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Title 3—

Memorandum of February 21, 2025

The President

## Defending American Companies and Innovators From Overseas Extortion and Unfair Fines and Penalties

**Memorandum for the Secretary of the Treasury[,] the Secretary of Commerce[,] the United States Trade Representative[, and] the Senior Counselor to the President for Trade and Manufacturing**

**Section 1. Purpose.** In recent years, the gross domestic product of the United States' digital economy alone, driven by cutting-edge American technology companies, has been bigger than the entire economy of Australia, Canada, or most members of the European Union. Instead of empowering their own workers and economies, foreign governments have increasingly exerted extraterritorial authority over American companies, particularly in the technology sector, hindering these companies' success and appropriating revenues that should contribute to our Nation's well-being, not theirs.

Beginning in 2019, several trading partners enacted digital services taxes (DSTs) that could cost American companies billions of dollars and that foreign government officials openly admit are designed to plunder American companies. Foreign countries have additionally adopted regulations governing digital services that are more burdensome and restrictive on United States companies than their own domestic companies. Additional foreign legal regimes limit cross-border data flows, require American streaming services to fund local productions, and charge network usage and Internet termination fees. All of these measures violate American sovereignty and offshore American jobs, limit American companies' global competitiveness, and increase American operational costs while exposing our sensitive information to potentially hostile foreign regulators.

My Administration will not allow American companies and workers and American economic and national security interests to be compromised by one-sided, anti-competitive policies and practices of foreign governments. American businesses will no longer prop up failed foreign economies through extortionary fines and taxes.

**Sec. 2. Policy.** It is the policy of my Administration that where a foreign government, through its tax or regulatory structure, imposes a fine, penalty, tax, or other burden that is discriminatory, disproportionate, or designed to transfer significant funds or intellectual property from American companies to the foreign government or the foreign government's favored domestic entities, my Administration will act, imposing tariffs and taking such other responsive actions necessary to mitigate the harm to the United States and to repair any resulting imbalance.

In taking such responsive action, my Administration shall consider:

(a) taxes imposed on United States companies by foreign governments, including those that may discriminate against United States companies;

(b) regulations imposed on United States companies by foreign governments that could inhibit the growth or intended operation of United States companies;

(c) any act, policy, or practice of a foreign government that could require a United States company to jeopardize its intellectual property; and

(d) Any other act, policy, or practice of a foreign government that serves to undermine the global competitiveness of United States companies.

**Sec. 3. Agency Responsibilities.** (a) The United States Trade Representative shall determine, in accordance with applicable law, whether to renew investigations under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) of the DSTs of France, Austria, Italy, Spain, Turkey, and the United Kingdom, which were initiated under my Administration on July 16, 2019, and June 5, 2020. If the United States Trade Representative determines to renew such investigations, he shall take all appropriate and feasible action in response to those DSTs.

(b) The United States Trade Representative shall determine, consistent with section 302(b) of the Trade Act of 1974 (19 U.S.C. 2412(b)) (section 302(b)), whether to investigate the DST of any other country that may discriminate against United States companies or burden or restrict United States commerce. He shall further determine whether to pursue a panel under the United States-Mexico-Canada Agreement on the DST imposed by Canada and whether to investigate Canada's DST under section 302(b). In making these determinations, the United States Trade Representative shall consult with the Secretary of the Treasury, as appropriate.

(c) The Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative shall jointly identify trade and other regulatory practices by other countries, including, without limitation, those described in section 2 of this memorandum, that discriminate against, disproportionately affect, or otherwise undermine the global competitiveness or intended operation of United States companies, in the digital economy and more generally, and recommend to me appropriate actions to counter such practices under applicable authorities. The United States Trade Representative shall include the results of this review as part of the report required in section 5(c) of the Presidential Memorandum of January 20, 2025 (America First Trade Policy) (America First Trade Policy Memorandum).

(d) The Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative shall investigate whether any act, policy, or practice of any country in the European Union or the United Kingdom has the effect of requiring or incentivizing the use or development of United States companies' products or services in ways that undermine freedom of speech and political engagement or otherwise moderate content, and recommend appropriate actions to counter such practices under applicable authorities. The United States Trade Representative shall include the results of this review as part of the report required in section 5(c) of the America First Trade Policy Memorandum.

(e) The Secretary of the Treasury, in consultation with the Secretary of Commerce and the United States Trade Representative, shall determine whether any foreign country subjects United States citizens or companies, including, without limitation, in the digital economy, to discriminatory or extraterritorial taxes, or has any tax measure in place that otherwise undermines the global competitiveness of United States companies, is inconsistent with any tax treaty of the United States, or is otherwise actionable under section 891 of title 26, United States Code, or other tax-related legal authority. The Secretary of the Treasury shall include the results of this determination as part of the report required in section 2 of the Presidential Memorandum of January 20, 2025 (The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal).

(f) The United States Trade Representative shall identify tools the United States can use to secure among trading partners a permanent moratorium on customs duties on electronic transmissions. The United States Trade Representative shall include the results of this review as part of the report required in section 5(c) of the America First Trade Policy Memorandum.

(g) The United States Trade Representative, in consultation with the Secretary of Commerce and the Senior Counselor to the President for Trade and Manufacturing, shall establish a process that allows American businesses to report to the United States Trade Representative foreign tax or regulatory practices that disproportionately harm United States companies.

**Sec. 4. General Provisions.** (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

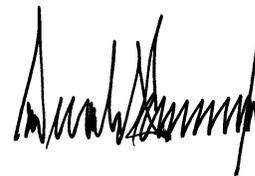
(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The United States Trade Representative is authorized and directed to publish this memorandum in the *Federal Register*.

A handwritten signature in black ink, appearing to be a stylized name, located on the right side of the page.

THE WHITE HOUSE,  
Washington, February 21, 2025

# Rules and Regulations

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

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## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3030

[Docket No. RM2020–5; Order No. 8708]

RIN 3211–AA27

### Market Dominant Postal Products

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission is adopting amendments to its rules concerning rate incentives for Market Dominant products.

**DATES:** *Effective:* March 28, 2025.

**FOR FURTHER INFORMATION CONTACT:**

David A. Trissell, General Counsel, at 202–789–6820.

**SUPPLEMENTARY INFORMATION:**

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- II. Basis for Final Rules
- III. Final Rules

#### I. Background

In its general Market Dominant rate adjustment filings, the Postal Service routinely proposes to offer rate incentives in the form of promotions that reduce rates by providing discounts, rebates, or credits to participating mailers of certain types of mailpieces. Typically, such promotions are offered for several months during a particular calendar year for certain mailpieces in the First-Class Mail and USPS Marketing Mail classes. If the Commission approves, then the promotion may be offered again, with or without modifications, in the next calendar year.

Each rate incentive offered by the Postal Service is either a rate of general applicability or a rate not of general applicability. A rate incentive of general applicability may be eligible for inclusion in the percentage change in rates calculation (provided that it satisfies all the applicable criteria under the Commission's rules), which will

allow for the Postal Service to generate price cap authority for the applicable class of mail. By contrast, a rate incentive not of general applicability has been ineligible for inclusion in the percentage change in rates calculation, unless mail volumes sent under it are included as though they paid the appropriate rates of general applicability.

The Commission previously adopted regulations concerning rate incentives for Market Dominant products.<sup>1</sup> However, in connection with an appeal, the Commission stated that it would reconsider Order No. 5510 and that it “does not intend to enforce Order No. 5510 during the reconsideration period.”<sup>2</sup> In Order No. 6325, the Commission proposed modifying its rules and sought comments on its proposal.<sup>3</sup> Subsequently, the Commission sought supplemental comments.<sup>4</sup> Having considered the comments that it received, the Commission proposed further changes to its rules in Order No. 7559.<sup>5</sup>

#### II. Basis for Rule Change

The Commission modifies its rules by revising the criteria that a rate incentive must satisfy to be included in the percentage change in rates calculation; revises the definition of “rate of general applicability;” and revises filing and reporting requirements.

First, the Commission creates a mechanism allowing certain rate incentives that are not rates of general applicability to be included in the percentage change in rates calculation. Second, the Commission removes the not-enforced requirement that a rate incentive must be made available to all mailers equally on the same terms and

conditions to be included in the percentage change in rates calculation. Third, the Commission revises the definition of “rate of general applicability” in § 3030.101. This revision clarifies a potential ambiguity. The Commission also revises the definition of “rate of general applicability” as initially proposed in Order No. 6325 to clarify that to qualify as a rate of general applicability, a rate incentive cannot have eligibility criteria based on historical mail volumes or prior participation in a rate incentive or promotion. Fourth, the Commission revises filing requirements to ensure that the Postal Service provides sufficient information at the outset of a Market Dominant rate adjustment proceeding. Fifth, the Commission adds a provision authorizing it to require the submission of information to ensure that rate incentives included in the percentage change in rates calculation comply with applicable requirements.

The mechanism allowing certain rate incentives that are not rates of general applicability to be included in the percentage change in rates calculation allows a rate incentive for which a mailer's eligibility depends on the mailer's increasing its volumes of a product (or multiple products) to be included in the percentage change in rates calculation. The Commission creates this mechanism to encourage the Postal Service to develop and offer such rate incentives, with the goal of combatting volume decline.

The Commission also removes the not-enforced requirement that a rate incentive must be made available to all mailers equally on the same terms and conditions to be included in the percentage change in rates calculation. The Commission removes this requirement because fairness concerns can be addressed through other means and because this requirement has the potential to cause confusion.

The Commission revises the definition of “rate of general applicability” in § 3030.101 by adding the word “only” to the sentence addressing rates benefiting a single mailer so that the sentence reads as follows: “A rate is not a rate of general applicability if it benefits only a single mailer.” This change removes a potential ambiguity in the sentence and ensures that the sentence reflects the

<sup>1</sup> Docket No. RM2020–5, Order Adopting Final Rules Regarding Rate Incentives for Market Dominant Products, May 15, 2020 (Order No. 5510).

<sup>2</sup> Docket No. RM2020–5, Notice of Intent to Reconsider, August 26, 2020, at 2 (Order No. 5655); see *U.S. Postal Serv. v. Postal Reg. Comm'n*, Joint Motion for Voluntary Dismissal and Vacatur, No. 20–1208 (D.C. Cir. Sept. 11, 2020).

<sup>3</sup> Docket No. RM2020–5, Notice of Proposed Rulemaking to Amend Rules Regarding Rate Incentives for Market Dominant Products, November 14, 2022 (Order No. 6325).

<sup>4</sup> Docket No. RM2020–5, Supplemental Notice of Proposed Rulemaking to Amend Rules Regarding Rate Incentives for Market Dominant Products, November 17, 2023 (Order No. 6801).

<sup>5</sup> Docket No. RM2020–5, Second Supplemental Notice of Proposed Rulemaking to Amend Rules Regarding Rate Incentives for Market Dominant Products, September 20, 2024 (Order No. 7559).

Commission’s intent in adding the sentence to the definition.

The Commission also adopts the changes to the definition of “rate of general applicability” that it proposed in Order No. 6325. See Order No. 6325 at 26–34. These changes to the definition of “rate of general applicability” in § 3030.101 clarify what rate incentives may qualify for inclusion in the percentage change in rates calculation as rates of general applicability. Under the Commission’s existing rules “[a] rate is not a rate of general applicability if eligibility for the rate is dependent on factors other than the characteristics of the mail to which the rate applies[.]” 39 CFR 3030.101(j). As initially proposed in Order No. 6325, the changes add an additional sentence to clarify that a rate incentive is not a rate of general applicability if eligibility for the rate is dependent wholly or partially on the volume of mail sent by a mailer in a past year or years or on the participation by a mailer in a rate incentive or promotion in a past year or years.

The Commission modifies its rules for the technical documentation required to support proposed rate incentives. These changes implement changes conforming to the Commission’s changes to its rules for including rate incentives in the percentage change in rates calculation. Thus, under the revision, the Commission’s rules require a statement describing the purpose of the rate incentive. Similarly, and to conform with the change to the definition of “rate of general applicability,” under the revision, the rule requires a statement affirming that a rate incentive proposed to be included in the percentage change in rate calculation will not benefit only a single mailer.

In addition, the Commission requires each request to include a rate incentive in the percentage change in rates calculation to include an estimate of the effect of the rate incentive on mailers in the affected class that do not participate in the rate incentive, as well as all information and calculations relied upon to develop such estimate. The Commission makes this change for transparency. This change ensures that the public is provided notice of the estimated effect of the proposed rate incentive on non-participating mailers in the affected class. The Commission requires the information and calculations relied upon to develop the estimate to ensure that it understands the basis for the estimate and to provide transparency to the public and affected stakeholders.

The Commission also adds a provision authorizing it to require the

submission of information to ensure that rate incentives included in the percentage change in rates calculation comply with applicable requirements. In the Commission’s experience, reporting requirements are important to ensure that the Commission understands how rate incentives operate in practice. The Commission codifies its authority to impose such reporting requirements.

**III. Final Rules**

**List of Subjects in 39 CFR Part 3030**

Administrative practice and procedure, Fees, Postal Service.

For the reasons stated in the preamble, the Commission amends 39 CFR part 3030 as follows:

**PART 3030—REGULATION OF RATES FOR MARKET DOMINANT PRODUCTS**

■ 1. The authority citation for part 3030 continues to read as follows:

**Authority:** 39 U.S.C. 503; 3622.

■ 2. Amend § 3030.101 by:

■ a. Redesignating paragraphs (j) through (l) as paragraphs (k) through (m);

■ b. Adding paragraph (j); and

■ c. Revising newly redesignated paragraph (k).

The addition and revisions read as follows:

**§ 3030.101 Definitions.**

\* \* \* \* \*

(j) *Rate incentive comparison period* is a period of time in the fiscal year or calendar year immediately before a rate incentive that is not a rate of general applicability is offered. A rate incentive comparison period must be not less than 3 months in length and not more than 12 months in length. Except for a rate incentive that is not a rate of general applicability that has a term of 1 calendar year, the rate incentive comparison period is the same period of months and days in the fiscal year or calendar year immediately before the rate incentive is offered as the term of the rate incentive. For any rate incentive that is not a rate of general applicability that has a term of 1 calendar year, the rate incentive comparison period shall be either: the calendar year that is most recently ended before the rate incentive is offered; or the fiscal year that is most recently ended before the rate incentive is offered.

(k) *Rate of general applicability* means a rate applicable to all mail meeting standards established by the Mail Classification Schedule, the Domestic Mail Manual, and the International Mail Manual. A rate is not a rate of general

applicability if eligibility for the rate is dependent on factors other than the characteristics of the mail to which the rate applies. A rate incentive is not a rate of general applicability if eligibility for the rate is wholly or partially dependent on the volume of mail sent by a mailer in a past year or years or on the participation by a mailer in a rate incentive or promotion in a past year or years. A rate is not a rate of general applicability if it benefits only a single mailer. A rate that is only available upon the written agreement of both the Postal Service and a mailer, a group of mailers, or a foreign postal operator is not a rate of general applicability.

\* \* \* \* \*

■ 3. Amend § 3030.123 by revising paragraph (j) to read as follows:

**§ 3030.123 Supporting technical documentation.**

\* \* \* \* \*

(j) Whenever the Postal Service includes a rate incentive with its planned rate adjustment, it must include with its filing:

(1) Whether the rate incentive is being treated under § 3030.128(f)(2) or under § 3030.128(f)(1) and (g);

(2) If the Postal Service seeks to include the rate incentive in the calculation of the percentage change in rates under § 3030.128(f)(2):

(i) The terms and conditions of the rate incentive;

(ii) The factors that determine eligibility for the rate incentive;

(iii) A statement that affirms that the rate incentive will not benefit only a single mailer;

(iv) A statement that affirms that the rate incentive is not only available upon the written agreement of both the Postal Service and a mailer, or group of mailers, or a foreign postal operator;

(v) A statement describing the purpose of the rate incentive; and

(vi) An estimate of the effect of the rate incentive on mailers in the affected class that do not participate in the rate incentive and all information and calculations relied upon to develop such estimate.

\* \* \* \* \*

■ 4. Amend § 3030.128 by:

■ a. Revising paragraph (f)(2);

■ b. Adding new paragraph (f)(3); and

■ c. Revising paragraph (g)(1).

The addition and revisions read as follows:

**§ 3030.128 Calculation of percentage change in rates.**

\* \* \* \* \*

(f) \* \* \*

(2) A rate incentive may be included in a percentage change in rates

calculation if it meets the following criteria:

(i) The rate incentive is in the form of a discount or can be easily translated into a discount;

(ii) Sufficient billing determinants are available for the rate incentive to be included in the percentage change in rate calculation for the class, which may be adjusted based on known mail characteristics or historical volume data (as opposed to forecasts of mailer behavior); and

(iii) The rate incentive is either:

(A) A rate of general applicability; or

(B) A rate not of general applicability that satisfies the following requirements:

(1) The rate incentive is not only available upon the written agreement of both the Postal Service and a mailer, or group of mailers, or a foreign postal operator;

(2) The rate incentive is applicable to all mail meeting standards established by the Mail Classification Schedule, the Domestic Mail Manual, and the International Mail Manual;

(3) The rate incentive does not benefit only a single mailer;

(4) The rate incentive is designed to increase volume; and

(5) A mailer's eligibility for the rate incentive depends on the mailer's sending, in a specified period of time, a volume of mail of specified products that exceeds a specified threshold volume of mail, provided that such threshold volume of mail is not less than the volume of the specified products that the mailer sent in the rate incentive comparison period.

