FOR NON-WEATHERIZED GAS FURNACES AND MOBILE HOME GAS FURNACES

	Annualized (million 2020$/yr)	Total present value (billion 2020$)
3%		
Consumer Operating Cost Savings	2,089	33.3
Climate Benefits *	1,038	16.5
Health Benefits **	1,253	20.0
Total Benefits †	4,380	69.8
Consumer Incremental Product Costs ‡	524	8.3
Net Benefits	3,856	61.5
7%		
Consumer Operating Cost Savings	1,480	11.4
Climate Benefits *	1,038	16.5
Health Benefits **	785	6.1
Total Benefits †	3,303	34.0
Consumer Incremental Product Costs ‡	536	4.1
Net Benefits	2,767	29.9

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21–cv–1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

VI. Procedural Issues and Regulatory Review

A. Review Under Executive Orders 12866 and 13563

Executive Order (''E.O.'') 12866, ''Regulatory Planning and Review,'' as supplemented and reaffirmed by E.O. 13563, ''Improving Regulation and Regulatory Review, 76 FR 3821 (Jan. 21, 2011), requires agencies, to the extent permitted by law, to (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs (recognizing that some benefits and costs are difficult to quantify); (2) tailor regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations; (3) select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity); (4) to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt; and (5) identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public. DOE emphasizes as well that E.O. 13563 requires agencies to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible. In its guidance, the Office of Information and Regulatory Affairs (''OIRA'') in the Office of Management and Budget (''OMB'') has emphasized that such techniques may include identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes. For the reasons stated in the preamble, this proposed regulatory action is consistent with these principles.

Section 6(a) of E.O. 12866 also requires agencies to submit ''significant regulatory actions'' to OIRA for review. OIRA has determined that this proposed regulatory action constitutes an economically significant regulatory action under section 3(f) of E.O. 12866. Accordingly, pursuant to section 6(a)(3)(C) of E.O. 12866, DOE has provided to OIRA an assessment, including the underlying analysis, of benefits and costs anticipated from the proposed regulatory action, together with, to the extent feasible, a quantification of those costs; and an assessment, including the underlying

analysis, of costs and benefits of potentially effective and reasonably feasible alternatives to the planned regulation, and an explanation why the planned regulatory action is preferable to the identified potential alternatives. A summary of the potential costs and benefits of the combined regulatory actions are presented in Table VI.1.

TABLE VI.1—MONETIZED BENEFITS, COSTS, AND NET BENEFITS OF PROPOSED AFUE AND STANDBY AND MODE AND OFF MODE STANDARDS

	Annualized (million 2020$/yr)	Total present value (billion 2020$)
3%		
Consumer Operating Cost Savings	2,089	33.3
Climate Benefits *	1,038	16.5
Health Benefits **	1,253	20.0
Total Benefits †	4,380	69.8
Consumer Incremental Product Costs‡	524	8.3
Net Benefits	3,856	61.5
7%		
Consumer Operating Cost Savings	1,480	11.4
Climate Benefits *	1,038	16.5
Health Benefits **	785	6.1
Total Benefits †	3,303	34.0
Consumer Incremental Product Costs ‡	536	4.1
Net Benefits	2,767	29.9

Note: This table presents the costs and benefits associated with consumer furnaces shipped in 2029–2058. These results include benefits to consumers which accrue after 2058 from the products shipped in 2029–2058.

* Climate benefits are calculated using four different estimates of the social cost of carbon (SC–CO_2), methane (SC–CH_4), and nitrous oxide (SC–N_2O) (model average at 2.5 percent, 3 percent, and 5 percent discount rates; 95th percentile at 3 percent discount rate). Together these represent the global social cost of greenhouse gases (SC–GHG). For presentational purposes of this table, the climate benefits associated with the average SC–GHG at a 3 percent discount rate are shown, but the Department does not have a single central SC–GHG point estimate. See section. IV.L of this document for more details. On March 16, 2022, the Fifth Circuit Court of Appeals (No. 22–30087) granted the Federal government's emergency motion for stay pending appeal of the February 11, 2022, preliminary injunction issued in *Louisiana* v. *Biden,* No. 21-cv-1074–JDC–KK (W.D. La.). As a result of the Fifth Circuit's order, the preliminary injunction is no longer in effect, pending resolution of the Federal government's appeal of that injunction or a further court order. Among other things, the preliminary injunction enjoined the defendants in that case from ''adopting, employing, treating as binding, or relying upon'' the interim estimates of the social cost of greenhouse gases—which were issued by the Interagency Working Group on the Social Cost of Greenhouse Gases on February 26, 2021—to monetize the benefits of reducing greenhouse gas emissions. In the absence of further intervening court orders, DOE will revert to its approach prior to the injunction and present monetized benefits where appropriate and permissible under law.

** Health benefits are calculated using benefit-per-ton values for NO_X and SO_2. DOE is currently only monetizing (for SO_2 and NO_X) $PM_{2.5}$ precursor health benefits and (for NO_X) ozone precursor health benefits, but will continue to assess the ability to monetize other effects such as health benefits from reductions in direct $PM_{2.5}$ emissions. See section IV.L of this document for more details.

† Total benefits for both the 3-percent and 7-percent cases are presented using the average SC–GHG with 3-percent discount rate, but the Department does not have a single central SC–GHG point estimate. DOE emphasizes the importance and value of considering the benefits calculated using all four SC–GHG estimates.

‡ Costs include incremental equipment costs as well as installation costs.

B. Review Under the Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires preparation of an initial regulatory flexibility analysis (''IRFA'') for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. As required by E.O. 13272, ''Proper Consideration of Small Entities in Agency Rulemaking,'' 67 FR 53461 (August 16, 2002), DOE published procedures and policies on February 19, 2003, to ensure that the potential impacts of its rules on small entities are properly considered during the DOE rulemaking process. 68 FR 7990. DOE has made its procedures and policies available on the Office of the General Counsel's website (*www.energy.gov/gc/office-general-counsel*). DOE has prepared the following IRFA for the products that are the subject of this rulemaking.

For manufacturers of NWGFs and MHGFs, the SBA has set a size threshold, which defines those entities classified as ''small businesses'' for the purposes of the statute. DOE used the SBA's small business size standards to determine whether any small entities would be subject to the requirements of the rule. (*See* 13 CFR part 121.) The size standards are listed by North American Industry Classification System (''NAICS'') code and industry description and are available at *www.sba.gov/document/support--table-size-standards.* Manufacturing of NWGFs and MHGFs is classified under NAICS 333415, ''Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing.'' The SBA sets a threshold of 1,250 employees or fewer for an entity to be considered as a small business for this category.

1. Description of Reasons Why Action Is Being Considered

DOE is proposing amended energy conservation standards and new standby mode and off mode energy standards for NWGFs and MHGFs. EPCA specifically provides that DOE must conduct two rounds of energy conservation standard rulemakings for

NWGFs and MHGFs. (42 U.S.C. 6295(f)(4)(B) and (C)) The statute also requires that not later than 6 years after issuance of any final rule establishing or amending a standard, DOE must publish either a notice of determination that standards for the product do not need to be amended, or a NOPR including new proposed energy conservation standards. (42 U.S.C. 6295(m)(1)) This rulemaking is pursuant to the statutorily required second round of rulemaking for NWGFs and MHGFs, and the statutorily required 6-year review.

2. Objectives of, and Legal Basis for, Rule

Amendments to EPCA in the National Appliance Energy Conservation Act of 1987 (NAECA; Pub. L. 100–12) established EPCA's original energy conservation standards for furnaces, consisting of the minimum AFUE levels described above for mobile home furnaces and for all other furnaces except ''small'' gas furnaces. (42 U.S.C. 6295(f)(1)-(2)) Pursuant to 42 U.S.C. 6295(f)(1)(B), in November 1989, DOE adopted a mandatory minimum AFUE level for ''small'' furnaces. 54 FR 47916 (Nov. 17, 1989). The standards established by NAECA and the November 1989 final rule for ''small'' gas furnaces are still in effect for mobile home oil-fired furnaces, weatherized oil-fired furnaces.

Under EPCA, DOE was required to conduct two rounds of rulemaking to consider amended energy conservation standards for furnaces. (42 U.S.C. 6295(f)(4)(B) and (C)) In satisfaction of this first round of amended standards rulemaking under 42 U.S.C. 6295(f)(4)(B), as noted previously, DOE published a final rule in the **Federal Register** on November 19, 2007, that revised these standards for most furnaces, but left them in place for two product classes (*i.e.,* mobile home oil-fired furnaces and weatherized oil-fired furnaces). The standards amended in the November 2007 Rule were to apply to furnaces manufactured or imported on and after November 19, 2015. 72 FR 65136 (Nov. 19, 2007). The energy conservation standards in the November 2007 final rule consist of a minimum AFUE level for each of the six classes of furnaces. *Id.* at 72 FR 65169. As previously noted, based on the market analysis for the November 2007 final rule and the standards established under that rule, the November 2007 final rule eliminated the distinction between furnaces based on their certified input capacity, *i.e.,* the standards applicable to ''small'' furnaces were established at the same level as the corresponding class of furnace generally.

Following DOE's adoption of the November 2007 final rule, several parties jointly sued DOE in the United States Court of Appeals for the Second Circuit (Second Circuit), seeking to invalidate the rule. Petition for Review, *State of New York, et al.* v. *Department of Energy, et al.,* Nos. 08–0311–ag(L); 08–0312–ag(con) (2d Cir. filed Jan. 17, 2008). The petitioners asserted that the standards for residential furnaces promulgated in the November 2007 Rule did not reflect the ''maximum improvement in energy efficiency'' that ''is technologically feasible and economically justified'' under 42 U.S.C. 6295(o)(2)(A). On April 16, 2009, DOE filed with the Court a motion for voluntary remand that the petitioners did not oppose. The motion did not state that the November 2007 rule would be vacated, but indicated that DOE would revisit its initial conclusions outlined in the November 2007 Rule in a subsequent rulemaking action. DOE also agreed that the final rule would address both regional standards for furnaces, as well as the effects of alternate standards on natural gas prices. The Second Circuit granted DOE's motion on April 21, 2009.

On June 27, 2011, DOE published in the **Federal Register** a direct final rule (''June 2011 DFR'') revising the energy conservation standards for residential furnaces pursuant to the voluntary remand in *State of New York, et al.* v. *Department of Energy, et al.* 76 FR 37408. In the June 2011 DFR, DOE considered the amendment of the same six product classes considered in the November 2007 final rule analysis plus electric furnaces. The June 2011 DFR amended the existing energy conservation standards for NWGFs, MHGFs, and non-weatherized oil furnaces, and amended the compliance date (but left the existing standards in place) for weatherized gas furnaces. The June 2011 DFR also established electrical standby mode and off mode energy conservation standards for NWGFs, non-weatherized oil furnaces, and electric furnaces. DOE confirmed the standards and compliance dates promulgated in the June 2011 final rule in a notice of effective date and compliance dates published in the **Federal Register** on October 31, 2011. 76 FR 67037.

As noted earlier, following DOE's adoption of the June 2011 DFR, APGA filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit, seeking to invalidate the DOE rule as it pertained to NWGFs. Petition for Review, *American Public Gas Association, et al.* v. *Department of Energy, et al.,* No. 11–1485 (D.C. Cir. filed Dec. 23, 2011). On April 24, 2014, the Court granted a motion that allowed for the settlement agreement reached between DOE and APGA, in which DOE agreed to a remand of the NWGFs and MHGFs portions of the June 2011 DFR in order to conduct further notice-and-comment rulemaking. Accordingly, the Court's order vacated the June 2011 DFR in part (*i.e.,* those portions relating to NWGFs and MHGFs) and remanded to the agency for further rulemaking. As part of the settlement, DOE agreed to use best efforts to issue a notice of proposed rulemaking within one year of the remand, and to issue a final rule within the later of two years of the issuance of remand, or one year of the issuance of the proposed rule, including at least a ninety-day public comment period. As noted earlier in section II.B.2 of this document, in accordance with the settlement agreement, DOE issued a NOPR in March of 2015 and an SNOPR in September of 2016 to address NWGFs and MHGFs; however, in January of 2021, DOE published notification of withdrawal of the March 2015 NOPR and September 2016 SNOPR. 86 FR 3873 (Jan. 15, 2021).