(3) The Commission may require submission of such information as it deems necessary to ensure that rate incentives included in the percentage change in rates calculation comply with the requirements of this section.

(g) \* \* \*

(1) Mail volumes sent at rates under a negotiated service agreement or a rate incentive that is not a rate of general applicability are to be included in the calculation of the percentage change in rates under this section as though they paid the appropriate rates of general applicability, except as provided in paragraph (f)(2) of this section. Where it is impractical to identify the rates of general applicability (e.g., because unique rate categories are created for a mailer), the volumes associated with the mail sent under the terms of the negotiated service agreement or the rate incentive that is not a rate of general applicability shall be excluded from the calculation of the percentage change in rates.

\* \* \* \* \*

By the Commission.

**Erica A. Barker,**

*Secretary.*

[FR Doc. 2025-03042 Filed 2-25-25; 8:45 am]

**BILLING CODE 7710-FW-P**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 147**

**[EPA-HQ-OW-2024-0357; FRL 12000-02-OW]**

**West Virginia Underground Injection Control (UIC) Program; Class VI Primacy**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** The U.S. Environmental Protection Agency (EPA or the Agency) is approving an application from the State of West Virginia (the State) to revise the State's Safe Drinking Water Act (SDWA) section 1422 underground injection control (UIC) program to include Class VI injection well primary enforcement authority (primacy). This final rule allows the West Virginia Department of Environmental Protection (WVDEP) to issue UIC permits for geologic carbon sequestration facilities as Class VI wells and ensure compliance of Class VI wells under the UIC program. The EPA will remain the permitting authority for all well classes in Indian lands within the State and will also oversee West Virginia's administration of its UIC Class VI program as authorized under SDWA.

**DATES:** This final rule is effective on March 28, 2025. The incorporation by reference of certain material listed in this rule is approved by the Director of the Federal Register as of March 28, 2025. For judicial purposes, this final rule is promulgated as of February 26, 2025.

**ADDRESSES:** The EPA has established a docket for this action under Docket ID No. EPA-HQ-OW-2024-0357. All documents in the docket are listed on the <http://www.regulations.gov> website. Although listed in the index, some information is not publicly available, e.g., confidential business information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available electronically through <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Colin Dyroff, Drinking Water Infrastructure Development Division, Office of Ground Water and Drinking Water (4606M), Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: (202) 564-3149; or Himanshu Vyas, Water Division, Source Water & UIC Section (3WD22), Environmental Protection Agency, Region 3, Four Penn Center, 1600 JFK Boulevard, Philadelphia, PA 19103; telephone number: (215) 814-2112. Both can be reached by emailing [WVClassVI@epa.gov](mailto:WVClassVI@epa.gov).

**SUPPLEMENTARY INFORMATION:**

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**I. Introduction**

*A. UIC Program and Primary Enforcement Authority (Primacy)*

The SDWA protects public health by regulating the nation's public drinking water supply, including both surface and groundwater sources. The SDWA requires the EPA to develop

requirements for effective state and Tribal UIC programs to prevent underground injection of fluids (such as water, wastewater, brines from oil and gas production, and carbon dioxide) from endangering underground sources of drinking water (USDWs). In general, USDWs are aquifers or parts of aquifers that supply a public water system or contain enough groundwater to supply a public water system. *See* 40 CFR 144.3.

The UIC program regulates various aspects of an injection well project. These include technical aspects throughout the lifetime of the project from site characterization, construction, operation, and testing and monitoring through site closure, as well as permitting, site inspections, reporting, and enforcement to ensure well owners and operators comply with UIC regulations.

SDWA section 1421 directs the EPA to establish requirements that states, territories, and federally recognized Tribes (hereafter referred to as primacy applicants) must meet to be approved for primary enforcement responsibility or “primacy” for implementing a UIC program, including a Class VI program. A primacy applicant seeking primacy under SDWA section 1422 for a Class VI program must demonstrate to the EPA that the primacy applicant’s Class VI program meets the Federal requirements, including requirements for permitting, technical criteria and standards for injection wells, compliance evaluation programs, and enforcement authority, and is protective of USDWs. A primacy applicant agency must also demonstrate jurisdiction over underground injection and the administrative, civil, and criminal enforcement authorities required by the SDWA and EPA regulation. After the EPA approves a primacy applicant for UIC primacy, the primacy applicant’s UIC program may be revised with EPA approval. *See* 40 CFR 145.32. When an applicant that already has primacy under SDWA section 1422 seeks to add Class VI primacy to its existing program, the application and review process takes the form of a program revision.

The EPA conducts a comprehensive technical and legal evaluation of each primacy application to assess and confirm that the proposed program meets Federal regulatory requirements and to evaluate the effectiveness of the primacy applicant’s proposed program. The EPA likewise conducts a comprehensive evaluation of a proposed revision to an existing UIC program, particularly a revision as substantial as adding Class VI primacy. West Virginia’s Class VI application included

the following elements: West Virginia’s Class VI-related UIC statutes and regulations; documents describing West Virginia’s public participation process when adopting its proposed Class VI program; a letter from the Governor of West Virginia requesting Class VI primacy; a Program Description that explains how the State intends to carry out its Class VI responsibilities; a state Attorney General’s Class VI statement of enforcement authority; an interagency Memorandum of Agreement between the West Virginia Department of Environmental Quality and the West Virginia Geologic and Economic Survey (WVGES); an interagency Memorandum of Agreement between the West Virginia Department of Environmental Quality and the West Virginia Department of Health; and an amended addendum to the existing UIC Memorandum of Agreement between the EPA and West Virginia describing the administration, implementation, and enforcement of the West Virginia’s Class VI program.

#### *B. Class VI Wells Under the UIC Program*

Class VI wells are used to inject carbon dioxide into deep rock formations for the purpose of long-term underground storage, also known as geologic sequestration. The geologic sequestration of carbon dioxide through UIC Class VI wells is used in carbon capture and storage to prevent carbon dioxide emissions from industrial sources from reaching the atmosphere. Class VI injection wells are regulated under an existing, rigorous SDWA permitting framework that protects USDWs.

The UIC Class VI program provides multiple safeguards that work together to protect USDWs and human health. Owners or operators that wish to inject carbon dioxide underground for the purpose of geologic sequestration must demonstrate that their injection well and related injection activities will meet all UIC regulatory requirements and receive a Class VI permit for each injection well. The UIC Class VI program requires permit applicants to meet strict technical, financial, and managerial requirements to obtain a Class VI permit, including:

- Site characterization to ensure the geology in the project area will contain the carbon dioxide within the zone where it will be injected;
- Modeling to delineate the predicted area influenced by injection activities through the lifetime of operation;
- Evaluation of the delineated area to ensure all potential pathways for fluid movement have been identified and addressed through corrective action;

- Well construction requirements that ensure the Class VI injection well will not leak carbon dioxide;
- Testing and monitoring throughout the life of the project, including after carbon dioxide injection has ended. Requirements include, for example, testing to ensure physical integrity of the well, monitoring for seismic activity near the injection site, monitoring of injection pressure and flow, chemical analysis of the carbon dioxide stream that is being injected, and monitoring the extent of the injected carbon dioxide plume and the surrounding area (*e.g.*, ground water) to ensure the carbon dioxide is contained as predicted.
- Operating requirements (for example, injection pressure limitations) to ensure the injection activity will not endanger USDWs or human health;
- Financial assurance mechanisms sufficient to cover the costs for all phases of the geologic sequestration project including the post-injection site care period and until site closure has been approved by the permitting authority;
- Emergency and remedial response plans;
- Reporting of all testing and monitoring results to the permitting authority to ensure the well is operating in compliance with all permit and regulatory requirements.

The UIC permitting authority ensures that these protective requirements are included in each Class VI permit. A draft of each Class VI permit is made available to the public for comment before the decision is made whether to issue a final permit.

#### *C. West Virginia UIC Program*

The State of West Virginia received primacy for Class I, III, IV, and V injection wells under SDWA section 1422 and for Class II injection wells under SDWA section 1425 on December 9, 1983 (48 FR 55127). On May 1, 2024, West Virginia applied to the EPA under section 1422 of SDWA for primacy for Class VI injection wells located within the State, except those located on Indian lands.

#### *D. Final Rule*

In this final rule, the EPA is approving West Virginia’s application because the EPA has determined that the application meets all applicable requirements for approval under SDWA section 1422 and the EPA’s implementing regulations, and the State is capable of administering a Class VI program in a manner consistent with the terms and purposes of SDWA and applicable UIC regulations. The EPA

will remain the permitting authority for all UIC well classes on Indian land within the State, including Class VI wells, and will also oversee West Virginia's administration of the State's UIC Class VI program as authorized under SDWA.

## II. Legal Authorities

This final rule is issued under authority of SDWA sections 1422 and 1450, 42 U.S.C. 300h-1 and 300j-9.

Section 1421 of SDWA requires the Administrator of the EPA to promulgate Federal requirements for effective state or Tribal UIC programs to prevent underground injection activities that endanger USDWs. Section 1422 of SDWA establishes requirements for states and Tribes seeking EPA approval of their UIC programs. It also requires that states and Tribes seeking approval demonstrate how the state or Tribe has adopted (after public notice) and will implement a UIC program which meets the requirements that the EPA promulgated under section 1421.

For states and Tribes that seek approval of UIC programs under section 1422 of SDWA and those seeking EPA approval of revisions to existing state and Tribal UIC programs, the EPA has promulgated regulations setting forth the applicable procedures and substantive requirements codified in 40 CFR parts 144, 145 and 146. 40 CFR part 144 outlines general program requirements that each state or Tribe must meet to obtain primary enforcement authority. 40 CFR part 145 specifies the procedures the EPA will follow in approving, revising, and withdrawing state or Tribal programs and outlines the elements and provisions that a state or Tribe must include in its application for primacy. 40 CFR part 145 also identifies requirements for state permitting programs (including by reference to certain provisions of 40 CFR parts 124 and 144), compliance evaluation programs, enforcement authority, and sharing of information between the EPA and the state. 40 CFR part 146 contains the technical criteria and standards applicable to each well class, including Class VI wells.

## III. West Virginia's Application for Class VI Primacy

### A. Background

On May 1, 2024, West Virginia submitted to the EPA a program revision application to add Class VI wells to the State's existing SDWA section 1422 UIC program. The UIC program revision package from West Virginia included a description of the State's UIC Class VI

program, copies of all applicable rules and forms, a statement of legal authority, a summary and results of West Virginia's public participation activities, an amended addendum to the existing Memorandum of Agreement (MOA) between West Virginia and the EPA's Region 3 office, an interagency MOA between the WVDEP and the WVGES, and an interagency MOA between the WVDEP and the West Virginia Department of Health. The EPA reviewed the application for completeness and performed a technical evaluation of the application materials.

### B. Public Participation Activities Conducted by West Virginia

On June 23, 2021, the WVDEP posted a notice of public comment period on its website for a proposed action to revise West Virginia Code of State Rules 47CSR13 to add new regulations for Class VI wells and to update the State's existing Class I-V regulations. The WVDEP held a public comment period from June 23, 2021 to July 23, 2021 and held a virtual public hearing on July 23, 2021. The WVDEP received 55 comments, 19 of which commented on Class VI wells. These comments did not result in changes to the proposed regulatory revisions. The effective date for this rule revision was March 9, 2022.

Then, on June 12, 2023, the WVDEP posted a notice of public comment period on its website for another proposed action to make additional updates to the State's Class I-VI regulations in 47CSR13 of the West Virginia Code of State Rules. The WVDEP held a public comment period from June 12, 2023 to July 18, 2023 and held a public hearing on July 18, 2023 in Charleston, WV. The WVDEP received five comments, all of which related to Class VI wells. These comments did not result in changes to the proposed updates to the regulations. The effective date for this rule revision was April 5, 2024.

Commenters on the WVDEP's proposed rulemakings shared concerns on various topics including permit applicant financial burden, fees, the area of review radius, post-injection site care, and seismic activity reviews. Commenters also expressed concern about whether the WVDEP has adequate staffing and technical expertise to properly manage a UIC Class VI program. The WVDEP responded to all public comments and provided various clarifications. The WVDEP also explained that its Class VI team would be composed of technical specialists with expertise in geology, well construction, and UIC inspections. Additionally, the WVDEP responded

that the rule revisions were adopted to be consistent with Federal requirements and that its primary objective is to protect underground sources of drinking water, groundwater, and surface water. Documentation of West Virginia's public participation activities, including comments received and responses by the WVDEP, can be found in the EPA's Docket ID No. EPA-HQ-OW-2024-0357.

### C. Summary of the EPA's Comprehensive Evaluation

The EPA conducted a comprehensive technical and legal evaluation of West Virginia's Class VI primacy application to assess and confirm that the State's UIC Class VI program is as stringent as required by the Federal regulations and evaluated the effectiveness of the State's Class VI program. To be approved for Class VI primacy under SDWA section 1422, a state or Tribe must have a UIC program that meets Federal requirements (40 CFR parts 124, 144, 145, and 146). The EPA evaluated West Virginia's Class VI UIC program, including the relevant statutes and regulations, against these Federal requirements. The EPA worked with West Virginia to address any stringency issues with its Class VI statutes and regulations prior to submittal of the Class VI primacy application. The EPA also evaluated for stringency and effectiveness West Virginia's Class VI program description, the Class VI Attorney General's statement, the amended Class VI addendum to the MOA between the EPA and West Virginia, the interagency MOA between the WVDEP and the West Virginia Geologic and Economic Survey, and the interagency MOA between the WVDEP and the West Virginia Department of Health.

The EPA evaluated West Virginia's Class VI program description against 40 CFR 145.23, which lists all the information to be submitted as part of a program description. The EPA's evaluation of the Class VI program description included reviewing the scope, structure, coverage, processes, and organizational structure of the WVDEP. The EPA evaluated the WVDEP's permitting, administrative, and judicial review procedures, as well as the State's proposed Class VI permit application, reporting, and manifest forms. The EPA also reviewed the State's compliance evaluation and enforcement mechanisms. The EPA evaluated the WVDEP's proposed schedule for issuing Class VI permits within the first two years after program approval. The EPA required West Virginia to demonstrate that the State's

Class VI program will have adequate in-house staff (including the number, occupations, and general duties of the employees) or access to contractor support for technical areas including site characterization, modeling, well construction and testing, financial responsibility, and regulatory and risk analysis.

The EPA evaluated West Virginia's Class VI Attorney General's statement against 40 CFR 145.24 to ensure it met Federal requirements. The Attorney General's statement is required to ensure that a state's top legal officer affirms that state statutes, regulations, and judicial decisions demonstrate adequate authority to administer the UIC Class VI program as described in the Class VI program description and consistent with the EPA's regulatory requirements for UIC programs. The EPA independently evaluates and confirms that the Attorney General's statement certifies that the state either does not have environmental audit privilege and/or immunity laws, or, if there are environmental audit privilege and/or immunity laws, that they will not affect the ability of the state to meet the enforcement and information gathering requirements under the SDWA.

The EPA evaluated West Virginia's amended Class VI MOA addendum against 40 CFR 145.25 to ensure it met Federal requirements. The MOA is the central agreement setting the provisions and arrangements between the State and the EPA concerning the administration, implementation, and enforcement of the State UIC program. The EPA's evaluation includes ensuring that the MOA contains the necessary provisions pertaining to agreements on coordination, permitting, compliance monitoring, enforcement, and EPA oversight. For example, the amended Class VI MOA addendum specifies that the WVDEP and the EPA agree to maintain a high level of cooperation and coordination to assure successful and efficient administration of the UIC Class VI program.

The EPA reviewed the WVDEP's interagency MOA with the WVGES. The WVGES is a West Virginia agency with expertise to provide information to the WVDEP on local geologic characteristics in relation to proposed underground injection operations. The interagency MOA between the WVDEP and the WVGES establishes a coordinated relationship between the two state agencies to properly assess geological characteristics in a proposed work area to support WVDEP permit determinations. The EPA also reviewed the WVDEP's interagency MOA with the

West Virginia Department of Health (WVDOH). This interagency MOA specifies, among other provisions, that the WVDOH will conduct a review of the proposed area of work and permit application details and provide input to assist in WVDEP permit determinations.

The EPA is aware that stakeholders have raised concern about geologic sequestration long term liability transfer provisions enacted in West Virginia and other states. The EPA reviewed the West Virginia statutory provision relating to long-term liability transfer (W. Va. Code Sec. 22–11B–12) and determined that it does not undermine any protections afforded to USDWs under the Safe Drinking Water Act. Under the West Virginia long-term liability transfer provision, all Class VI regulatory and permit requirements must be met before liability transfer may occur. Consistent with EPA regulations, West Virginia imposes extensive post-injection monitoring—a default of 50 years—and site closure requirements at the end of a Class VI well's life cycle to ensure that there will be no endangerment to USDWs. Only after these requirements are met does West Virginia's long-term liability transfer provision allow a limited transfer of any future liability to a state-administered and industry-funded trust fund. Among other additional limitations, the provision is explicit that it does not relieve any owner or operator from any liability that arises from noncompliance with UIC laws, regulations or permits; it does not apply if the WVDEP determines that there is fluid migration for which the operator is responsible that threatens imminent and substantial endangerment to a USDW; it must be implemented in a manner that does not interfere with the State's authority to immediately and effectively restrain any person from engaging in any unauthorized activity which is endangering or causing damage to public health or the environment; and it cannot interfere with the EPA's emergency authority under SDWA section 1431.

West Virginia has demonstrated that it has the legal authority to implement and will administer its Class VI program in conformance with permitting requirements as stringent as those found in 40 CFR 145.11 for Class VI permits. West Virginia's UIC Class VI permitting provisions are as stringent as the EPA's permitting regulations in 40 CFR parts 124 and 144. The State has incorporated necessary procedures required by 40 CFR 145.12 to support a robust Class VI compliance evaluation program. Additionally, WVDEP has the necessary administrative, civil, and criminal enforcement authorities required by 40

CFR 145.13. West Virginia's Class VI regulations regarding permitting, inspection, operation, and monitoring meet Federal requirements found in 40 CFR parts 145 and 146. West Virginia's reporting and recordkeeping requirements for Class VI wells meet Federal requirements found in 40 CFR 144.54 and 146.91.

#### *D. Public Participation Activities Conducted by the EPA*

On November 27, 2024, the EPA published a proposed rulemaking in the **Federal Register** (89 FR 93538) to approve the State of West Virginia's application to implement a UIC program for Class VI injection wells within the State. The proposal established a public comment period that closed on December 30, 2024. The EPA held a public hearing on December 30, 2024 in Charleston, West Virginia that participants could attend in-person and virtually, as well as by phone. The EPA published notice of the hearing on the EPA's website and in 4 major local newspapers in West Virginia. The EPA received oral comments from 13 people.

### **IV. Public Comments and the EPA's Response**

#### *A. Public Comments*

Following publication of the proposed rulemaking, the EPA accepted public comments from November 27, 2024 to December 30, 2024. The EPA received 9,012 comments on the proposal from individuals and organizations representing a wide range of stakeholders, including from individual citizens, energy and industry groups, environmental non-governmental organizations, a member of the United States Congress, and others. Of the comments received on the proposal, 8,962 were from mass mailing campaigns. In general, the EPA received comments from stakeholders that supported and opposed primacy approval.

Each unique comment received for the proposal was considered in the development of this final rule. Copies of unique individual comments are available as part of the public record and can be accessed through the EPA's docket (ID No. EPA–HQ–OW–2024–0357). Documentation of the EPA's public participation activities, including comments received and the EPA's comment response document can also be found in the docket (ID. No. EPA–HQ–OW–2024–0357).

#### *B. The EPA's Response to Comments*

The EPA received comments both supporting and opposing UIC Class VI

primacy approval. Commenters in support of Class VI primacy approval asserted that the EPA's evaluation was thorough and the EPA's proposed approval of West Virginia's primacy application was appropriate as these commenters stated that West Virginia satisfied all applicable statutory and regulatory standards for EPA approval. Commenters opposing Class VI primacy approval were concerned about the length of the EPA's public comment period, the EPA's primacy approval process, WVDEP staffing for its Class VI program, transfer of long-term liability, Class II injection and oil and gas regulations, and other topics. Additionally, commenters expressed concerns about topics that the EPA determined to be outside the scope of this primacy approval action, including general concerns about the safety of geologic sequestration, a state statute concerning sequestered CO<sub>2</sub> and the term "pollutant," a state statute concerning pore space rights, subsurface long-term effects of carbon dioxide injection, well corrosion, post-injection monitoring requirements in the EPA's Class VI Rule, and past mining effects on subsurface conditions in West Virginia. The EPA has noted and addressed all topics, including out-of-scope topics, in the Agency's response to comment document. Some commenters interpreted the EPA's proposed rulemaking as incorporating by reference into the Code of Federal Regulations (CFR) certain provisions of West Virginia law, such as the provisions referenced above concerning the definition of the term "pollutant" and pore space rights, among other provisions raised by commenters. In response to these comments, the EPA is expressly excluding these provisions from the Agency's incorporation by reference. See section V.A of this preamble and the comment response document for more information.

## V. The EPA's Action

### A. Incorporation by Reference

In this action, the EPA is approving a revision to the State of West Virginia's UIC Program for primacy for regulating Class VI injection wells in the State, except for those located on Indian lands. The West Virginia statutes and regulations incorporated by reference in this final rule are publicly available in the EPA's Docket No. EPA-HQ-OW-2024-0357. This action amends 40 CFR 147.2450 and incorporates by reference EPA-approved state statutes and regulations that contain UIC standards, requirements, and procedures applicable to Class VI owners or

operators. Any such provisions incorporated by reference, as well as all permit conditions or permit denials issued pursuant to such provisions, are enforceable by the EPA pursuant to section 1423 of SDWA and 40 CFR 147.1(e). The EPA will continue to administer the UIC program for Class I, II, III, IV, V, and VI injection wells on Indian lands.

The EPA is incorporating by reference the West Virginia statutes and regulations that contain UIC requirements applicable to owners or operators of Class VI wells as a compilation titled "EPA-approved West Virginia SDWA section 1422 Underground Injection Control Program Statutes and Regulations for Well Class VI," dated January 10, 2025. This compilation is incorporated by reference into 40 CFR 147.2450 and is available at [www.regulations.gov](http://www.regulations.gov) in the docket for this final rule. The EPA has also codified a table in 40 CFR 147.2450 listing the EPA-approved West Virginia Statutes and Regulations for Well Class VI. While the West Virginia regulations in 47CSR13 contain requirements for all UIC well classes (*i.e.*, Class I–VI), only the requirements applicable to owners or operators of Class VI wells are incorporated by reference as part of this action. In response to comments, the EPA is updating this compilation and corresponding table in 40 CFR 147.2450 to expressly exclude certain provisions of West Virginia law. The EPA is incorporating by reference only those state statutes and regulations that are within the scope of coverage required under the Federal UIC regulations. 40 CFR 145.1(g)(2). For further information, see the EPA's comment response document (ID. No. EPA-HQ-OW-2024-0357).

The EPA will oversee West Virginia's administration of its Class VI program and will continue to oversee West Virginia's administration of its programs for Class I, II, III, IV, and V wells. The EPA will require quarterly reports on non-compliance and annual UIC performance reports pursuant to 40 CFR 144.8. The amended MOA addendum between the EPA and West Virginia, signed by the Regional Administrator on October 9, 2024, articulates that the EPA will oversee the State's administration of the UIC Class VI program on a continuing basis to assure that such administration is consistent with the program MOAs, UIC grant agreements, and all applicable requirements embodied in current regulations and Federal law. In addition, the amended MOA addendum provides that the EPA may request specific information including Class VI permits.

### B. Class I–V Codification—No Action

As detailed in the preamble of the proposed rulemaking, for reasons that current EPA staff were unable to ascertain, when the EPA approved West Virginia's Class I–V UIC program in 1983 (48 FR 55127, December 9, 1983), the CFR was not revised to reflect the EPA's approval, and the CFR currently does not reflect West Virginia's Class I–V primacy. The EPA is not addressing this CFR discrepancy as part of this action. The current action is confined to approving a revision to West Virginia's existing UIC primacy program to approve the State for primacy over Class VI wells; it is not addressing other well classes. Separately, the EPA is working with West Virginia to assess the State's current Class I–V program elements and expects to codify in the CFR the State's Class I–V program in 2025 as part of a separate action.

## VI. Statutory and Executive Orders Reviews

Additional information about these statutes and Executive orders can be found at: <https://www.epa.gov/laws-regulations/laws-and-executive-orders>.

### A. Executive Order 12866: Regulatory Planning and Review

This action is exempt from review under Executive Order 12866 because the Office of Management and Budget (OMB) has exempted, as a category, the approval of state UIC programs.

### B. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA. OMB has previously approved the information collection activities contained in the existing regulations and has assigned OMB control number 2040-0042. Reporting or recordkeeping requirements will be based on West Virginia's Class VI UIC Regulations, and the State of West Virginia is not subject to the PRA.

### C. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action does not impose any new requirements on small entities. It simply approves and codifies West Virginia's UIC Class VI program, which meets the same standard under SDWA section 1422 as is required for the EPA's direct implementation of a UIC Class VI program.

### D. Unfunded Mandates Reform Act (UMRA)

This action does not contain an unfunded mandate as described in

UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. This action imposes no enforceable duty on any state, local, or Tribal governments or the private sector. The EPA’s approval of West Virginia’s Class VI program will not constitute a Federal mandate because there is no requirement that a state establish UIC regulatory programs and because the program is a state, rather than a Federal program.

#### *E. Executive Order 13132: Federalism*

This action does not have federalism implications. It does not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

#### *F. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments*

This action does not have Tribal implications as specified in Executive Order 13175. This action contains no Federal mandates for Tribal governments and does not impose any enforceable duties on Tribal governments. Thus, Executive Order 13175 does not apply to this action.

#### *G. Executive Order 13045: Protection of Children From Environmental Health and Safety Risks*

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2–202 of the Executive Order. This action is not subject to Executive Order 13045 because it approves a state program.

#### *H. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use*

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

#### *I. National Technology Transfer and Advancement Act (NTTAA)*

This action does not involve technical standards.

#### *J. Congressional Review Act (CRA)*

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United

States. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

### VII. References

- Attorney General’s Statement “Attorney General’s Statement to Accompany West Virginia’s Underground Injection Program Class VI Primacy Application,” signed by the General Counsel of the West Virginia Department of Environmental Protection, April 29, 2024.
- Class VI Underground Injection Control Program Description “WV Class 6 Program Description”, June 2024.
- Email from West Virginia to EPA related to Class I–V program revision, April 22, 2024.
- Letter from Governor of West Virginia to Regional Administrator, EPA Region III, April 25, 2024.
- Memorandum of Agreement Amended Addendum 1 between the State of West Virginia and the EPA, Region III for the UIC Class VI Program, signed by the EPA Regional Administrator on October 9, 2024.
- Federal Register** Notice “West Virginia Department of Natural Resources; Underground Injection Control Program Approval”, EPA, 48 FR 55127–55128 (December 9, 1983).
- Memorandum of Agreement between the State of West Virginia and the EPA, Region III, signed by the EPA Regional Administrator on August 31, 1983.
- Memorandum of Agreement Between The West Virginia Department of Environmental Protection and The West Virginia Department of Health, signed April 26, 2024.
- Memorandum of Agreement Between The West Virginia Department of Environmental Protection and The West Virginia Geological and Economic Survey, signed April 29, 2024.
- Program Description “Program Description for the West Virginia Underground Injection Control Program”, December 1983.
- State of West Virginia. Notice of Action Taken by Legislative Rule-Making Review Committee, December 9, 2021.
- State of West Virginia. Notice of Action Taken by Legislative Rule-Making Review Committee, September 13, 2023.
- State of West Virginia. Notice of Public Comment Period and Hearing, June 12, 2023.
- State of West Virginia. Notice of Public Comment Period and Hearing, June 23, 2021.
- State of West Virginia. Public Comments and Responses, July 24, 2023.
- State of West Virginia. Public Comments and Responses, July 30, 2021.
- State of West Virginia. Public Hearing Transcript (Public Hearing Date: July 23, 2021), July 31, 2021.
- State of West Virginia. Public Hearing Transcript (Public Hearing Date: July 18, 2023), August 12, 2023.
- West Virginia Code Sec. 22–11. Water Pollution Control Act. May 13, 2024.

- West Virginia Code Sec. 22–11A. Carbon Dioxide Sequestration Pilot Program. May 20, 2022.
- West Virginia Code Sec. 22–11B. Underground Carbon Dioxide Sequestration and Storage. May 13, 2024.
- West Virginia Code of State Rules Sec. 47–13. Underground Injection Control. April 5, 2024.

### List of Subjects in 40 CFR Part 147

Environmental protection, Incorporation by reference, Indian lands, Intergovernmental relations, Reporting and recordkeeping requirements, Water supply.

#### Lee Zeldin,

Administrator.

For the reasons set forth in the preamble, the EPA amends 40 CFR part 147 as follows:

### PART 147—STATE, TRIBAL, AND EPA-ADMINISTERED UNDERGROUND INJECTION CONTROL PROGRAMS

- 1. The authority citation for part 147 continues to read as follows:

**Authority:** 42 U.S.C. 300f *et seq.*; and 42 U.S.C. 6901 *et seq.*

- 2. Add § 147.2450 to read as follows:

#### § 147.2450 State-administered program—Class VI Wells

The UIC program for Class VI wells in the State of West Virginia, except those on Indian lands, is the program administered by the West Virginia Department of Environmental Protection, approved by the EPA pursuant to SDWA section 1422. The effective date of this program is March 28, 2025. The UIC program for Class VI wells in the State of West Virginia, except those located on Indian lands, consists of the following elements, as submitted to the EPA in the State’s program revision application.

(a) *Incorporation by reference.* The UIC requirements applicable to owners or operators of Class VI wells set forth in the State statutes and regulations approved by the EPA for including in “EPA-Approved West Virginia SDWA section 1422 Underground Injection Control Program Statutes and Regulations for Well Class VI,” dated January 10, 2025, and listed in table 1 to this paragraph (a), are hereby incorporated by reference and made a part of the applicable UIC program under the SDWA for the State of West Virginia. The Director of the Federal Register approves this incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies of the State of West Virginia’s statutes and regulations that are incorporated by reference may be inspected at the U.S.

Environmental Protection Agency, Region 3, Four Penn Center, 1600 JFK Blvd., Philadelphia, PA 19103 and the U.S. Environmental Protection Agency, Water Docket, EPA Docket Center (EPA/DC), EPA WJC West, Room 3334, 1301 Constitution Ave. NW, Washington, DC 20004. If you wish to obtain materials from the EPA Regional Office, please

call (215) 814–2816, or from the EPA Headquarters Library, please call the Water Docket at (202) 566–2426. You may also view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit [www.archives.gov/federal-register/cfr/](http://www.archives.gov/federal-register/cfr/)

*ibr-locations* or email [fr.inspections@nara.gov](mailto:fr.inspections@nara.gov). You may also obtain the State of West Virginia’s statutes and regulations that are incorporated by reference from: Room MB–27, Building 1, State Capitol Complex, Charleston, West Virginia 25305; phone: (304) 347–4836; website: [www.wvlegislature.gov](http://www.wvlegislature.gov).

TABLE 1 TO PARAGRAPH (a)—EPA-APPROVED WEST VIRGINIA SDWA SEC. 1422 UNDERGROUND INJECTION CONTROL PROGRAM STATUTES AND REGULATIONS FOR WELL CLASS VI

| State citation   | Title/subject   | State effective date | EPA approval date  |
|--|---|----------------------|--------------------|
| West Virginia Code § 22–11 .....   | Water Pollution Control Act .....                     | May 13, 2024 .....   | February 26, 2025. |
| West Virginia Code § 22–11A .....  | Carbon Dioxide Sequestration Pilot Program            | May 30, 2022 .....   | February 26, 2025. |
| West Virginia Code § 22–11B, except exclude § 22–11B–8(a), § 22–11B–9(a), § 22–11B–12(e)(1)–(3), 22–11B–18, and 22–11B–19. | Underground Carbon Dioxide Sequestration and Storage. | May 13, 2024 .....   | February 26, 2025. |
| West Virginia Code of State Rules § 47–13 ...  | Underground Injection Control .....                   | April 5, 2024 .....  | February 26, 2025. |

(b) *Memorandum of Agreement (MOA)*. (1) The Memorandum of Agreement between the State of West Virginia and the EPA, Region III, signed by the EPA Regional Administrator on August 31, 1983; and (2) Memorandum of Agreement Amended Addendum 1 between the State of West Virginia and the EPA, Region III for the UIC Class VI Program, signed by the EPA Regional Administrator on October 9, 2024.

(c) *Letter from Governor*. Letter from Governor of West Virginia to Regional Administrator, EPA Region III, April 25, 2024.

(d) *West Virginia Memoranda of Agreement*. (1) Memorandum of Agreement Between The West Virginia Department of Environmental Protection and The West Virginia Geological and Economic Survey, signed April 29, 2024; and (2) Memorandum of Agreement Between The West Virginia Department of Environmental Protection and The West Virginia Department of Health, signed April 26, 2024.

(e) *Statement of legal authority*. Attorney General’s Statement, “Attorney General’s Statement to Accompany West Virginia’s Underground Injection Program Class VI Primacy Application,” signed by the Attorney General of West Virginia on April 29, 2024.