3. Description of Estimated Number of Small Entities Regulated

DOE reviewed this proposed rule under the provisions of the Regulatory Flexibility Act and the procedures and policies published on February 19, 2003. 68 FR 7990. DOE conducted a market survey to identify potential small manufacturers of the covered products. DOE began its assessment by reviewing DOE's CCMS database,[276] California Energy Commission's Modernized Appliance Efficiency Database System (''MAEDbS''),[277] Air Conditioning, Heating, and Refrigeration Institute's (''AHRI'') Directory of Certified Product Performance database,[278] individual retailer websites, and the withdrawn September 2016 SNOPR to identify manufacturers of the covered products. 81 FR 65720. DOE then consulted publicly available data, such as manufacturer websites, manufacturer specifications and product literature, import/export logs, and basic

[276] DOE's CCMS (Available at: *www.regulations.doe.gov/certification-data/*) (Last accessed July 7, 2021).

[277] California Energy Commission's MAEDbS (Available at: *cacertappliances.energy.ca.gov/Pages/Search/AdvancedSearch.aspx*) (Last accessed July 15, 2021).

[278] AHRI's Directory of Certified Product Performance (Available at: *www.ahridirectory.org/Search/SearchHome*) (last accessed July 15, 2021).

model numbers, to identify original equipment manufacturers (''OEMs'') of the products covered by this rulemaking. DOE further relied on public data and subscription-based market research tools (*e.g.,* Dun & Bradstreet reports [279]) to determine company location, headcount, and annual revenue. DOE also asked industry representatives if they were aware of any other small manufacturers during manufacturer interviews. DOE screened out companies that do not offer products covered by this rulemaking, do not meet the SBA's definition of a ''small business,'' or are foreign-owned and operated.

DOE initially identified 15 OEMs that sell NWGFs and/or MHGFs in the United States. Of the 15 OEMs identified, DOE tentatively determined that four companies qualify as small businesses and are not foreign-owned or operated.

4. Description and Estimate of Compliance Requirements Including Differences in Cost, if Any, for Different Groups of Small Entities

In response to the withdrawn September 2016 SNOPR IRFA, AHRI and Mortex Products, Inc. (''Mortex'') raised concerns that DOE's methodology of using model counts to scale industry-level conversion costs down to a company level do not fully characterize the impacts on small manufacturers. (AHRI, No. 303 at p. 12; Mortex, No. 305 at p. 4) They were concerned that this methodology understates the cost impact to small manufacturers, with particular concern about ''the small manufacturer whose primary product is marketed for manufactured homes does not make a single product that meets the lofty 92% AFUE.'' (AHRI, No. 303 at p. 12) As noted by Mortex, ''we do not manufacture condensing mobile home gas furnaces.'' (Mortex, No. 305 at p. 1)

In response to these stakeholder comments, DOE updated its conversion cost methodology. Specifically, DOE updated its analysis to give special consideration to Mortex. In the withdrawn September 2016 SNOPR IRFA, DOE's small business compliance costs were based on data collected during the 2014 manufacturer interviews. However, unlike the MHGF manufacturers that DOE interviewed, Mortex does not currently offer condensing products. As a result, Mortex's conversion cost were not well reflected in the withdrawn September 2016 SNOPR IRFA since Mortex would need to make a different set of investments than the rest of the MHGF industry. In this Notice's IRFA, DOE estimates the cost for Mortex to set up a production line capable of manufacturing condensing furnaces. Mortex's conversion costs are analyzed separately from the rest of the MHGF industry.

a. AFUE Standards

Of the four small domestic OEMs identified, two manufacture NWGFs, one manufactures MHGFs, and one manufactures both NWGFs and MHGFs. DOE considered the impact of today's rule on the four manufacturers.

One of the small NWGF manufacturers sells a niche product in the NWGF market. The company offers three basic models of a through-the-wall furnace marketed for multi-family construction. The three models have identical dimensions and share many components. One model is rated at 80-percent AFUE, one model is rated at 93-percent AFUE, and the other model is rated at 95-percent AFUE. Given the product similarities and low volume of sales, DOE expects the manufacturer would likely discontinue the non-compliant models. DOE does not expect the small manufacturer would incur conversion costs due to the proposed standard, as the company currently offers their niche product at 95-percent AFUE.

The other small NWGF manufacturer does not currently certify any models of the covered product in DOE's CCMS. DOE identified this small business through its review of the California Energy Commission's MAEDbS and the withdrawn September 2016 SNOPR. DOE reviewed the company's website and available product literature to determine the range of products offered by this small manufacturer. According to the company's website, they offer condensing and non-condensing NWGFs, including models that meet the 95-percent AFUE required by the proposed standard. However, detailed product information is scarce, and the company's 2021 Product Catalog does not include gas-fired consumer furnaces. The limited product information and lack of legally compliant products indicate that the company may no longer produce covered NWGFs. If the company still manufactures NWGFs, DOE expects the manufacturer would likely discontinue the non-compliant models given the low volume of sales. As with the other small NWGF manufacturer, DOE does not expect this company would incur conversion costs as they currently offer a product at 95-percent AFUE.

The small MHGF manufacturer, Mortex, sells non-condensing furnaces into the manufactured housing replacement market. DOE identified this small business through its review of the withdrawn September 2016 SNOPR. Of the seven MHGF OEMs identified, Mortex is the only company that does not offer a condensing product. DOE analyzed the conversion costs for Mortex separately from other MHGF manufacturers since Mortex would need to make a different set of investments than the rest of the MHGF industry.