(f) *Program Description*. The Program Description, “Program Description for the West Virginia Underground Injection Control Program,” December 1983, and any other materials submitted as part of the application or amendment thereto, and the Class VI Underground Injection Control Program Description, “WV Class 6 Program Description”, June 2024, and any other materials submitted

as part of the program revision application or as amendment thereto.

[FR Doc. 2025–02974 Filed 2–25–25; 8:45 am]

**BILLING CODE 6560–50–P**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 180**

[EPA–HQ–OPP–2022–0645; FRL–11459–01–OCSPF]

**Cyprodinil; Pesticide Tolerances**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** This regulation establishes a tolerance for residues of cyprodinil in or on cranberry. The Interregional Project Number 4 (IR–4) requested this tolerance under the Federal Food, Drug, and Cosmetic Act (FFDCA).

**DATES:** This regulation is effective February 26, 2025. Objections and requests for hearings must be received on or before April 28, 2025, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

**ADDRESSES:** The docket for this action, identified by docket identification (ID) number EPA–HQ–OPP–2022–0645, is available online at <https://www.regulations.gov>. Additional information about dockets generally, along with instructions for visiting the docket in person, is available at <https://www.epa.gov/dockets>.

**FOR FURTHER INFORMATION CONTACT:** Charles Smith, Director, Registration Division (7505T), Office of Pesticide Programs, Environmental Protection

Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460–0001; main telephone number: (202) 566–1030; email address: [RDFRNotices@epa.gov](mailto:RDFRNotices@epa.gov).

**SUPPLEMENTARY INFORMATION:**

**I. General Information**

*A. Does this action apply to me?*

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather provides a guide to help readers determine whether this document applies to them. Potentially affected entities may include:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

If you have any questions regarding the applicability of this proposed action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

*B. How can I get electronic access to other related information?*

You may access a frequently updated electronic version of EPA’s tolerance regulations at 40 CFR part 180 through the Office of the Federal Register’s e-CFR site at <https://www.ecfr.gov/current/title-40>.

*C. How do I file an objection or hearing request?*

Under FFDCA section 408(g), 21 U.S.C. 346a, any person may file an objection to any aspect of this regulation

and may also request a hearing on those objections. If you fail to file an objection to the final rule within the time period specified in the final rule, you will have waived the right to raise any issues resolved in the final rule. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA-HQ-OPP-2022-0645 in the subject line on the first page of your submission. All objections and requests for a hearing must be in writing and must be received by the Hearing Clerk on or before April 28, 2025.

The EPA's Office of Administrative Law Judges (OALJ), in which the Hearing Clerk is housed, urges parties to file and serve documents by electronic means only, notwithstanding any other particular requirements set forth in other procedural rules governing those proceedings. See "Revised Order Urging Electronic Filing and Service," dated June 22, 2023, which can be found at <https://www.epa.gov/system/files/documents/2023-06/2023-06-22-%20revised%20order%20urging%20electronic%20filing%20and%20service.pdf>. Although the EPA's regulations require submission via U.S. Mail or hand delivery, the EPA intends to treat submissions filed via electronic means as properly filed submissions; therefore, the EPA believes the preference for submission via electronic means will not be prejudicial. When submitting documents to the OALJ electronically, a person should utilize the OALJ e-filing system at [https://yosemite.epa.gov/oa/eab/eab-alj\\_upload.nsf](https://yosemite.epa.gov/oa/eab/eab-alj_upload.nsf).

## II. Summary of Petitioned-For Tolerance

In the **Federal Register** of September 23, 2022 (87 FR 58047) (FRL-9410-05-OCSPP), EPA issued a document pursuant to FFDCA section 408(d)(3), 21 U.S.C. 346a(d)(3), announcing the filing of pesticide petition (2E9006) by the Interregional Research Project No. 4 (IR-4), North Carolina State University, 1730 Varsity Drive, Venture IV, Suite 210, Raleigh, NC 27606. The petition requests to amend 40 CFR 180.532 by establishing a tolerance for residues of the fungicide cyprodinil, 4-cyclopropyl-6-methyl-N-phenyl-2-pyrimidinamine, in or on the following raw agricultural commodity: cranberry at 0.4 parts per million (ppm). That document referenced a summary of the petition prepared by IR-4, the petitioner, which is available in the docket, <https://www.regulations.gov>. There were no

comments received in response to the Notice of Filing.

## III. Aggregate Risk Assessment and Determination of Safety

Section 408(b)(2)(A)(i) of FFDCA allows EPA to establish a tolerance (the legal limit for a pesticide chemical residue in or on a food) only if EPA determines that the tolerance is "safe." Section 408(b)(2)(A)(ii) of FFDCA defines "safe" to mean that "there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information." This includes exposure through drinking water and in residential settings but does not include occupational exposure. Section 408(b)(2)(C) of FFDCA requires EPA to give special consideration to exposure of infants and children to the pesticide chemical residue in establishing a tolerance and to "ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue. . ."

Consistent with FFDCA section 408(b)(2)(D), and the factors specified therein, EPA has reviewed the available scientific data and other relevant information in support of this action. EPA has sufficient data to assess the hazards of and to make a determination on aggregate exposure for cyprodinil including exposure resulting from the tolerances established by this action. EPA's assessment of exposures and risks associated with cyprodinil follows.

### A. Toxicological Profile

EPA has evaluated the available toxicity data and considered its validity, completeness, and reliability as well as the relationship of the results of the studies to human risk. EPA has also considered available information concerning the variability of the sensitivities of major identifiable subgroups of consumers, including infants and children.

The major target organs of cyprodinil are the liver in both rats and mice and the kidney in rats. Liver effects observed in subchronic and chronic studies in rats and mice include increased liver weights, increases in serum clinical chemistry parameters associated with adverse effects on liver function, hepatocyte hypertrophy, hepatocellular necrosis, and spongiosis hepatis. Adverse kidney effects include tubular lesions and inflammation following subchronic exposure of male rats. The hematopoietic system was also a target of cyprodinil, which caused mild

anemia in rats following subchronic exposure. There was no evidence of increased *in utero* or postnatal susceptibility in the developmental rat or rabbit study or in the 2-generation reproduction study in the rat. An acute neurotoxicity study (ACN) indicated systemic toxicity with signs of hunched posture, piloerection, reduced responsiveness to sensory stimuli and reduced motor activity, and hypothermia, but no neurotoxicity was observed in the subchronic neurotoxicity study (SCN). A 28-day dietary immunotoxicity study in mice resulted in no effects. No dermal or systemic toxicity was seen following repeated dermal application up to the limit dose in a 21-day dermal toxicity study in rats. There was no evidence of carcinogenic potential in either the rat chronic toxicity/carcinogenicity or mouse carcinogenicity studies. There was no evidence of a mutagenic or cytogenetic effect *in vivo* or *in vitro* in studies with cyprodinil.

Based on the lack of evidence of carcinogenicity in mice and rats at doses that were judged to be adequate to the carcinogenic potential, cyprodinil is classified as "not likely to be carcinogenic to humans."

Specific information on the studies received and the nature of the adverse effects caused by cyprodinil as well as the no-observed-adverse-effect-level (NOAEL) and the lowest-observed-adverse-effect-level (LOAEL) from the toxicity studies can be found in the document titled "Cyprodinil. Human Health Risk Assessment to Support the Registration of the Proposed New Use on Cranberry." (hereinafter "Cyprodinil Human Health Risk Assessment") on pages 33–37 in docket ID number EPA-HQ-OPP-2022-0645.

### B. Toxicological Points of Departure/Levels of Concern

Once a pesticide's toxicological profile is determined, EPA identifies toxicological points of departure (POD) and levels of concern to use in evaluating the risk posed by human exposure to the pesticide. For hazards that have a threshold below which there is no appreciable risk, the toxicological POD is used as the basis for derivation of reference values for risk assessment. PODs are developed based on a careful analysis of the doses in each toxicological study to determine the dose at which no adverse effects are observed (the NOAEL) and the lowest dose at which adverse effects of concern are identified (the LOAEL). Uncertainty/safety factors are used in conjunction with the POD to calculate a safe exposure level—generally referred to as

a population-adjusted dose (PAD) or a reference dose (RfD)—and a safe margin of exposure (MOE). For non-threshold risks, the Agency assumes that any amount of exposure will lead to some degree of risk. Thus, the Agency estimates risk in terms of the probability of an occurrence of the adverse effect expected in a lifetime. For more information on the general principles EPA uses in risk characterization and a complete description of the risk assessment process, see <https://www.epa.gov/science-and-assessing-pesticide-risks/sing-human-health-risk-pesticides>.

A summary of the toxicological endpoints and PODs for cyprodinil used for human risk assessment can be found in the Cyprodinil Human Health Risk Assessment on page 19.

### C. Exposure Assessment

1. *Dietary exposure from food and feed uses.* In evaluating dietary exposure to cyprodinil, EPA considered exposure under the petitioned-for tolerance as well as all existing cyprodinil tolerances in 40 CFR 180.572. EPA assessed dietary exposures from cyprodinil in food as follows:

i. *Acute exposure.* Quantitative acute dietary exposure and risk assessments are performed for a food-use pesticide, if a toxicological study has indicated the possibility of an effect of concern occurring as a result of a 1-day or single exposure. Such effects were identified for cyprodinil.

In estimating acute dietary exposure, EPA used the Dietary Exposure Evaluation Model software using the Food Commodity Intake Database (DEEM-FCID) Version 4.02, which uses the 2005–2010 food consumption data from the United States Department of Agriculture's (USDA's) National Health and Nutrition Examination Survey, What We Eat in America (NHANES/WWEIA). The acute dietary exposure assessment is unrefined, assuming tolerance-level residues, default processing factors, and 100 percent crop treated (PCT) for all crop and livestock commodities.

ii. *Chronic exposure.* In conducting the chronic dietary exposure assessment, EPA also used the food consumption data from the USDA's 2005–2010 NHANES/WWEIA and DEEM-FCID version 4.02. As to residue levels in food, the chronic dietary exposure assessment is partially refined, assuming tolerance-level residues for some commodities, average field trial residues for the remaining commodities, default and empirical processing factors,

and average PCT estimates for some crops.

iii. *Cancer.* Based on the data summarized in Unit III.A., EPA has concluded that cyprodinil is not likely to be carcinogenic to humans, so it does not pose a cancer risk to humans. Therefore, a dietary exposure assessment for the purpose of assessing cancer risk is unnecessary.

iv. *Anticipated residue and PCT information.* FFDCA section 408(b)(2)(E) authorizes EPA to use available data and information on the anticipated residue levels of pesticide residues in food and the actual levels of pesticide residues that have been measured in food. If EPA relies on such information, EPA must require, pursuant to FFDCA section 408(f)(1), that data be provided 5 years after the tolerance is established, modified, or left in effect, demonstrating that the levels in food are not above the levels anticipated. For the present action, EPA will issue such data call-ins as are required by FFDCA section 408(b)(2)(E) and authorized under FFDCA section 408(f)(1). Data will be required to be submitted no later than 5 years from the date of issuance of these tolerances.

FFDCA section 408(b)(2)(F) states that the Agency may use data on the actual percent of food treated for assessing chronic dietary risk only if:

- *Condition a:* The data used are reliable and provide a valid basis to show what percentage of the food derived from such crop is likely to contain the pesticide residue.
- *Condition b:* The exposure estimate does not underestimate exposure for any significant subpopulation group.
- *Condition c:* Data are available on pesticide use and food consumption in a particular area and the exposure estimate does not understate exposure for the population in such area.

In addition, the Agency must provide for periodic evaluation of any estimates used. To provide for the periodic evaluation of the estimate of PCT as required by FFDCA section 408(b)(2)(F), EPA may require registrants to submit data on PCT.

The Agency estimated the average PCT for existing uses as follows: almond 25%; apple 30%; apricot 20%; artichoke 5%; beans, snap 2.5%; blackberry 40%; blueberry 35%; broccoli 1%; brussels sprout 2.5%; cabbage 10%; cantaloupe 1%; carrot 1%; cauliflower 1%; celery 1%; cherries 2.5%; cucumber 1%; garlic 10%; grapes, wine 25%; grapes, raisin 15%; grapes, table 55%; kiwi 20%; lemon 1%; lettuce 15%; lima bean 1%; nectarine 15%; onion 10%; peach 30%; pear 15%; peppers 2.5%; pistachio 2.5%; plum/prune 30%; pumpkin 5%;

raspberry 65%; squash 5%; strawberry 60%; tomato 2.5%; and watermelon 15%. EPA assumed 100 PCT for all remaining commodities included in the chronic assessment.

In most cases, EPA uses available data from United States Department of Agriculture/National Agricultural Statistics Service (USDA/NASS), proprietary market surveys, and California Department of Pesticide Regulation (CalDPR) Pesticide Use Reporting (PUR) for the chemical/crop combination for the most recent 10 years. EPA uses an average PCT for chronic dietary risk analysis and a maximum PCT for acute dietary risk analysis. The average PCT figure for each existing use is derived by combining available public and private market survey data for that use, averaging across all observations, and rounding to the nearest 5%, except for those situations in which the average PCT is less than 1% or less than 2.5%. In those cases, the Agency would use 1% or 2.5% as the average PCT value, respectively. The maximum PCT figure is the highest observed maximum value reported within the most recent 10 years of available public and private market survey data for the existing use and rounded up to the nearest multiple of 5%, except where the maximum PCT is less than 2.5%, in which case, the Agency uses 2.5% as the maximum PCT.

The Agency believes that the three conditions discussed in Unit III.C.1.iv. have been met. With respect to Condition a, PCT estimates are derived from Federal and private market survey data, which are reliable and have a valid basis. The Agency is reasonably certain that the percentage of the food treated is not likely to be an underestimation. As to Conditions b and c, regional consumption information and consumption information for significant subpopulations is taken into account through EPA's computer-based model for evaluating the exposure of significant subpopulations including several regional groups. Use of this consumption information in EPA's risk assessment process ensures that EPA's exposure estimate does not understate exposure for any significant subpopulation group and allows the Agency to be reasonably certain that no regional population is exposed to residue levels higher than those estimated by the Agency. Other than the data available through national food consumption surveys, EPA does not have available reliable information on the regional consumption of food to which cyprodinil may be applied in a particular area.

2. *Dietary exposure from drinking water.* The Agency used screening level water exposure models in the dietary exposure analysis and risk assessment for cyprodinil in drinking water. These simulation models take into account data on the physical, chemical, and fate/transport characteristics of cyprodinil. Further information regarding EPA drinking water models used in pesticide exposure assessment can be found at <https://www.epa.gov/pesticide-science-and-assessing-pesticide-risks/models-pesticide-risk-assessment>.

Based on the Pesticide Flooded Application Model (PFAM) along with the Pesticide in Water Calculator (PWC); groundwater and surface water model, the estimated drinking water concentration (EDWC) of cyprodinil for acute exposures is estimated to be 185 parts per billion (ppb) for surface water. The EDWC of cyprodinil for chronic exposures is estimated to be 119 ppb. These modeled estimates of drinking water concentrations were directly entered into the dietary exposure model.

3. *From non-dietary exposure.* The term “residential exposure” is used in this document to refer to non-occupational, non-dietary exposure (e.g., for lawn and garden pest control, indoor pest control, termiticides, and flea and tick control on pets).

There are no new proposed residential (non-occupational) uses for cyprodinil. Cyprodinil is currently registered for use on ornamental landscapes on golf courses and around residential, institutional, public, commercial, and industrial buildings, parks, recreational areas, and athletic fields, that could result in residential exposure. Currently, those labels require handlers to wear specific clothing (e.g., long sleeve shirt/long pants) and/or use personal protective equipment. Therefore, the Agency has made the assumption that these products are not for homeowner use and has not conducted a quantitative residential handler assessment. There are existing residential uses of cyprodinil on ornamentals and therefore the potential for short-term post-application dermal exposure to adults and children. However, a quantitative residential post-application assessment was not conducted because EPA did not identify a dermal hazard up to the limit dose of 1,000 mg/kg/day to select a dermal endpoint. Therefore, no residential exposures are applicable for the aggregate assessment.

4. *Cumulative effects from substances with a common mechanism of toxicity.* FFDCA section 408(b)(2)(D)(v) requires that, when considering whether to establish, modify, or revoke a tolerance,

the Agency consider “available information” concerning the cumulative effects of a particular pesticide’s residues and “other substances that have a common mechanism of toxicity.”

In 2016, EPA’s Office of Pesticide Programs released a guidance document entitled *Pesticide Cumulative Risk Assessment: Framework for Screening Analysis* (<https://www.epa.gov/pesticide-science-and-assessing-pesticide-risks/pesticide-cumulative-risk-assessment-framework>). This document provides guidance on how to screen groups of pesticides for cumulative evaluation using a two-step approach beginning with the evaluation of available toxicological information and, if necessary, followed by a risk-based screening approach. This framework supplements the existing guidance documents for establishing common mechanism groups (CMGs) and conducting cumulative risk assessments (CRA). The Agency has utilized this framework for cyprodinil and determined that cyprodinil along with pyrimethanil form a candidate CMG. This group of pesticides is considered a candidate CMG because they share characteristics to support a testable hypothesis for a common mechanism of action.

Following this determination, the Agency conducted a screening-level cumulative assessment for the candidate CMG of anilinopyrimidines. This assessment indicated that cumulative aggregate risk estimates are below the Agency’s level of concern. The screening-level assessment for the anilinopyrimidines has been updated to incorporate the proposed new use of cyprodinil on cranberry. The current screening-level assessment indicates that cumulative risk estimates from cyprodinil and pyrimethanil are below the Agency’s levels of concern and therefore, no further cumulative evaluation is necessary for cyprodinil at this time. For more information about the anilinopyrimidines cumulative screening assessment, see Appendix E of the Cyprodinil Human Health Risk Assessment in docket ID number EPA–HQ–OPP–2022–0645.

For information regarding EPA’s efforts to determine which chemicals have a common mechanism of toxicity and to evaluate the cumulative effects of such chemicals, see EPA’s website at <https://www.epa.gov/pesticides/cumulative>.

#### D. Safety Factor for Infants and Children

1. *In general.* FFDCA section 408(b)(2)(C) provides that EPA shall apply an additional tenfold (10X)

margin of safety for infants and children in the case of threshold effects to account for prenatal and postnatal toxicity and the completeness of the database on toxicity and exposure unless EPA determines based on reliable data that a different margin of safety will be safe for infants and children. This additional margin of safety is commonly referred to as the Food Quality Protection Act (FQPA) Safety Factor (SF). In applying this provision, EPA either retains the default value of 10X, or uses a different additional safety factor when reliable data available to EPA support the choice of a different factor.

2. *Prenatal and postnatal sensitivity.* There was no evidence of increased pre- or post-*utero* susceptibility in the developmental rat or rabbit studies or in the two-generation reproduction study. In the rat developmental toxicity study, there were significantly lower mean fetal weights in the high-dose group compared to controls, as well as a significant increase in skeletal anomalies in the high-dose group due to abnormal ossification. The skeletal anomalies/variations were considered to be a transient developmental delay that occurs secondary to the maternal toxicity (reduced body weight/body weight gain and reduced food consumption) noted in the high-dose group. In the rabbit study, the only treatment-related developmental effect was indication of an increased incidence of a 13th rib at maternally toxic doses. Signs of offspring effects in the rat 2-generation reproduction study included significantly lower F<sub>1</sub> and F<sub>2</sub> pup weights in the high-dose group during lactation, which continued to be lower than controls post-weaning and after the pre-mating period (examination in F<sub>1</sub> generation only). The offspring effects occurred at the same high-dose levels at which maternal toxicity (decreased body weight) was observed and were considered to be secondary to maternal toxicity.

3. *Conclusion.* EPA has determined that reliable data show the safety of infants and children would be adequately protected if the FQPA SF were reduced to from 10X to 1X. That decision is based on the following findings:

i. The toxicity database for cyprodinil is sufficient for a full hazard evaluation and is considered adequate to evaluate risks to infants and children. Acceptable studies have been submitted for developmental toxicity, reproductive toxicity, acute and subchronic neurotoxicity, and immunotoxicity. In addition, EPA recommends a

subchronic inhalation toxicity study be waived.

ii. In a subchronic neurotoxicity study in rats, there were no treatment related effects on mortality, clinical signs, or gross or histological neuropathology. Functional Observational Battery and motor activity testing revealed no treatment related effects up to the highest dose tested. In an acute neurotoxicity study in mice, clinical signs, hypothermia, and changes in motor activity were all found to be reversible and were no longer seen at day 8 and day 15 investigations. There were no treatment related effects on mortality, gross, or histological neuropathology.

iii. The available developmental guideline studies indicated no increased susceptibility of rats or rabbits to *in utero* and/or from postnatal exposure to cyprodinil. In the prenatal developmental toxicity studies in rats and rabbits and the two-generation reproduction study in rats, toxicity to the fetuses/offspring, when observed, occurred at the same doses at which effects were observed in maternal/parental animals.

iv. There are no residual uncertainties in the exposure database. The dietary risk assessment is conservative and will not underestimate dietary exposure to cyprodinil. The acute and chronic dietary assessments utilized tolerance-level residues, average residue values from field trial data (chronic only), empirical or HED's default processing factors, and 100 PCT (acute only) or average PCT estimates (chronic only). The dietary analyses also used modelled drinking water estimates. For these reasons, it can be concluded that the dietary analyses do not underestimate risk from acute or chronic exposure to cyprodinil. There are no proposed residential uses and, for reasons aforementioned, no quantitative residential assessment was conducted.

#### E. Aggregate Risk and Determination of Safety

EPA determines whether acute and chronic dietary pesticide exposures are safe by comparing dietary exposure estimates to the acute population adjusted dose (aPAD) and the chronic population adjusted dose (cPAD). Short-, intermediate-, and chronic term aggregate risks are evaluated by comparing the estimated total food, water, and residential exposure to the appropriate points of departure to ensure that an adequate margin of exposure (MOE) exists.

1. *Acute risk.* Using the exposure assumptions discussed in this unit for acute exposure, the acute dietary

exposure from food and water to cyprodinil will occupy 7.6% of the aPAD for children 1 to 2 years old, the most highly exposed population subgroup. Acute residential exposure to cyprodinil is not expected. Therefore, the acute dietary risk estimates serve as the acute aggregate risk assessment, which are below the Agency's level of concern of 100% of the aPAD.

2. *Chronic risk.* Using the exposure assumptions described in this unit for chronic exposure, EPA has concluded that chronic exposure to cyprodinil from food and water will utilize 47% of the cPAD for all infants less than one year old, the most highly exposed population subgroup. Chronic residential exposure to cyprodinil is not expected. Therefore, the chronic dietary risk estimates serve as the chronic aggregate risk assessment, which is below the Agency's level of concern of 100% of the cPAD.

3. *Short- and intermediate-term risk.* Short- and intermediate-term aggregate exposure takes into account short- and intermediate-term residential exposure plus chronic exposure to food and water (considered to be a background exposure level).

Short- and intermediate-term adverse effects were identified; however, residential exposures anticipated from the registered uses are not applicable for the aggregate risk assessment because no dermal hazard was identified. Therefore, the short-term and intermediate-term aggregate risks are equivalent to the chronic dietary risk estimates, which are not of concern.

4. *Aggregate cancer risk for U.S. population.* Based on the lack of evidence of carcinogenicity in two adequate rodent carcinogenicity studies, cyprodinil is classified as "not likely to be carcinogenic to humans." Therefore, cyprodinil is not expected to pose an aggregate cancer risk to humans.

5. *Determination of safety.* Based on the risk assessments and information described above, EPA concludes there is a reasonable certainty that no harm will result to the general population, or to infants and children, from aggregate exposure to cyprodinil residues. More detailed information on this action can be found in the Cyprodinil Human Health Risk Assessment in docket ID EPA-HQ-OPP-2022-0645.

#### IV. Other Considerations

##### A. Analytical Enforcement Methodology

Adequate enforcement methodologies are available for enforcing tolerances of cyprodinil in/on plant commodities, specifically high performance liquid chromatography with UV detection

(HPLC/UV) method with column switching. Method AG-631B also contains procedures for confirmatory analysis by gas chromatography with nitrogen phosphorus detection (GC/NPD).

The methods may be requested from: Chief, Analytical Chemistry Branch, Environmental Science Center, 701 Mapes Rd., Ft. Meade, MD 20755-5350; telephone number: (410) 305-2905; email address: [residuemethods@epa.gov](mailto:residuemethods@epa.gov).

##### B. International Residue Limits

In making its tolerance decisions, EPA seeks to harmonize U.S. tolerances with international standards whenever possible, consistent with U.S. food safety standards and agricultural practices. EPA considers the international maximum residue limits (MRLs) established by the Codex Alimentarius Commission (Codex), as required by FFDCA section 408(b)(4). The Codex Alimentarius is a joint United Nations Food and Agriculture Organization/World Health Organization food standards program, and it is recognized as an international food safety standards-setting organization in trade agreements to which the United States is a party. EPA may establish a tolerance that is different from a Codex MRL; however, FFDCA section 408(b)(4) requires that EPA explain the reasons for departing from the Codex level.

The Codex has established MRLs for cyprodinil in or on berries and other small fruits (except grapes) at 10 ppm, based on U.S. raspberry residue data reflecting foliar applications. These Codex MRLs are different than the tolerance being established for residues of cyprodinil in the United States because the U.S. tolerance for residues in/on cranberry at 0.4 ppm is based on newly submitted cranberry field trial data that reflects a longer 30-day PHI, whereas the Codex MRL is based on a 0-day PHI. Because the use pattern is different resulting in significantly different residue levels, the U.S. tolerance will not be harmonized with the existing Codex MRLs.

#### V. Conclusion

Therefore, a tolerance is established for residues of cyprodinil, including its metabolites and degradates, in or on the raw agricultural commodity cranberry at 0.4 ppm.

Additionally, EPA is making a housekeeping correction to a separate tolerance provision. In 2010, the tolerance expression in the introductory paragraph of 40 CFR 180.582, which contains tolerances for pyraclostrobin,

was erroneously revised to refer to “pyradostrobin” as the pesticide chemical, instead of “pyraclostrobin”. See 75 FR 42324 (July 21, 2010). Up until that date, the rule had always referred to “pyraclostrobin”, since that is the correct name of the pesticide chemical that is the subject of that rulemaking, and all preambles to subsequent rulemakings revising § 180.582, have referred to “pyraclostrobin”. The misnomer was a result of a typographical error, which EPA is correcting at this time. Since this change has no substantive effect, it can be accomplished without further notice and comment.

**VI. Statutory and Executive Order Reviews**

This action establishes tolerances under FFDCA section 408(d) in response to a petition submitted to the Agency. The Office of Management and Budget (OMB) has exempted these types of actions from review under Executive Order 12866, entitled “Regulatory Planning and Review” (58 FR 51735, October 4, 1993). Because this action has been exempted from review under Executive Order 12866, this action is not subject to Executive Order 13211, entitled “Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use” (66 FR 28355, May 22, 2001) or Executive Order 13045, entitled “Protection of Children from Environmental Health Risks and Safety Risks” (62 FR 19885, April 23, 1997). This action does not contain any information collections subject to OMB approval under the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*).

Since tolerances and exemptions that are established on the basis of a petition under FFDCA section 408(d), such as the tolerance in this final rule, do not require the issuance of a proposed rule, the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), do not apply.

This action directly regulates growers, food processors, food handlers, and food retailers, not States or Tribes, nor does this action alter the relationships or distribution of power and responsibilities established by Congress in the preemption provisions of FFDCA section 408(n)(4). As such, the Agency has determined that this action will not have a substantial direct effect on States or Tribal Governments, on the

relationship between the National Government and the States or Tribal Governments, or on the distribution of power and responsibilities among the various levels of government or between the Federal Government and Indian Tribes. Thus, the Agency has determined that Executive Order 13132, entitled “Federalism” (64 FR 43255, August 10, 1999) and Executive Order 13175, entitled “Consultation and Coordination with Indian Tribal Governments” (65 FR 67249, November 9, 2000) do not apply to this action. In addition, this action does not impose any enforceable duty or contain any unfunded mandate as described under Title II of the Unfunded Mandates Reform Act (UMRA) (2 U.S.C. 1501 *et seq.*).

This action does not involve any technical standards that would require Agency consideration of voluntary consensus standards pursuant to section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 note).

**VII. Congressional Review Act (CRA)**

This action is subject to the CRA (5 U.S.C. 801 *et seq.*), and EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

**List of Subjects in 40 CFR Part 180**

Environmental protection, Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: February 10, 2025.

**Charles Smith,**

*Director, Registration Division, Office of Pesticide Programs.*

Therefore, for the reasons stated in the preamble, EPA is amending 40 CFR chapter I as follows:

**PART 180—TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES IN FOOD**

■ 1. The authority citation for part 180 continues to read as follows:

**Authority:** 21 U.S.C. 321(q), 346a and 371.

■ 2. Section 180.532 is amended by adding in alphabetical order to table 1 to paragraph (a) the entry “Cranberry”. The addition reads as follows:

**§ 180.532 Cyprodinil; tolerances for residues.**

- (a) \* \* \*
- (1) \* \* \*

TABLE 1 TO PARAGRAPH (a)

| Commodity       | Parts per million |
|-----------------|-------------------|
| * * * * *       | *                 |
| Cranberry ..... | 0.4               |
| * * * * *       | *                 |

■ 3. Section 180.582 is amended by removing “pyradostrobin” and adding in its place “pyraclostrobin” in paragraph (a)(1) introductory text.

\* \* \* \* \*

[FR Doc. 2025-03001 Filed 2-25-25; 8:45 am]

**BILLING CODE 6560-50-P**

# Proposed Rules

Federal Register

Vol. 90, No. 37

Wednesday, February 26, 2025

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-2025-0204; Project Identifier AD-2024-00327-T]

RIN 2120-AA64

#### Airworthiness Directives; The Boeing Company Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for certain The Boeing Company Model 787-8, 787-9, and 787-10 airplanes. This proposed AD was prompted by reports that very high frequency (VHF) radio frequencies transfer between the active and standby windows of the tuning control panel (TCP) without flightcrew input. The uncommanded frequency changes could result in missed communications between the flightcrew and Air Traffic Control. This proposed AD would require updating the TCP operational software (OPS) and performing a software configuration check. 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 April 14, 2025.

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

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

p.m., Monday through Friday, except Federal holidays.

**AD Docket:** You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2025-0204; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, any comments received, and other information. The street address for Docket Operations is listed above.

**Material Incorporated by Reference:**

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

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2025-0204.

**FOR FURTHER INFORMATION CONTACT:** Frank Carreras, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206-231-3539; email: [frank.carreras@faa.gov](mailto:frank.carreras@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 the **ADDRESSES** section. Include "Docket No. FAA-2025-0204; Project Identifier AD-2024-00327-T" at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to [regulations.gov](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 NPRM.

#### Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as "PROPIN." The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Frank Carreras, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206-231-3539; email: [frank.carreras@faa.gov](mailto:frank.carreras@faa.gov). Any commentary that the FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

#### Background

The FAA has received reports indicating that VHF radio frequencies transfer between the active and standby windows of the TCP without flightcrew input. The flightcrew may not be aware of uncommanded frequency changes and could fail to receive air traffic control communications. This condition, if not addressed, could result in missed communications such as amended clearances and critical instructions for changes to flight path and consequent loss of safe separation between aircraft, collision, or runway incursion.

#### FAA's Determination

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

#### Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Boeing Alert Requirements Bulletin B787-81205-SB230051-00 RB, Issue 001, dated May

20, 2024. This material specifies procedures for updating the OPS on TCP center, TCP left, and TCP right, and for a performing a software configuration check to make sure that software part number (P/N) COL43-0025-0004 or later approved software part number is installed. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the ADDRESSES section.

**Proposed AD Requirements in This NPRM**

This proposed AD would require accomplishing the actions specified in

the material already described, except as described under “Difference Between This Proposed AD and the Referenced Material,” and except for any differences identified as exceptions in the regulatory text of this proposed AD. For information on the procedures and compliance times, see this material at *regulations.gov* under Docket No. FAA-2025-0204.

**Difference Between This Proposed AD and the Referenced Material**

The applicability of this proposed AD differs from the effectivity of Boeing Alert Requirements Bulletin B787-81205-SB230051-00 RB, Issue 001, dated May 20, 2024. Three airplanes

identified in the requirements bulletin have been excluded from the applicability of this proposed AD because the actions specified in the requirements bulletin have been incorporated during production on those airplanes.

**Costs of Compliance**

The FAA estimates that this AD, if adopted as proposed, would affect 157 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 |
|---|---|------------|------------------|------------------------|
| Update software and perform check ..... | 1.5 work-hours × \$85 per hour = \$127.50 ..... | *\$0       | \$127.50         | \$20,017.50            |

\* Boeing has confirmed that there is no charge for the software.

**Authority for This Rulemaking**

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

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

**Regulatory Findings**

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

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

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

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

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

**List of Subjects in 14 CFR Part 39**

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

**The Proposed Amendment**

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

**PART 39—AIRWORTHINESS DIRECTIVES**

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

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

**§ 39.13 [Amended]**

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

**The Boeing Company:** Docket No. FAA-2025-0204; Project Identifier AD-2024-00327-T.

**(a) Comments Due Date**

The FAA must receive comments on this airworthiness directive (AD) by April 14, 2025.

**(b) Affected ADs**

None.

**(c) Applicability**

This AD applies to The Boeing Company Model 787-8, 787-9, and 787-10 airplanes, certificated in any category, as identified in Boeing Alert Requirements Bulletin B787-81205-SB230051-00 RB, Issue 001, dated May 20, 2024, excluding airplane line numbers 1164, 1165, and 1170.

**(d) Subject**

Air Transport Association (ATA) of America Code 23, Communications.