To offer condensing MHGFs, Mortex would need to either source secondary heat exchangers from a vendor or setup its own manufacturing line to produce secondary heat exchangers. Setting up in-house production is the significantly more capital-intensive option. For this IRFA, DOE estimated the investments required for the company to setup in-house production. Based on DOE's engineering analysis, the main driver of additional capital conversion costs would be the production of secondary heat exchangers. Including equipment, tooling, and conveyer, DOE estimates upfront capital investments of $4.1 million to setup manufacturing of condensing MHGFs. Additionally, the design and product development of condensing products could run as high as $1.4 million. If the company has less than 15 percent market share in the MHGF market, as suggested by the percentage of industry model offerings, the cost recovery period for this investment would be in excess of 10 years. Unlike other MHGF manufacturers, which can leverage their investments in secondary heat exchanger production across other heating products, DOE is not aware of any other heating product from Mortex that could make use of the secondary heat exchanger production capacity. The total conversion costs of $5.5 million are approximately 2 percent of company revenues over the 5-year conversion period and are considered significant.

Given the high upfront investment and long cost recovery period, the small manufacturer would likely seek options other than investing in secondary heat exchanger production capabilities. The company could source the secondary heat exchanger, which would reduce the need for capital conversion costs but would also increase the per-unit cost of the final product. DOE estimates that the secondary heat exchanger accounts for approximately 14 percent of the total manufacturer production cost. Sourcing the heat exchanger could put the company at a pricing disadvantage relative to manufacturers that produce

[279] D&B Hoovers | Company Information | Industry Information | Lists, *app.dnbhoovers.com/*) (Last accessed Sept. 22, 2021).

their heat exchangers in-house. Depending on the business' ability to compete on factors other than price, its willingness to invest technical resources toward designing a condensing product, and the role of MHGFs in the company's business strategy, the small manufacturer could also choose to leave the MHGF business.

The small domestic manufacturer of NWGFs and MHGFs is one of the six MHGF companies that offer condensing products. Of these six companies with condensing MHGFs, one manufacturer only offers products at or above the proposed AFUE standard and would, therefore, likely incur no conversion costs. The remaining five manufacturers, which includes the small manufacturer of NWGFs and MHGFs, have some products that do not meet the standard. All MHGF conversion costs that are not directly attributed to Mortex would be borne by these five manufacturers. The small domestic business has two MHGF models that would require redesign or retirement, which is an estimated 2.6 percent of the 76 MHGF models in CCMS with an AFUE below 95-percent.

DOE estimated industry conversion costs of $2.8 million for the MHGF AFUE standard when excluding the conversion costs attributable to Mortex. For the purposes of this IRFA analysis, DOE assumes the $2.8 million in conversion costs are evenly allocated across the five companies that may incur MHGF conversion costs. The MHGF-related conversion costs are approximately $0.6 million per company. DOE believes this even allocation of capital and product conversion costs avoids under-estimating the investment requirements on the small, domestic manufacturer, given that this manufacturer has a small market share. For the small manufacturer, total conversion costs are approximately 0.1 percent of company revenue over the 5-year conversion period.

As noted earlier, this small domestic manufacturer also produces NWGFs. The company offers four NWGF models, out of over 2,200 NWGFs in CCMS. All four of their NWGF offerings are at or above the proposed AFUE standard and would not likely incur conversion costs due to the AFUE standard. Therefore, the small manufacturer that produces both MHGFs and NWGFs is expected to only incur conversion costs relating to their MHGF products at TSL 8, the proposed standard level.

b. Standby Mode and Off Mode Standards

The engineering analysis suggests that the design paths required to meet the standby mode and off mode requirements consist of relatively straight-forward component swaps. Additionally, the INPV and short-term cash flow impacts of the standby mode and off mode requirements are dwarfed by the impacts of the AFUE standard. In general, the impacts of the standby and off mode standard are significantly smaller than the impacts of the AFUE standard. For this reason, the IRFA focuses on the impacts of the AFUE standard.

DOE seeks comments, information, and data on the number of small businesses in the industry, the names of those small businesses, and their market shares by product class. DOE also requests comment on the potential impacts of the proposed AFUE standards and standby mode and off mode standards on small manufacturers.

5. Duplication, Overlap, and Conflict With Other Rules and Regulations

DOE is not aware of any rules or regulations that duplicate, overlap, or conflict with the proposed rule.

6. Significant Alternatives to the Rule

The discussion in the previous section analyzes impacts on small businesses that would result from DOE's proposed rule, represented by TSL 8. In reviewing alternatives to the proposed rule, DOE examined a range of different efficiency levels and their respective impacts to both manufacturers and consumers. Representative of lower efficiency levels, TSL 1, 2, 3, 4, 5, 6, and 7 would reduce the impact on small business manufacturers but at the expense of a reduction in energy savings. TSL 9 was also analyzed, but it was determined those levels would lead to greater costs to manufacturers.

Based on the presented discussion, DOE believes that TSL 8 would deliver the highest energy savings while mitigating the potential burdens placed on NWGF and MHGF manufacturers, including small business manufacturers. Accordingly, DOE does not propose one of the other TSLs considered in the analysis, or the other policy alternatives as part of the regulatory impact analysis and included in chapter 17 of the NOPR TSD.

In reviewing alternatives to the proposed standards, DOE examined energy conservation standards set at both lower and higher efficiency levels than the proposed levels. At TSL 9, the conversion costs were higher for small businesses and for industry overall. At TSLs 1, 2, 3, 4, 5, 6, and 7, the impacts on small manufacturers would have been potentially lower. Those changes would have would come at the expense of reduced consumer benefits and a reduction in energy savings. In general, the consumer benefits were an order of magnitude greater than the cost to industry, and multiple orders of magnitude greater than the conversion costs to small manufacturers. DOE believes that establishing standards at the proposed level, TSL 8, balances the benefits of energy savings with the potential burdens placed on manufacturers of covered products, including small business manufacturers.