**(e) Unsafe Condition**

This AD was prompted by reports that very high frequency (VHF) radio frequencies transfer between the active and standby windows of the tuning control panel without flightcrew input. The FAA is issuing this AD to address uncommanded frequency changes. The unsafe condition, if not addressed, could result in missed air traffic control communications such as amended clearances and critical instructions for changes to flight path and consequent loss of safe separation between aircraft, collision, or runway incursion.

**(f) Compliance**

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

**(g) Required Actions**

Except as specified by paragraph (h) of this AD: At the applicable times specified in the “Compliance” paragraph of Boeing Alert Requirements Bulletin B787-81205-SB230051-00 RB, Issue 001, dated May 20, 2024, do all applicable actions identified in, and in accordance with, the Accomplishment Instructions of Boeing Alert Requirements Bulletin B787-81205-SB230051-00 RB, Issue 001, dated May 20, 2024.

**Note 1 to paragraph (g):** Guidance for accomplishing the actions required by this

AD can be found in Boeing Alert Service Bulletin B787–81205–SB230051–00, Issue 001, dated May 20, 2024, which is referred to in Boeing Alert Requirements Bulletin B787–81205–SB230051–00 RB, Issue 001, dated May 20, 2024.

#### (h) Exceptions to Requirements Bulletin Specifications

Where the Compliance Time column of the table in the “Compliance” paragraph of Boeing Alert Requirements Bulletin B787–81205–SB230051–00 RB, Issue 001, dated May 20, 2024, refers to “the original issue date of this service bulletin,” this AD requires using the effective date of this AD.

#### (i) Alternative Methods of Compliance (AMOCs)

(1) The Manager, AIR–520, Continued Operational Safety Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the certification office, send it to the attention of the person identified in paragraph (j)(1) of this AD. Information may be emailed to: [AMOC@faa.gov](mailto:AMOC@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, AIR–520, Continued Operational Safety Branch, FAA, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

#### (j) Related Information

(1) For more information about this AD, contact Frank Carreras, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3539; email: [frank.carreras@faa.gov](mailto:frank.carreras@faa.gov).

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

#### (k) Material Incorporated by Reference

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

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

(i) Boeing Alert Requirements Bulletin B787–81205–SB230051–00 RB, Issue 001, dated May 20, 2024.

(ii) [Reserved]

(3) For Boeing material identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110–

SK57, Seal Beach, CA 90740–5600; telephone 562–797–1717; website [myboeingfleet.com](http://myboeingfleet.com).

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

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

Issued on February 12, 2025.

**Suzanne Masterson,**

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

[FR Doc. 2025–03081 Filed 2–25–25; 8:45 am]

**BILLING CODE 4910–13–P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA–2025–0214; Project Identifier MCAI–2024–00391–R]

RIN 2120–AA64

#### Airworthiness Directives; Airbus Helicopters Deutschland GmbH Helicopters

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for all Airbus Helicopters Deutschland GmbH Model MBB–BK 117 C–2 and MBB–BK 117 D–2 helicopters. This proposed AD was prompted by reports of significant wear of the control rod assembly and pitch link assembly spherical bearings. This proposed AD would require measuring the radial play of certain control rod assembly and pitch link assembly spherical bearings, reporting the results, and depending on the results, taking corrective action. These actions are specified in a European Union Aviation Safety Agency (EASA) AD, which is proposed for incorporation by reference. This proposed AD would also prohibit installing certain control rod assemblies and pitch link assemblies unless certain requirements are met. The FAA is proposing this AD to address the unsafe condition on these products.

**DATES:** The FAA must receive comments on this NPRM by April 14, 2025.

**ADDRESSES:** You may send comments, using the procedures found in 14 CFR

11.43 and 11.45, by any of the following methods:

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

- *Fax:* (202) 493–2251.

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

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

*AD Docket:* You may examine the AD docket at [regulations.gov](http://regulations.gov) under Docket No. FAA–2025–0214; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

*Material Incorporated by Reference:*

- For EASA material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: [ADs@easa.europa.eu](mailto:ADs@easa.europa.eu); website: [easa.europa.eu](http://easa.europa.eu). You may find the EASA material on the EASA website at [ad.easa.europa.eu](http://ad.easa.europa.eu).

- You may view this material at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Parkway, Room 6N–321, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at [regulations.gov](http://regulations.gov) under Docket No. FAA–2025–0214.

#### FOR FURTHER INFORMATION CONTACT:

Michael Mueller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (847) 294–7543; email: [Michael.J.Mueller@faa.gov](mailto:Michael.J.Mueller@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 the **ADDRESSES** section. Include “Docket No. FAA–2025–0214; Project Identifier MCAI–2024–00391–R” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

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

### Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as "PROPIN." The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Michael Mueller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (847) 294-7543; email: [Michael.J.Mueller@faa.gov](mailto:Michael.J.Mueller@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

EASA, which is the Technical Agent for the Member States of the European Union, has issued European Union Aviation Safety Agency AD 2024-0131, dated July 8, 2024 (EASA AD 2024-0131) (also referred to as the MCAI), to correct an unsafe condition on all Airbus Helicopters Deutschland GmbH Model MBB-BK117 C-2 and MBB-BK117 D-2 helicopters. The MCAI states there have been reports of significant wear of the spherical bearings of control rod assemblies and pitch link assemblies having part number 105-13122, B623M3001101, D623M3201101, or D623M3201102. This condition, if not detected and corrected, could lead to erroneous pitch and oscillations of the main rotor blades, and subsequent loss of control of the helicopter. The FAA is proposing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA-2025-0214.

### Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2024-0131, which requires a one-time inspection of the control rod assembly and pitch link assembly spherical bearings for radial play and, depending on the results, measuring the radial play of the control rod assembly and pitch link assembly spherical bearings. Depending on the measurement results, EASA AD 2024-0131 requires replacing the control rod end. EASA AD 2024-0131 also requires reporting all measurement results to AH [Airbus Helicopters]. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

### FAA's Determination

These products have been approved by the 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 is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of these same type designs.

### Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2024-0131, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD and except as discussed under "Differences Between this Proposed AD and the MCAI."

Additionally, this proposed AD would require taking corrective action in accordance with the material referenced in EASA AD 2024-0131, which specifies replacing the affected control rod end before further flight, within 50 hours time-in-service, or within 100 hours time-in-service, depending on the radial play measurement results.

### Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some civil aviation authority (CAA)

ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2024-0131 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2024-0131 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2024-0131 does not mean that operators need comply only with that section. For example, where the AD requirement refers to "all required actions and compliance times," compliance with this AD requirement is not limited to the section titled "Required Action(s) and Compliance Time(s)" in EASA AD 2024-0131. Material referenced in EASA AD 2024-0131 for compliance will be available at *regulations.gov* under Docket No. FAA-2025-0214 after the FAA final rule is published.

### Differences Between This Proposed AD and the MCAI

This proposed AD would not require inspecting the control rod assembly and pitch link assembly spherical bearings for play as specified in the MCAI, since that action is subjective and could vary from mechanic to mechanic. This proposed AD would require measuring the radial play of the control rod assembly and pitch link assembly spherical bearings instead. This proposed AD would also prohibit installing an affected control rod assembly or pitch link assembly unless the radial play of the assembly's two spherical bearings is measured and the radial play of each spherical bearing is equal to or less than 0.10 mm, whereas the MCAI does not require that installation limitation.

### Interim Action

The FAA considers that this proposed AD would be an interim action. If final action is later identified, the FAA might consider further rulemaking then.

### Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 180 helicopters of U.S. registry. Labor costs are estimated at \$85 per work-hour. Based on these numbers, the FAA estimates the following costs to comply with this proposed AD.

Measuring the axial play would take 1 work-hour and reporting the results

would take 1 work-hour, for an estimated cost of \$170 per helicopter and \$30,600 for the U.S. fleet. If required, replacing a control rod or pitch link assembly would take 1 work-hour and parts would cost \$1,650 for an estimated cost of \$1,735 per control rod or pitch link assembly replacement.

### Paperwork Reduction Act

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2120-0056. Public reporting for this collection of information is estimated to take approximately 1 hour 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. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.

### Authority for This Rulemaking

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

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

### Regulatory Findings

The FAA determined that this proposed AD would not have federalism implications under Executive Order

13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

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

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

### List of Subjects in 14 CFR Part 39

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

### The Proposed Amendment

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

### PART 39—AIRWORTHINESS DIRECTIVES

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

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

#### § 39.13 [Amended]

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

**Airbus Helicopters Deutschland GmbH:**  
Docket No. FAA-2025-0214; Project Identifier MCAI-2024-00391-R.

#### (a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by April 14, 2025.

#### (b) Affected ADs

None.

#### (c) Applicability

This AD applies to Airbus Helicopters Deutschland GmbH Model MBB-BK 117 C-2 and MBB-BK 117 D-2 helicopters, certified in any category.

**Note 1 to paragraph (c):** Helicopters with an MBB-BK 117 C-2e designation are Model MBB-BK 117 C-2 helicopters.

#### (d) Subject

Joint Aircraft System Component (JASC) Code 6230, Main Rotor Mast/Swashplate.

#### (e) Unsafe Condition

This AD was prompted by reports of significant wear of the control rod assembly and pitch link assembly spherical bearings. The FAA is issuing this AD to detect and address wear of the control rod assembly and

pitch link assembly spherical bearings. The unsafe condition, if not addressed, could result in erroneous pitch and oscillations of the main rotor blades, and subsequent loss of control of the helicopter.

#### (f) Compliance

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

#### (g) Requirements

Except as specified in paragraph (h) of this AD: Comply with all required actions and compliance times specified in, and in accordance with European Union Aviation Safety Agency AD 2024-0131, dated July 8, 2024 (EASA AD 2024-0131).

#### (h) Exceptions to EASA AD 2024-0131

(1) Where EASA AD 2024-0131 requires compliance in terms of flight hours, this AD requires using hours time-in-service.

(2) This AD does not adopt paragraph (1) of EASA AD 2024-0131.

(3) Instead of complying with paragraph (2) of EASA AD 2024-0131, this AD requires "Within 100 hours time-in-service after the effective date of this AD, measure the radial play of the two spherical bearings of each affected part, as defined in EASA AD 2024-0131, in accordance with the instructions of the ASB, as defined in EASA AD 2024-0131."

(4) Where paragraph (5) of EASA AD 2024-0131 specifies reporting measurement results to AH [Airbus Helicopters] within a certain compliance time. For this AD, report those measurement results at the applicable time specified in paragraph (h)(4)(i) or (ii) of this AD.

(i) If the measurement was done on or after the effective date of this AD: Submit the report within 30 days after the measurement.

(ii) If the inspection was done before the effective date of this AD: Submit the report within 30 days after the effective date of this AD.

(5) This AD does not adopt the "Remarks" section of EASA AD 2024-0131.

#### (i) Parts Installation Limitation

As of the effective date of this AD, do not install an affected part, as defined in EASA AD 2024-0131, on any helicopter unless the radial play of the two spherical bearings of that affected part is measured by following the actions required by paragraph (2) of EASA AD 2024-0131 and the radial play of each spherical bearing is equal to or less than 0.10 mm.

#### (j) Alternative Methods of Compliance (AMOCs)

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

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

**(k) Additional Information**

For more information about this AD, contact Michael Mueller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (847) 294-7543; email: [Michael.J.Mueller@faa.gov](mailto:Michael.J.Mueller@faa.gov).

**(l) Material Incorporated by Reference**

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

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

(i) European Union Aviation Safety Agency (EASA) AD 2024-0131, dated July 8, 2024.

(ii) [Reserved]

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

(4) You may view this material at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Parkway, Room 6N-321, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222-5110.

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

Issued on February 20, 2025.

**Victor Wicklund,**

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

[FR Doc. 2025-03095 Filed 2-25-25; 8:45 am]

**BILLING CODE 4910-13-P**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 63**

[EPA-HQ-OAR-2023-0282; FRL-10854-03-OAR]

**Review of National Emission Standards for Hazardous Air Pollutants for Polyether Polyols Production Industry; Extension of Comment Period**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule; extension of public comment period.

**SUMMARY:** On December 27, 2024, the U.S. Environmental Protection Agency (EPA) proposed a rule titled “Review of National Emission Standards for

Hazardous Air Pollutants for Polyether Polyols Production Industry.” The EPA is extending the comment period on this proposed rule, which was scheduled to close on February 25, 2025. The comment period will now remain open until March 18, 2025, to allow additional time for stakeholders to review and comment on the proposal.

**DATES:** The public comment period for the proposed rule published in the **Federal Register** (FR) on December 27, 2024 (89 FR 105986), is being extended by 21 days. Written comments must now be received on or before March 18, 2025.

**ADDRESSES:** Submit comments, identified by Docket ID No. EPA-HQ-OAR-2023-0282, by any of the following methods:

- *Federal eRulemaking Portal:*

<https://www.regulations.gov/> (our preferred method). Follow the online instructions for submitting comments.

- *Email:* [a-and-r-docket@epa.gov](mailto:a-and-r-docket@epa.gov).

Include Docket ID No. EPA-HQ-OAR-2023-0282 in the subject line of the message.

- *Fax:* (202) 566-9744. Attention Docket ID No. EPA-HQ-OAR-2023-0282.

- *Mail:* U.S. Environmental Protection Agency, EPA Docket Center, Docket ID No. EPA-HQ-OAR-2023-0282, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.

- *Hand Delivery or Courier (by scheduled appointment only):* EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center’s hours of operation are 8:30 a.m.–4:30 p.m., Monday–Friday (except Federal holidays).

**Instructions.** All submissions received must include the Docket ID No. EPA-HQ-OAR-2023-0282 for this rulemaking. Comments received may be posted without change to <https://www.regulations.gov/>, including any personal information provided. For detailed instructions on sending comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

**FOR FURTHER INFORMATION CONTACT:** For questions about this action, contact Johanna Klein, Sector Policies and Programs Division (E143-01), Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, P.O. Box 12055, Research Triangle Park, North Carolina 27711; telephone number: (919) 541-2283; and email address: [klein.johanna@epa.gov](mailto:klein.johanna@epa.gov).

**SUPPLEMENTARY INFORMATION:**

**Rationale.** On December 27, 2024, the U.S. Environmental Protection Agency (EPA) proposed a rule titled “Review of National Emission Standards for Hazardous Air Pollutants for Polyether Polyols Production Industry.” 89 FR 105986. The comment period on this proposed rule originally closes on February 25, 2025. The EPA has received a request for additional time to review and comment on this proposed rule. The EPA has decided to extend the period by 21 days. The public comment period will now end on March 18, 2025.

**Docket.** The EPA has established a docket for this rulemaking under Docket ID No. EPA-HQ-OAR-2023-0282. All documents in the docket are listed in <https://www.regulations.gov/>. Although listed, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy. With the exception of such material, publicly available docket materials are available electronically in [Regulations.gov](http://Regulations.gov).

**Instructions.** Direct your comments to Docket ID No. EPA-HQ-OAR-2023-0282. The EPA’s policy is that all comments received will be included in the public docket without change and may be made available online at <https://www.regulations.gov/>, including any personal information provided, unless the comment includes information claimed to be CBI or other information whose disclosure is restricted by statute. Do not submit electronically to <https://www.regulations.gov/> any information that you consider to be CBI or other information whose disclosure is restricted by statute. This type of information should be submitted as discussed below.

The EPA may publish any comment received to its public docket. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e., on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

The <https://www.regulations.gov/> website allows you to submit your

comment anonymously, which means the EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to the EPA without going through <https://www.regulations.gov/>, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any digital storage media you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the EPA may not be able to consider your comment. Electronic files should not include special characters or any form of encryption and be free of any defects or viruses. For additional information about the EPA's public docket, visit the EPA Docket Center homepage at <https://www.epa.gov/dockets>.

*Submitting CBI.* Do not submit information containing CBI to the EPA through <https://www.regulations.gov/>. Clearly mark the part or all of the

information that you claim to be CBI. For CBI information on any digital storage media that you mail to the EPA, note the docket ID, mark the outside of the digital storage media as CBI, and identify electronically within the digital storage media the specific information that is claimed as CBI. In addition to one complete version of the comments that includes information claimed as CBI, you must submit a copy of the comments that does not contain the information claimed as CBI directly to the public docket through the procedures outlined in *Instructions* above. If you submit any digital storage media that does not contain CBI, mark the outside of the digital storage media clearly that it does not contain CBI and note the docket ID. Information not marked as CBI will be included in the public docket and the EPA's electronic public docket without prior notice. Information marked as CBI will not be disclosed except in accordance with procedures set forth in 40 Code of Federal Regulations (CFR) part 2.