Additional compliance flexibilities may be available through other means. EPCA provides that a manufacturer whose annual gross revenue from all of its operations does not exceed $8 million may apply for an exemption from all or part of an energy conservation standard for a period not longer than 24 months after the effective date of a final rule establishing the standard. (42 U.S.C. 6295(t)) Additionally, manufacturers subject to DOE's energy efficiency standards may apply to DOE's Office of Hearings and Appeals for exception relief under certain circumstances. Manufacturers should refer to 10 CFR part 430, subpart E, and 10 CFR part 1003 for additional details.

C. Review Under the Paperwork Reduction Act of 1995

Manufacturers of NWGFs and MHGFs must certify to DOE that their products comply with any applicable energy conservation standards in terms of AFUE.

In certifying compliance, manufacturers must test their products according to the DOE test procedures for NWGFs and MHGFs, including any amendments adopted for those test procedures. DOE has established regulations for the certification and recordkeeping requirements for all covered consumer products and commercial equipment, including NWGFs and MHGFs. *See generally* 10 CFR part 429. The collection-of-information requirement for the certification and recordkeeping is subject to review and approval by OMB under the Paperwork Reduction Act (''PRA''), and has been approved by OMB under OMB control number 1910–1400. Public reporting burden for the certification is estimated to average 35 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and

completing and reviewing the collection of information.

Under EPCA, DOE's energy conservation program consists essentially of four parts: (1) testing, (2) labeling, (3) Federal energy conservation standards, and (4) certification and enforcement procedures. For covered equipment, relevant provisions of the Act include definitions (42 U.S.C. 6291), test procedures (42 U.S.C. 6293), labeling provisions (42 U.S.C. 6294), energy conservation standards (42 U.S.C. 6295), and the authority to require information and reports from manufacturers (42 U.S.C. 6296).

DOE's certification and compliance activities ensure accurate and comprehensive information about the energy and water use characteristics of covered products and covered equipment sold in the United States. Manufacturers of all covered products and covered equipment must submit a certification report before a basic model is distributed in commerce, annually thereafter, and if the basic model is redesigned in such a manner to increase the consumption or decrease the efficiency of the basic model such that the certified rating is no longer supported by the test data. Additionally, manufacturers must report when production of a basic model has ceased and is no longer offered for sale as part of the next annual certification report following such cessation. DOE requires the manufacturer of any covered product or covered equipment to establish, maintain, and retain the records of certification reports, of the underlying test data for all certification testing, and of any other testing conducted to satisfy the requirements of part 429, part and part 431. Certification reports provide DOE and consumers with comprehensive, up-to date efficiency information and support effective enforcement.

DOE requires manufacturers or their party representatives to prepare and submit certification reports and compliance statements using DOE's electronic Web-based tool, the CCMS, which is the primary mechanism for submitting certification reports to DOE. CCMS currently has product and equipment specific templates which manufacturers are required to use when submitting certification data to DOE. DOE believes the availability of electronic filing through the CCMS system reduces reporting burdens, streamlines the process, and provides DOE with needed information in a standardized, more accessible form. This electronic filing system also ensures that records are recorded in a permanent, systematic way.

DOE is not proposing to amend the existing reporting requirements or establish new DOE reporting requirements. Were DOE to establish amended and new energy conservation standards as proposed in this NOPR, DOE would consider associated reporting and certification requirements in a future rulemaking. Therefore, DOE has tentatively concluded that amended energy conservation standards for NWGFs and MHGFs would not impose additional costs for manufacturers related to reporting and certification.

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

D. Review Under the National Environmental Policy Act of 1969

DOE is analyzing this proposed regulation in accordance with the National Environmental Policy Act of 1969 (''NEPA'') and DOE's NEPA implementing regulations (10 CFR part 1021). DOE's regulations include a categorical exclusion for rulemakings that establish energy conservation standards for consumer products or industrial equipment. 10 CFR part 1021, subpart D, appendix B5.1. DOE anticipates that this rulemaking qualifies for categorical exclusion B5.1 because it is a rulemaking that establishes amended energy conservation standards for consumer products or industrial equipment, none of the exceptions identified in categorical exclusion B5.1(b) apply, no extraordinary circumstances exist that require further environmental analysis, and it otherwise meets the requirements for application of a categorical exclusion. *See* 10 CFR 1021.410. DOE will complete its NEPA review before issuing the final rule.

E. Review Under Executive Order 13132

E.O. 13132, ''Federalism,'' 64 FR 43255 (August 10, 1999), imposes certain requirements on Federal agencies formulating and implementing policies or regulations that preempt State law or that have federalism implications. The Executive Order requires agencies to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and to carefully assess the necessity for such actions. The Executive order also requires agencies to have an accountable process to ensure meaningful and timely input by State and local officials in the development of regulatory policies that have Federalism implications. On March 14, 2000, DOE published a statement of policy describing the intergovernmental consultation process it will follow in the development of such regulations. 65 FR 13735. DOE has examined this proposed rule and has determined that it 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. EPCA governs and prescribes Federal preemption of State regulations as to energy conservation for the products that are the subject of this proposed rule. States can petition DOE for exemption from such preemption to the extent, and based on criteria, set forth in EPCA. (42 U.S.C. 6297(d)) Therefore, no further action is required by Executive Order 13132.

F. Review Under Executive Order 12988

Regarding the review of existing regulations and the promulgation of new regulations, section 3(a) of Executive Order 12988, ''Civil Justice Reform,'' 61 FR 4729 (Feb. 7, 1996), imposes on Federal agencies the general duty to adhere to the following requirements: (1) eliminate drafting errors and ambiguity; (2) write regulations to minimize litigation; (3) provide a clear legal standard for affected conduct rather than a general standard, and (4) promote simplification and burden reduction. Regarding the review required by section 3(a), section 3(b) of Executive Order 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation (1) clearly specifies the preemptive effect, if any; (2) clearly specifies any effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction; (4) specifies the retroactive effect, if any; (5) adequately defines key terms, and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. Section 3(c) of Executive Order 12988 requires Executive agencies to review regulations in light of applicable standards in sections 3(a) and 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. DOE has completed the required review and determined that, to the extent permitted by law, this proposed rule meets the relevant standards of E.O. 12988.

G. Review Under the Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (''UMRA'') requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and Tribal governments and the private sector. Public Law 104–4, section 201 (codified at 2 U.S.C. 1531). For a proposed regulatory action likely to result in a rule that may cause 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), section 202 of UMRA requires a Federal agency to publish a written statement that estimates the resulting costs, benefits, and other effects on the national economy. (2 U.S.C. 1532(a), (b)) The UMRA also requires a Federal agency to develop an effective process to permit timely input by elected officers of State, local, and Tribal governments on a ''significant intergovernmental mandate,'' and requires an agency plan for giving notice and opportunity for timely input to potentially affected small governments before establishing any requirements that might significantly or uniquely affect them. On March 18, 1997, DOE published a statement of policy on its process for intergovernmental consultation under UMRA. 62 FR 12820. DOE's policy statement is also available at *https://energy.gov/sites/prod/files/gcprod/documents/umra_97.pdf.*

This proposed rule does not contain a Federal intergovernmental mandate, nor is it expected to require expenditures of $100 million or more in any one year by the private sector. As a result, the analytical requirements of UMRA do not apply.

H. Review Under the Treasury and General Government Appropriations Act, 1999

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105–277) requires Federal agencies to issue a Family Policymaking Assessment for any rule that may affect family well-being. This proposed rule would not have any impact on the autonomy or integrity of the family as an institution. Accordingly, DOE has concluded that it is not necessary to prepare a Family Policymaking Assessment.

I. Review Under Executive Order 12630

Pursuant to Executive Order 12630, ''Governmental Actions and Interference with Constitutionally Protected Property Rights,'' 53 FR 8859 (March 18, 1988), DOE has determined that this proposed rule would not result in any takings that might require compensation under the Fifth Amendment to the U.S. Constitution.

J. Review Under the Treasury and General Government Appropriations Act, 2001

Section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516, note) provides for Federal agencies to review most disseminations of information to the public under information quality guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67 FR 8452 (Feb. 22, 2002), and DOE's guidelines were published at 67 FR 62446 (Oct. 7, 2002). Pursuant to OMB Memorandum M–19–15, ''Improving Implementation of the Information Quality Act'' (April 24, 2019), DOE published updated guidelines which are available at: *www.energy.gov/sites/prod/files/2019/12/f70/DOE%20Final%20Updated%20IQA%20Guidelines%20Dec%202019.pdf.* DOE has reviewed this NOPR under the OMB and DOE guidelines and has concluded that it is consistent with applicable policies in those guidelines.

K. Review Under Executive Order 13211

Executive Order 13211, ''Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use,'' 66 FR 28355 (May 22, 2001), requires Federal agencies to prepare and submit to OIRA at OMB, a Statement of Energy Effects for any proposed significant energy action. A ''significant energy action'' is defined as any action by an agency that promulgates or is expected to lead to promulgation of a final rule, and that: (1) is a significant regulatory action under Executive Order 12866, or any successor order; and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy, or (3) is designated by the Administrator of OIRA as a significant energy action. For any proposed significant energy action, the agency must give a detailed statement of any adverse effects on energy supply, distribution, or use should the proposal be implemented, and of reasonable alternatives to the action and their expected benefits on energy supply, distribution, and use.

DOE has tentatively concluded that this regulatory action, which proposes new and amended energy conservation standards for NWGFs and MHGFs, is not a significant energy action because the proposed standards are not likely to have a significant adverse effect on the supply, distribution, or use of energy, nor has it been designated as such by the Administrator at OIRA. Accordingly, DOE has not prepared a Statement of Energy Effects on this proposed rule.

L. Review Under the Information Quality Bulletin for Peer Review

On December 16, 2004, OMB, in consultation with the Office of Science and Technology Policy (''OSTP''), issued its Final Information Quality Bulletin for Peer Review (''the Bulletin''). 70 FR 2664 (Jan. 14, 2005). The Bulletin establishes that certain scientific information shall be peer reviewed by qualified specialists before it is disseminated by the Federal Government, including influential scientific information related to agency regulatory actions. The purpose of the Bulletin is to enhance the quality and credibility of the Government's scientific information. Under the Bulletin, the energy conservation standards rulemaking analyses are ''influential scientific information,'' which the Bulletin defines as ''scientific information the agency reasonably can determine will have, or does have, a clear and substantial impact on important public policies or private sector decisions.'' 70 FR 2664, 2667 (Jan. 14, 2005).

In response to OMB's Bulletin, DOE conducted formal peer reviews of the energy conservation standards development process and the analyses that are typically used and prepared a report describing that peer review.[280] Generation of this report involved a rigorous, formal, and documented evaluation using objective criteria and qualified and independent reviewers to make a judgment as to the technical/scientific/business merit, the actual or anticipated results, and the productivity and management effectiveness of programs and/or projects. Because available data, models, and technological understanding have changed since 2007, DOE has engaged with the National Academy of Sciences to review DOE's analytical methodologies to ascertain whether modifications are needed to improve the Department's analyses. DOE is in the process of evaluating the resulting report.[281]

[280] The 2007 ''Energy Conservation Standards Rulemaking Peer Review Report'' is available at the following website: *www.energy.gov/eere/buildings/downloads/energy-conservation-standards-rulemaking-peer-review-report-0.*

[281] The report is available at *www.nationalacademies.org/our-work/review-of-methods-for-setting-building-and-equipment-*

Continued

VII. Public Participation

A. Participation in the Public Meeting Webinar

The time and date of the webinar meeting are listed in the **DATES** section at the beginning of this document. Webinar registration information, participant instructions, and information about the capabilities available to webinar participants will be published on DOE's website: *www1.eere.energy.gov/buildings/appliance_standards/standards.aspx?productid=59&action=viewlive.* Participants are responsible for ensuring their systems are compatible with the webinar software.