Our preferred method to receive CBI is for it to be transmitted electronically using email attachments, File Transfer Protocol (FTP), or other online file

sharing services (e.g., Dropbox, OneDrive, Google Drive). Electronic submissions must be transmitted directly to the OAQPS CBI Office at the email address [oaqpscbi@epa.gov](mailto:oaqpscbi@epa.gov) and, as described above, should include clear CBI markings and note the docket ID. If assistance is needed with submitting large electronic files that exceed the file size limit for email attachments, and if you do not have your own file sharing service, please email [oaqpscbi@epa.gov](mailto:oaqpscbi@epa.gov) to request a file transfer link. If sending CBI information through the postal service, please send it to the following address: U.S. EPA, Attn: OAQPS Document Control Officer, Mail Drop: C404-02, 109 T.W. Alexander Drive, P.O. Box 12055, Research Triangle Park, North Carolina 27711, Attention Docket ID No. EPA-HQ-OAR-2023-0282. The mailed CBI material should be double wrapped and clearly marked. Any CBI markings should not show through the outer envelope.

**Penny Lassiter,**

*Director, Sector Policies and Programs Division.*

[FR Doc. 2025-03144 Filed 2-24-25; 8:45 am]

**BILLING CODE 6560-50-P**

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

## DEPARTMENT OF AGRICULTURE

### Submission for OMB Review; Comment Request

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

Comments regarding this information collection received by March 28, 2025 will be considered. Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

### Rural Housing Service

*Title:* Community Facilities Grant Program—7 CFR 3570–B.

*OMB Control Number:* 0575–0173.

*Summary of Collection:* The Rural Housing Service is authorized by Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926), as amended, to make grants to public agencies, nonprofit corporations, and Indian tribes to develop essential community facilities and services for public use in rural areas. These facilities include schools, libraries, childcare, hospitals, clinics, assisted-living facilities, fire and rescuer stations, police stations, community centers, public buildings, and transportation. The Department of Agriculture through its Community Programs strives to ensure that facilities are available to all rural communities.

*Need and Use of the Information:* Rural Development field offices will collect information from applicant/borrowers and consultants. This information is used to determine eligibility, project feasibility, and to ensure borrowers operate on a sound basis and use loan and grant funds for authorized purposes. Failure to collect the information could result in improper determinations of eligibility, improper use of funds, and or unsound loans.

*Description of Respondents:* Not-for-profit institutions.

*Number of Respondents:* 1,272.

*Frequency of Responses:* Reporting: On occasion.

*Total Burden Hours:* 17,263.

**Levi S. Harrell,**

*Departmental Information Collection Clearance Officer.*

[FR Doc. 2025–03090 Filed 2–25–25; 8:45 am]

**BILLING CODE 3410–XV–P**

## DEPARTMENT OF AGRICULTURE

### Submission for OMB Review; Comment Request; Reinstatement

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and reinstatement under the Paperwork Reduction Act of 1995. Comments are requested regarding whether the collection of information is necessary for the proper performance of the functions of the agency, including

whether the information will have practical utility; the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by March 28, 2025 will be considered. Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

### Food Safety and Inspection Service

*Title:* Accredited Laboratories.

*OMB Control Number:* 0583–0158.

*Summary of Collection:* The Food Safety and Inspection Service (FSIS) has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*), the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451, *et seq.*), and the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031 *et seq.*). These statutes mandate that FSIS protect the public by verifying that meat and poultry products are safe, wholesome, unadulterated, and properly labeled and packaged. FSIS will use one form to collect information to help assess laboratories participating in the Accredited Laboratory program to ensure they meet the required standards.

*Need and Use of the Information:* Any non-federal laboratory that is applying

for the FSIS Accredited Laboratory program will need to complete an Application for FSIS Accredited Laboratory Program 10,110–2 form. State or private laboratories need only submit the application once for entry into the program. FSIS uses the information collected by the form to help assess the laboratory applying for admission to the FSIS Accredited Laboratory program.

*Description of Respondents:* Business or other for-profit.

*Number of Respondents:* 2.

*Frequency of Responses:* Reporting: Annually.

*Total Burden Hours:* 1.

### Food Safety and Inspection Service

*Title:* Records to be Kept by Official Establishments and Retail Stores that Grind Raw Beef Products.

*OMB Control Number:* 0583–0165.

*Summary of Collection:* The Food Safety and Inspection Service (FSIS) has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*). These statutes mandate that FSIS protect the public by verifying that meat and poultry products are safe, wholesome, not adulterated, and properly labeled and packaged.

FSIS requires that all grinders or choppers of raw beef products, beef manufacturing trimmings, or trimmings fabricated at retail intended for use in raw ground or chopped beef products, including retail facilities, are persons required by FMIA to keep records which will fully and correctly disclose all transactions involved in their business subject to the Act. If not doing so already, these businesses must maintain records that disclose the identity and supplier of all materials used in the preparation of each lot of raw ground or chopped beef product.

*Need and Use of the Information:* FSIS requires that all establishments and retail stores that grind or chop beef products are required to keep these records. These records provide critical information about how, when, and where raw ground or chopped beef product was prepared, shipped, received, stored, and handled, which are essential to illness outbreak investigations, recalls, and other agency public health activities conducted by FSIS.

In addition, FSIS requires that specific information be kept in the required records and that retail stores maintain store-designed systems that allow them to link individual packages of raw ground or chopped beef products prepared and sold by them to the

required records. The required records must include the following information:

1. Name, point of contact (name, title, email, and facsimile number) telephone number, and establishment number of the Federal, State, or foreign establishment supplying the raw source material,

2. Supplier lot numbers and production dates for each raw source material used; and,

3. The names of the supplied materials.

*Description of Respondents:* Business or other for-profit.

*Number of Respondents:* 65,911.

*Frequency of Responses:*

Recordkeeping: Weekly, Annually, Monthly.

*Total Burden Hours:* 1,658,650.

**Levi S. Harrell,**

*Departmental Information Collection Clearance Officer.*

[FR Doc. 2025–03088 Filed 2–25–25; 8:45 am]

**BILLING CODE 3410–DM–P**

## DEPARTMENT OF COMMERCE

### Economic Development Administration

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request; Amend an Investment Award and Project Service Maps

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on December 3, 2024 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

*Agency:* Economic Development Administration, Department of Commerce.

*Title:* Amend an Investment Award and Project Service Maps.

*OMB Control Number:* 0610–0102.

*Form Number(s):* None.

*Type of Request:* Regular submission; Extension of a currently approved collection.

*Number of Respondents:* 632 (600 requests for amendments to construction awards, 30 requests for

amendments to non-construction awards, 2 project service maps).

*Average Hours per Response:* 2 hours for an amendment to a construction award, 1 hour for an amendment to a non-construction award, 6 hours for a project service map.

*Burden Hours:* 1,242 hours.

*Needs and Uses:* To effectively administer and monitor its economic development assistance programs, EDA collects certain information from applicants for, and recipients of, EDA investment assistance. Occasionally, often due to a change of conditions on the ground, a recipient needs to submit a written request to EDA to amend an investment award. EDA needs to receive such information and documentation as EDA deems necessary to determine the merit of altering the terms of an award (see 13 CFR 302.7(a)). Additionally, EDA may require a recipient to submit a project service map and information from which to determine whether services are provided to all segments of the region being assisted (see 13 CFR 302.16(c)).

*Affected Public:* Current recipients of EDA awards, including: (1) cities or other political subdivisions of a state, including a special purpose unit of state or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; (2) states; (3) institutions of higher education; (4) public or private non-profit organizations or associations; (5) District Organizations; (6) Indian Tribes; and (7) (for training, research, and technical assistance awards only) individuals and for-profit businesses.

*Frequency:* As necessary as determined by recipient need.

*Respondent's Obligation:* Mandatory.

*Legal Authority:* The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 *et seq.*).

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and

entering either the title of the collection or the OMB Control Number 0610–0102.

**Sheleen Dumas,**

*Departmental PRA Compliance Officer, Office of the Under Secretary of Economic Affairs, Commerce Department.*

[FR Doc. 2025–03110 Filed 2–25–25; 8:45 am]

**BILLING CODE 3510–34–P**

## DEPARTMENT OF COMMERCE

### Economic Development Administration

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request; Property Management Requirements

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on November 21, 2024 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

*Agency:* Economic Development Administration, Department of Commerce.

*Title:* Property Management Requirements.

*OMB Control Number:* 0610–0103.

*Form Number(s):* None.

*Type of Request:* Regular.

*Number of Respondents:* 150 (54 incidental use requests and 96 requests to release EDA's property interest each year).

*Average Hours per Response:* Each request takes an estimated 45 minutes initially, with an estimated two hours to provide additional documentation or respond to follow-up questions, if necessary.

*Burden Hours:* 412.5.

*Needs and Uses:* First, this collection of information allows EDA to determine whether an incidental use of property acquired or improved with EDA investment assistance is appropriate. Pursuant to 13 CFR 314.3(g), an incidental use of property: (1) does not interfere with the scope of the project or the economic purpose for which the investment was made; (2) provided that the recipient is in compliance with applicable law and the terms and

conditions of the investment assistance, and (3) the incidental use of the property will not violate the terms and conditions of the investment assistance or otherwise adversely affect the economic useful life of the property. A recipient must request in writing EDA's approval to undertake an incidental use of property acquired or improved with EDA's investment assistance pursuant to. Second, this collection of information allows EDA to determine whether to release its real property or tangible personal property interests. If a recipient wishes for EDA to release its real property or tangible personal property interests before the expiration of the property's estimated useful life, the recipient must submit a written request to EDA. Pursuant to 13 CFR 314.10(c), the recipient must disclose to EDA the intended future use of the property for which the release is requested.

*Affected Public:* Current recipients of EDA awards, including: (1) cities or other political subdivisions of a state, including a special purpose unit of state or local government engaged in economic or infrastructure development activities; (2) states; (3) institutions of higher education; (4) public or private non-profit organizations or associations; (5) District Organizations; and (6) Indian Tribes.

*Frequency:* As necessary as determined by recipient need.

*Respondent's Obligation:* Mandatory.

*Legal Authority:* The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 *et seq.*).

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0610–0103.

**Sheleen Dumas,**

*Departmental PRA Compliance Officer, Office of the Under Secretary of Economic Affairs, Commerce Department.*

[FR Doc. 2025–03114 Filed 2–25–25; 8:45 am]

**BILLING CODE 3510–34–P**

## DEPARTMENT OF COMMERCE

### Economic Development Administration

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request; Comprehensive Economic Development Strategies (CEDs)

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on November 21, 2024 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

*Agency:* Economic Development Administration, Department of Commerce.

*Title:* Comprehensive Economic Development Strategies (CEDs).

*OMB Control Number:* 0610–0093.

*Form Number(s):* None.

*Type of Request:* Regular submission; Extension of a currently approved collection.

*Number of Respondents:* 527.

*Average Hours per Response:* 480 hours for the initial CEDs for a District organization or other planning organization funded by EDA; 160 hours for the CEDs revision required at least every 5 years from an EDA-funded District or other planning organization; 40 hours per CEDs update and performance report; and 40 hours per applicant for EDA Public Works or Economic Adjustment Assistance with a project deemed by EDA to merit further consideration that is not located in an EDA-funded District.

*Burden Hours:* 31,640.

*Needs and Uses:* A Comprehensive Economic Development Strategy (CEDs) is required for an eligible applicant to qualify for an EDA investment assistance under EDA's Public Works program, Economic Adjustment Assistance program, and certain planning programs (42 U.S.C. 3162), and is a prerequisite for a region's designation by EDA as an Economic Development District (see 13 CFR part 303, 13 CFR 305.2, and 13 CFR 307.2). EDA collects information under this information collection to ensure

compliance with EDA's CEDS requirements.

**Affected Public:** (1) Cities or other political subdivisions of a state, including a special purpose unit of state or local government engaged in economic or infrastructure development activities; (2) states; (3) institutions of higher education; (4) public or private non-profit organizations or associations; (5) District Organizations; and (6) Indian Tribes.

**Frequency:** One time, although some are periodic.

**Respondent's Obligation:** Mandatory.

**Legal Authority:** The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 *et seq.*).

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0610-0093.

**Sheleen Dumas,**

*Departmental PRA Compliance Officer, Office of the Under Secretary of Economic Affairs, Commerce Department.*

[FR Doc. 2025-03113 Filed 2-25-25; 8:45 am]

**BILLING CODE 3510-24-P**

**DEPARTMENT OF COMMERCE**

**Foreign-Trade Zones Board**

[S-40-2025]

**Foreign-Trade Zone 205; Application for Subzone; Rincon Power, LLC; Carpinteria, California**

An application has been submitted to the Foreign-Trade Zones (FTZ) Board by the Board of Harbor Commissioners of the Oxnard Harbor District, grantee of FTZ 205, requesting subzone status for the facility of Rincon Power, LLC, located in Carpinteria, California. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the FTZ Board (15 CFR part 400). It was formally docketed on February 20, 2025.

The proposed subzone (0.18 acres) is located at 6381 Rose Lane, Suite A,

Carpinteria, California. A notification of proposed production activity has been submitted and will be published separately for public comment. The proposed subzone would be subject to the existing activation limit of FTZ 205.

In accordance with the FTZ Board's regulations, Qahira El-Amin of the FTZ Staff is designated examiner to review the application and make recommendations to the Executive Secretary.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is April 7, 2025. Rebuttal comments in response to material submitted during the foregoing period may be submitted through April 22, 2025.

A copy of the application will be available for public inspection in the "Online FTZ Information Section" section of the FTZ Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Qahira El-Amin at [Qahira.El-Amin@trade.gov](mailto:Qahira.El-Amin@trade.gov).

Dated: February 20, 2025.

**Elizabeth Whiteman,**

*Executive Secretary.*

[FR Doc. 2025-03093 Filed 2-25-25; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**Foreign-Trade Zones Board**

[B-55-2024]

**Foreign-Trade Zone (FTZ) 59; Authorization of Production Activity; Kawasaki Motors Manufacturing Corp., U.S.A.; (Four-Wheeled Personal Transportation Vehicles); Lincoln, Nebraska**

On October 24, 2024, Kawasaki Motors Manufacturing Corp., U.S.A. submitted a notification of proposed production activity to the FTZ Board for its facility within Subzone 59A, in Lincoln, Nebraska.

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 (89 FR 86784, October 31, 2024). On February 21, 2025, 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: February 21, 2025.

**Elizabeth Whiteman,**

*Executive Secretary.*

[FR Doc. 2025-03125 Filed 2-25-25; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF ENERGY**

**Notice of Availability: Draft Energy Storage Strategy and Roadmap; Withdrawal**

**AGENCY:** Department of Energy.

**ACTION:** Notice of availability; request for public comments; withdrawal.

**SUMMARY:** On December 20, 2024, the Department of Energy (DOE) published notice of availability (NOA) in the **Federal Register** seeking public input to its draft Energy Storage Strategy and Roadmap (SRM). DOE is withdrawing the December 20, 2024, NOA.

**FOR FURTHER INFORMATION CONTACT:**

Requests for additional information may be submitted electronically to Caitlin Callaghan at [esgc@hq.doe.gov](mailto:esgc@hq.doe.gov), or at (202) 586-1411.

Please direct media inquiries to DOE Office of Public Affairs, (202) 586-4940 or [DOENews@hq.doe.gov](mailto:DOENews@hq.doe.gov).

**SUPPLEMENTARY INFORMATION:** On December 20, 2024, DOE published a document entitled "Notice of Availability: Draft Energy Storage Strategy and Roadmap" (89 FR 104129) seeking public comment on the draft. DOE subsequently extended the comment period on January 22, 2025 (90 FR 7680). DOE is withdrawing the notice of availability published in the **Federal Register** on December 20, 2024, at 89 FR 104129 (FR Doc. 2024-30390) and the subsequent comment period extension published on January 22, 2025, at 90 FR 7680 (FR Doc. 2025-01394). DOE is currently updating the draft Energy Storage Strategy and Roadmap (SRM) to ensure consistency with the current Administration's executive orders and agency directives. DOE, at its discretion, anticipates reposting the updated draft SRM for public comment at a future time; notice of its availability will be provided through the **Federal Register**.

**Signing Authority**

This document of the Department of Energy was signed on February 20, 2025, by Derek Passarelli, Acting Under Secretary for Science and Innovation, 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 February 21, 2025.

**Treana V. Garrett,**

*Federal Register Liaison Officer, U.S. Department of Energy.*

[FR Doc. 2025-03106 Filed 2-25-25; 8:45 am]

**BILLING CODE 6450-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. CP25-30-000]

#### Florida Gas Transmission Company, LLC; Notice of Schedule for the Preparation of an Environmental Assessment for the South Central Louisiana Project

On December 13, 2024, Florida Gas Transmission Company, LLC (FGT) filed an application in Docket No. CP25-30-000 requesting a Certificate of Public Convenience and Necessity pursuant to section 7(c) the Natural Gas Act to construct and operate certain natural gas pipeline facilities. The proposed project is known as the South Central Louisiana Project (Project), and would increase certified capacity and throughput at existing compressor stations. FGT would construct, modify, install, own, operate and maintain certain natural gas compressor stations and auxiliary facilities in St. Landry and East Baton Rouge Parishes, Louisiana. The purpose of the Project is to provide an additional firm transportation capacity of up to 75,000 million British thermal units per day (MMBtu/d) of natural gas.