B. Procedure for Submitting Prepared General Statements for Distribution

Any person who has an interest in the topics addressed in this proposed rule, or who is representative of a group or class of persons that has an interest in these issues, may request an opportunity to make an oral presentation at the public meeting webinar. Such persons may submit requests to speak via email to the Appliance and Equipment Standards Program at: *ApplianceStandardsQuestions@ee.doe.gov.* Persons who wish to speak should include with their request a computer file in WordPerfect, Microsoft Word, PDF, or text (ASCII) file format that briefly describes the nature of their interest in this rulemaking and the topics they wish to discuss. Such persons should also provide a daytime telephone number where they can be reached.

Persons requesting to speak should briefly describe the nature of their interest in this rulemaking and provide a telephone number for contact. DOE requests persons selected to make an oral presentation to submit an advance copy of their statements at least two weeks before the public meeting webinar. At its discretion, DOE may permit persons who cannot supply an advance copy of their statement to participate, if those persons have made advance alternative arrangements with the Building Technologies Office. As necessary, requests to give an oral presentation should ask for such alternative arrangements.

C. Conduct of the Public Meeting Webinar

DOE will designate a DOE official to preside at the webinar/public meeting and may also use a professional facilitator to aid discussion. The meeting will not be a judicial or evidentiary-type public hearing, but DOE will conduct it in accordance with section 336 of EPCA (42 U.S.C. 6306). A court reporter will be present to record the proceedings and prepare a transcript. DOE reserves the right to schedule the order of presentations and to establish the procedures governing the conduct of the webinar/public meeting. There shall not be discussion of proprietary information, costs or prices, market share, or other commercial matters regulated by U.S. anti-trust laws. After the webinar/public meeting and until the end of the comment period, interested parties may submit further comments on the proceedings and any aspect of the rulemaking.

The public meeting webinar will be conducted in an informal, conference style. DOE will present summaries of comments received before the webinar, allow time for prepared general statements by participants, and encourage all interested parties to share their views on issues affecting this rulemaking. Each participant will be allowed to make a general statement (within time limits determined by DOE), before the discussion of specific topics. DOE will allow, as time permits, other participants to comment briefly on any general statements.

At the end of all prepared statements on a topic, DOE will permit participants to clarify their statements briefly and comment on statements made by others. Participants should be prepared to answer questions by DOE and by other participants concerning these issues. DOE representatives may also ask questions of participants concerning other matters relevant to this rulemaking. The official conducting the public meeting webinar will accept additional comments or questions from those attending, as time permits. The presiding official will announce any further procedural rules or modification of the above procedures that may be needed for the proper conduct of the public meeting webinar.

A transcript of the public meeting webinar will be included in the docket, which can be viewed as described in the Docket section at the beginning of this NOPR. In addition, any person may buy a copy of the transcript from the transcribing reporter.

D. Submission of Comments

DOE will accept comments, data, and information regarding this proposed rule before or after the public meeting webinar, but no later than the date provided in the **DATES** section at the beginning of this proposed rule. Interested parties may submit comments, data, and other information using any of the methods described in the **ADDRESSES** section at the beginning of this document.

Submitting comments via www.regulations.gov. The *www.regulations.gov* web page will require you to provide your name and contact information. Your contact information will be viewable to DOE Building Technologies staff only. Your contact information will not be publicly viewable except for your first and last names, organization name (if any), and submitter representative name (if any). If your comment is not processed properly because of technical difficulties, DOE will use this information to contact you. If DOE cannot read your comment due to technical difficulties and cannot contact you for clarification, DOE may not be able to consider your comment.

However, your contact information will be publicly viewable if you include it in the comment itself or in any documents attached to your comment. Any information that you do not want to be publicly viewable should not be included in your comment, nor in any document attached to your comment. If this instruction is followed, persons viewing comments will see only first and last names, organization names, correspondence containing comments, and any documents submitted with the comments.

Do not submit to *www.regulations.gov* information for which disclosure is restricted by statute, such as trade secrets and commercial or financial information (hereinafter referred to as Confidential Business Information (''CBI'')). Comments submitted through *www.regulations.gov* cannot be claimed as CBI. Comments received through the website will waive any CBI claims for the information submitted. For information on submitting CBI, see the Confidential Business Information section.

DOE processes submissions made through *www.regulations.gov* before posting. Normally, comments will be posted within a few days of being submitted. However, if large volumes of comments are being processed simultaneously, your comment may not be viewable for up to several weeks. Please keep the comment tracking number that *www.regulations.gov* provides after you have successfully uploaded your comment.

Submitting comments via email. Comments and documents submitted via email also will be posted to *www.regulations.gov.* If you do not want your personal contact information to be

performance-standards (Last accessed Feb. 16, 2022).

publicly viewable, do not include it in your comment or any accompanying documents. Instead, provide your contact information in a cover letter. Include your first and last names, email address, telephone number, and optional mailing address. The cover letter will not be publicly viewable as long as it does not include any comments.

Include contact information each time you submit comments, data, documents, and other information to DOE. No telefacsimiles (''faxes'') will be accepted.

Comments, data, and other information submitted to DOE electronically should be provided in PDF (preferred), Microsoft Word or Excel, WordPerfect, or text (ASCII) file format. Provide documents that are not secured, that are written in English, and that are free of any defects or viruses. Documents should not contain special characters or any form of encryption and, if possible, they should carry the electronic signature of the author.

Campaign form letters. Please submit campaign form letters by the originating organization in batches of between 50 to 500 form letters per PDF or as one form letter with a list of supporters' names compiled into one or more PDFs. This reduces comment processing and posting time.

Confidential Business Information. Pursuant to 10 CFR 1004.11, any person submitting information that he or she believes to be confidential and exempt by law from public disclosure should submit via email two well-marked copies: one copy of the document marked ''confidential'' including all the information believed to be confidential, and one copy of the document marked ''non-confidential'' with the information believed to be confidential deleted. DOE will make its own determination about the confidential status of the information and treat it according to its determination.

It is DOE's policy that all comments may be included in the public docket, without change and as received, including any personal information provided in the comments (except information deemed to be exempt from public disclosure).

E. Issues on Which DOE Seeks Comment

Although DOE welcomes comments on any aspect of this proposal, DOE is particularly interested in receiving comments and views of interested parties concerning the following issues:

(1) DOE requests data and information on the price trend for condensing NWGFs as compared to the trend for non-condensing NWGFs.

(2) DOE seeks comments, information, and data on the number of small businesses in the industry, the names of those small businesses, and their market shares by product class. DOE also requests comment on the potential impacts of the proposed AFUE standards and standby mode and off mode standards on small manufacturers.

(3) DOE seeks comment on the feasibility of integrating LL–LTX designs and whether significant changes would need to be made to integrate them.

(4) DOE seeks further comment on its estimates for the MPC of consumer furnaces under each standards scenario.

(5) DOE seeks further comment on the designs of the secondary heat exchanger, including on any recent design changes. DOE also seeks additional feedback on the cost of AL29–4C stainless steel.

(6) DOE seeks comments, information, and data on the capital conversion costs and product conversion costs estimated for each AFUE standard TSL.

(7) DOE seeks comments, information, and data on the capital conversion costs and product conversion costs estimated for each standby mode and off mode TSL.

(8) DOE seeks comments, information, and data on the number of small businesses in the industry, the names of those small businesses, and their market shares by product class. DOE also requests comment on the potential impacts of the proposed AFUE standards and standby mode and off mode standards on small manufacturers.

(9) DOE welcomes comments on how to more fully assess the potential impact of energy conservation standards on consumer choice and affordability and how to quantify this impact in its regulatory analysis in this and future rulemakings.

(10) DOE requests data and information on the price trend for condensing NWGFs as compared to the trend for non-condensing NWGFs.

(11) DOE requests comment on its approach to monetizing the impact of the rebound effect in standards cases.

(12) DOE welcomes any additional comments on the approach for conducting the emissions analysis for furnaces.

Additionally, DOE welcomes comments on other issues relevant to the conduct of this rulemaking that may not specifically be identified in this document.

VIII. Approval of the Office of the Secretary

The Secretary of Energy has approved publication of this notice of proposed rulemaking and request for comment.

List of Subjects

10 CFR Part 430

Administrative practice and procedure, Confidential business information, Energy conservation, Household appliances, Imports, Intergovernmental relations, Small businesses.

Signing Authority

This document of the Department of Energy was signed on June 10, 2022, by Kelly J. Speakes-Backman, Principal Deputy Assistant Secretary for Energy Efficiency and Renewable Energy, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on June 14, 2022.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

For the reasons set forth in the preamble, DOE proposes to amend part 430 of chapter II, subchapter D, of title 10 of the Code of Federal Regulations, as set forth below:

PART 430—ENERGY CONSERVATION PROGRAM FOR CONSUMER PRODUCTS

■ 1. The authority citation for part 430 continues to read as follows:

Authority: 42 U.S.C. 6291–6309; 28 U.S.C. 2461 note.

■ 2. Section 430.32 is amended by:

■ a. Revising paragraph (e)(1)(ii);

■ b. Redesignating paragraph (e)(1)(iii) as (e)(1)(iv);

■ c. Adding a new paragraph (e)(1)(iii); and

■ d. Revising newly redesignated paragraph (e)(1)(iv).

The additions and revisions read as follows:

§ 430.32 Energy and water conservation standards and their compliance dates.

* * * * *

(e) * * *

(1) * * *

(ii) The AFUE for non-weatherized gas furnaces (not including mobile home gas furnaces) manufactured on or after November 19, 2015, but before [*date 5 years after publication of the final rule*]; mobile home gas furnaces manufactured on or after November 19, 2015, but before [*date 5 years after publication of the final rule*]; non-weatherized oil-fired furnaces (not including mobile home furnaces) manufactured on or after May 1, 2013, mobile home oil-fired furnaces manufactured on or after September 1, 1990; weatherized gas-fired furnaces manufactured on or after January 1, 2015; weatherized oil-fired furnaces manufactured on or after January 1, 1992; and electric furnaces manufactured on or after January 1, 1992; shall not be less than indicated in the table below:

Product class	AFUE (percent) [1]
(A) Non-weatherized gas furnaces (not including mobile home furnaces)	80.0
(B) Mobile home gas furnaces	80.0
(C) Non-weatherized oil-fired furnaces (not including mobile home furnaces)	83.0
(D) Mobile home oil-fired furnaces	75.0
(E) Weatherized gas furnaces	81.0
(F) Weatherized oil-fired furnaces	78.0
(G) Electric furnaces	78.0

[1] Annual Fuel Utilization Efficiency, as determined in § 430.23(n)(2) of this part.

(iii) The AFUE for non-weatherized gas (not including mobile home gas furnaces) manufactured on and after [*date 5 years after publication of the final rule*]; and mobile home gas furnaces manufactured on and after [*date 5 years after publication of the final rule*], shall not be less than indicated in the table below:

Product class	AFUE (percent) [1]
(A) Non-weatherized gas furnaces (not including mobile home gas furnaces)	95.0
(B) Mobile home gas furnaces	95.0

[1] Annual Fuel Utilization Efficiency, as determined in § 430.23(n)(2) of this part.

(iv) Furnaces manufactured on and after the compliance date listed in the table below shall have an electrical standby mode power consumption (''$P_{W,SB}$'') and electrical off mode power consumption ($P_{W,OFF}$'') not more than the following:

Product class	Maximum standby mode electrical power consumption, ($P_{W,SB}$) (watts)	Maximum off mode electrical power consumption, ($P_{W,OFF}$) (watts)	Compliance date
(A) Non-weatherized oil-fired furnaces (including mobile home oil-fired furnaces).	11.0	11.0	May 1, 2013.
(B) Electric furnaces	10.0	10.0	May 1, 2013.
(C) Non-weatherized gas furnaces (including mobile home gas furnaces).	8.5	8.5	[*date 5 years after the publication of final rule*]

* * * * *

[FR Doc. 2022–13108 Filed 7–6–22; 8:45 am]

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