On December 31, 2024, the Federal Energy Regulatory Commission (Commission or FERC) issued its Notice of Application for the Project. Among other things, that notice alerted agencies issuing Federal authorizations of the requirement to complete all necessary reviews and to reach a final decision on a request for a Federal authorization within 90 days of the date of issuance of the Commission staff's environmental document for the Project.

This notice identifies Commission staff's intention to prepare an environmental assessment (EA) for the Project and the planned schedule for the completion of the environmental

review.<sup>1</sup> The EA will be issued for a 30-day comment period.

#### Schedule for Environmental Review

Issuance of EA—July 25, 2025  
90-day Federal Authorization Decision Deadline<sup>2</sup>—October 23, 2025

If a schedule change becomes necessary, additional notice will be provided so that the relevant agencies are kept informed of the Project's progress.

#### Project Description

FGT proposes to increase certificated capacity and increase throughput at existing FGT compressor stations 7.5 and 8, and construct, modify, install, own, operate, and maintain certain natural compression facilities and auxiliary facilities, all located in St. Landry and East Baton Rouge Parishes, Louisiana.

The South Central Louisiana Project would uprate one existing natural gas-fired compressor turbine unit and re-wheel three existing natural gas-fired compressor turbine units in St. Landry Parish, Louisiana; construct one new natural gas-fired turbine compressor unit East Baton Rouge Parish, Louisiana; construct approximately 700 feet of new 30-inch suction and 30-inch discharge header piping at CS8; and install/modify auxiliary facilities as needed.

#### Background

On January 30, 2025, the Commission issued a *Notice of Scoping Period Requesting Comments on Environmental Issues for the Proposed South Central Louisiana Project* (Notice of Scoping). The Notice of Scoping was sent to affected landowners; Federal, State, and local government agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. All substantive comments will be addressed in the EA.

#### Additional Information

In order to receive notification of the issuance of the EA and to keep track of formal issuances and submittals in

<sup>1</sup> For tracking purposes, the Council on Environmental Quality unique identification number for documents relating to this environmental review is EAXX-019-20-000-1739964549. 40 CFR 1501.5(c)(4) (2024).

<sup>2</sup> The Commission's deadline applies to the decisions of other Federal agencies, and State agencies acting under federally delegated authority, that are responsible for Federal authorizations, permits, and other approvals necessary for proposed projects under the Natural Gas Act. Per 18 CFR 157.22(a), the Commission's deadline for other agency's decisions applies unless a schedule is otherwise established by Federal law.

specific dockets, the Commission offers a free service called eSubscription. This service provides automatic notification of filings made to subscribed dockets, document summaries, and direct links to the documents. Go to <https://www.ferc.gov/ferc-online/overview> to register for eSubscription.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

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](http://www.ferc.gov)). Using the "eLibrary" link, select "General Search" from the eLibrary menu, enter the selected date range and "Docket Number" excluding the last three digits (*i.e.*, CP25-30), and follow the instructions. For assistance with access to eLibrary, the helpline can be reached at (866) 208-3676, TTY (202) 502-8659, or at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov). The eLibrary link on the FERC website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

Dated: February 19, 2025.

**Debbie-Anne A. Reese,**  
*Secretary.*

[FR Doc. 2025-03084 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. AD25-7-000]

#### Meeting the Challenge of Resource Adequacy in Regional Transmission Organization and Independent System Operator Regions; Notice of Commissioner-Led Technical Conference

Take notice that the Federal Energy Regulatory Commission (Commission) will convene a Commissioner-led technical conference in the above-referenced proceeding. The purpose of this technical conference is to discuss generic issues related to resource

adequacy constructs, including the roles of capacity markets in the Regional Transmission Organization (RTO)/Independent System Operator (ISO) regions that utilize them and alternative constructs in regions without capacity markets. The Commission does not intend to discuss at this technical conference any specific proceeding pending before the Commission.

Broadly, issues to be explored at the technical conference may include: current and impending risks to resource adequacy, including increasing load forecasts, potential resource shortfalls and reasons therefor; the efficiency and effectiveness of capacity markets in achieving resource adequacy at just and reasonable rates; design and performance comparisons between capacity markets and alternative resource adequacy constructs; and the roles and interests of states or other entities with legal authority in achieving resource adequacy.

The two-day technical conference will convene on Wednesday, June 4, 2025, and Thursday, June 5, 2025 in the Kevin J. McIntyre Commission Meeting Room at the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

Individuals interested in participating as panelists should submit a self-nomination email by 5:00 p.m. Eastern Time on Wednesday March 12, 2025, to [Resource-Adequacy-RTOs-Conference@ferc.gov](mailto:Resource-Adequacy-RTOs-Conference@ferc.gov). Each nomination should state the proposed panelist's name, contact information, organizational affiliation, and indicate the general area on which the proposed panelist would like to speak.

The technical conference will be open to the public. Advance registration is not required, and there is no fee for attendance. A supplemental notice will be issued prior to the conference with further details regarding the agenda and any changes in logistics. Information will also be posted on the Calendar of Events on the Commission's website, [www.ferc.gov](http://www.ferc.gov), prior to the event.

The technical conference will be transcribed and webcast. Transcripts will be available for a fee from Ace Reporting (202-347-3700). A link to the webcast of this event will be available in the Commission Calendar of Events at [www.ferc.gov](http://www.ferc.gov). The Commission provides technical support for the free webcasts. Please call 202-502-8680 or email [customer@ferc.gov](mailto:customer@ferc.gov) if you have any questions.

Commission technical conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an email to [accessibility@ferc.gov](mailto:accessibility@ferc.gov)

or call toll free 1-866-208-3372 (voice) or 202-208-8659 (TTY) or send a fax to 202-208-2106 with the required accommodations.

For more information about this technical conference, please contact Tim Bialecki at [timothy.bialecki@ferc.gov](mailto:timothy.bialecki@ferc.gov) or 202-502-8403. For legal information, please contact Nathan Lobel at [nathan.lobel@ferc.gov](mailto:nathan.lobel@ferc.gov) or 202-502-8456. For information related to logistics, please contact Sarah McKinley at [sarah.mckinley@ferc.gov](mailto:sarah.mckinley@ferc.gov) or 202-502-8368.

Dated: February 20, 2025.

**Debbie-Anne A. Reese,**

*Secretary.*

[FR Doc. 2025-03130 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. EL25-47-000]

#### West Deptford Energy, LLC; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On February 12, 2025, the Commission issued an order in Docket No. EL25-47-000, pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether West Deptford Energy, LLC's Rate Schedule is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *See West Deptford Energy, LLC*, 190 FERC ¶ 61,085 (2024).

The refund effective date in Docket No. EL25-47-000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL25-47-000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2024), within 21 days of the date of issuance of the order.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<https://www.ferc.gov>) using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. From

FERC's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at 202-502-6652 (toll free at 1-866-208-3676) or email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <https://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

Dated: February 12, 2025.

**Carlos D. Clay,**

*Deputy Secretary.*

[FR Doc. 2025-03112 Filed 2-25-25; 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 accounting Request filings:

*Docket Numbers:* AC25-40-000.

*Applicants:* Madison Gas & Electric Company.

*Description:* Madison Gas & Electric Company submits Supplement to Proposed Final Accounting Entries re acquisition of certain tenant-in-common interests from Wisconsin Power and Light Company.

*Filed Date:* 2/19/25.

*Accession Number:* 20250219–5177.

*Comment Date:* 5 p.m. ET 3/12/25.

Take notice that the Commission received the following exempt wholesale generator filings:

*Docket Numbers:* EG25–161–000.

*Applicants:* Midpoint Solar, LLC.

*Description:* Midpoint Solar, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

*Filed Date:* 2/18/25.

*Accession Number:* 20250218–5328.

*Comment Date:* 5 p.m. ET 3/11/25.

*Docket Numbers:* EG25–162–000.

*Applicants:* 1000 Mile Solar, LLC.

*Description:* 1000 Mile Solar, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5085.

*Comment Date:* 5 p.m. ET 3/13/25.

Take notice that the Commission received the following electric rate filings:

*Docket Numbers:* ER10–2437–023.

*Applicants:* Arizona Public Service Company.

*Description:* Supplement to December 26, 2024, Triennial Market Power Analysis Southwest Region of Arizona Public Service Company.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5059.

*Comment Date:* 5 p.m. ET 4/21/25.

*Docket Numbers:* ER11–47–016;

ER12–1541–014; ER12–1542–014;

ER14–594–018; ER20–2000–003; ER21–

2556–001; ER17–1930–008; ER12–1540–

014; ER12–1544–014; ER17–1931–008;

ER17–1932–008; ER20–649–004; ER14–

868–005; ER14–867–004; ER19–606–

006; ER21–2555–001; ER16–323–013.

*Applicants:* Ohio Valley Electric Corporation, Martinsville OnSite Generation, LLC, AEP Generation Resources Inc., AEP Energy, Inc., AEP Retail Energy Partners, AEP Energy Partners, Inc., Southwestern Electric Power Company, AEP Texas Inc., Wheeling Power Company, Indiana Michigan Power Company, Public Service Company of Oklahoma, South River OnSite Generation, LLC, Clyde Onsite Generation, LLC, Ohio Power Company, Kingsport Power Company, Kentucky Power Company, Indiana Michigan Power Company, Appalachian Power Company, Ohio Power Company, Kingsport Power Company, Columbus Southern Power Company, Kentucky

Power Company, Wheeling Power Company.

*Description:* Response to 12/17/2024, Deficiency Letter of Appalachian Power Company et al.

*Filed Date:* 1/16/25.

*Accession Number:* 20250116–5182.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1344–000.

*Applicants:* Montana-Dakota Utilities Company.

*Description:* Request for Limited One-Time Waiver of Tariff Provisions of Montana-Dakota Utilities Company.

*Filed Date:* 2/19/25.

*Accession Number:* 20250219–5163.

*Comment Date:* 5 p.m. ET 3/12/25.

*Docket Numbers:* ER25–1345–000.

*Applicants:* Midcontinent Independent System Operator, Inc.

*Description:* § 205(d) Rate Filing: 2025–02–20 SA 3690 Termination of OTP-Minnkota Power FCA (Aneta Tap) to be effective 2/21/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5044.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1346–000.

*Applicants:* Midcontinent Independent System Operator, Inc.

*Description:* § 205(d) Rate Filing: 2025–02–20 SA 3720 Termination of OTP-MPC FCA (Bartlett) to be effective 2/21/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5048.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1347–000.

*Applicants:* PJM Interconnection, L.L.C.

*Description:* § 205(d) Rate Filing: Original GIA, SA No. 7547; Project Identifier No. AC1–188/AF2–048 to be effective 1/21/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5070.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1348–000.

*Applicants:* New Madrid Solar, LLC.

*Description:* § 205(d) Rate Filing: Application for Market-Based Rate Authorization—New Madrid Solar, LLC to be effective 4/22/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5090.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1349–000.

*Applicants:* Sebree Solar, LLC.

*Description:* § 205(d) Rate Filing: Application for Market-Based Rate Authorization—Sebree Solar, LLC to be effective 4/22/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5091.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1350–000.

*Applicants:* PJM Interconnection, L.L.C.

*Description:* § 205(d) Rate Filing: Original GIA Service Agreement No. 7530; Project Identifier No. AG1–239 to be effective 1/23/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5100.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1351–000.

*Applicants:* PJM Interconnection, L.L.C.

*Description:* § 205(d) Rate Filing: Original CSA Service Agreement No. 7531; Project Identifier No. AG1–239 to be effective 1/23/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5103.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1352–000.

*Applicants:* New York Independent System Operator, Inc.

*Description:* § 205(d) Rate Filing: NYISO 205: Amended LGIA Riverhead Solar 2 SA2740 (CEII) to be effective 2/12/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5104.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1354–000.

*Applicants:* Arizona Public Service Company.

*Description:* Compliance filing: Order No. 904 Compliance Filing to be effective 4/22/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5111.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1355–000.

*Applicants:* PJM Interconnection, L.L.C.

*Description:* § 205(d) Rate Filing: Original CSA Service Agreement No. 7532; Project Identifier No. AG1–239 to be effective 1/23/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5112.

*Comment Date:* 5 p.m. ET 3/13/25.

*Docket Numbers:* ER25–1356–000.

*Applicants:* Daggett Solar Power 1 LLC.

*Description:* Initial rate filing: Market-Based Rate Application and Request for Waivers and Blanket Approvals to be effective 4/13/2025.

*Filed Date:* 2/20/25.

*Accession Number:* 20250220–5113.

*Comment Date:* 5 p.m. ET 3/13/25.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>) by querying the docket number.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or

before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

Dated: February 20, 2025.

**Carlos D. Clay,**  
Deputy Secretary.

[FR Doc. 2025-03108 Filed 2-25-25; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket Nos. RD25-1-000; RD25-2-000; RD25-3-000 (not consolidated)]

#### In Reply Refer To: North American Electric Reliability Corporation

North American Electric Reliability Corporation  
1401 H Street NW  
Suite 410  
Washington, DC 20005

Attention: Lauren Perotti  
Alain Rigaud  
Sarah P. Crawford

Dear Ms. Perotti, Mr. Rigaud, and Ms. Crawford:

1. On November 4, 2024, the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization, submitted three petitions seeking approval of: (1) a proposed definition of an inverter-based resource (IBR) for inclusion in the NERC Glossary of Terms Used in NERC Reliability Standards (NERC Glossary);<sup>1</sup> (2) proposed Reliability Standards PRC-

028-1 (Disturbance Monitoring and Reporting Requirements for Inverter-Based Resources) and PRC-002-5 (Disturbance Monitoring and Reporting Requirements);<sup>2</sup> and (3) proposed Reliability Standard PRC-030-1 (Unexpected Inverter-Based Resource Event Mitigation).<sup>3</sup> NERC also requested approval of the associated implementation plans, violation risk factors, and violation severity levels, as well as the retirement of currently effective Reliability Standard PRC-002-4. For the reasons discussed below, pursuant to section 215(d)(2) of the Federal Power Act (FPA),<sup>4</sup> we grant the requested approvals.

2. In Order No. 901, pursuant to section 215(d)(5) of the FPA, the Commission directed NERC to submit new or modified Reliability Standards to, among other things, address disturbance monitoring data sharing, performance requirements, and post-event performance validation for registered IBRs.<sup>5</sup> The Commission directed NERC to consider the burden on IBR owners to collect and provide data collected by disturbance monitoring equipment while assuring that Bulk-Power System operators and planners have the data they need for accurate disturbance monitoring and analysis.<sup>6</sup> The Commission also directed NERC to submit new or modified Reliability Standards that "require generator owners to communicate to the relevant planning coordinators, transmission planners, reliability coordinators, transmission operators, and balancing authorities the actual post-disturbance ramp rates."<sup>7</sup> The Commission directed NERC to submit new or modified Reliability Standards addressing these directives to the Commission no later than November 4, 2024.<sup>8</sup>

3. In the IBR Definition Petition, NERC proposes to define an IBR as "[a] plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric

system."<sup>9</sup> NERC explains that while developing its proposed IBR definition, it considered the Institute of Electrical and Electronics Engineers (IEEE) 2800-2022 IBR definition, as well as other IBR definitions identified in various NERC and Commission documents.<sup>10</sup> According to NERC, the "capable of exporting real power" phrase in the proposed IBR definition clarifies that IBRs are considered generation resources that provide real power to load.<sup>11</sup> NERC states that the proposed IBR definition will promote consistency in the application of Reliability Standards, help avoid confusion, and facilitate efficiency for future standards drafting teams when addressing outstanding IBR issues. NERC's proposed implementation plan states that the proposed IBR definition would become effective on the first day of the first calendar quarter after Commission approval.<sup>12</sup>

4. In the NERC PRC-028-1 Petition, NERC explains that proposed Reliability Standards PRC-028-1 and PRC-002-5 comply in part with the Commission's directives in Order No. 901 regarding disturbance monitoring requirements for IBRs<sup>13</sup> and would improve reliability by ensuring the availability of data from synchronous generating resources and IBRs necessary to facilitate the analysis of disturbances on the Bulk-Power System.<sup>14</sup> NERC states that although Reliability Standard PRC-002-4 generally serves the purpose of capturing event data to analyze system disturbances, the disturbance monitoring requirements of the existing Standard do not apply to many IBRs, given their technical and operational characteristics.<sup>15</sup> NERC explains that proposed Reliability Standard PRC-028-1 would address this reliability gap by extending disturbance monitoring and reporting requirements to all IBRs that are or will be subject to the Reliability Standards.<sup>16</sup>

<sup>9</sup> NERC IBR Definition Petition at 9 ("Examples include, but are not limited to plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.").

<sup>10</sup> *Id.* at 9-10.

<sup>11</sup> *Id.* at 11. In its petition, NERC appears to use the terms "generating resource" and "generation resource" interchangeably. *See id.* at 10-11.

<sup>12</sup> *Id.* at 14.

<sup>13</sup> NERC states that proposed Reliability Standard PRC-028-1 does not address the Commission's Order No. 901 directive regarding the validation of registered IBR models using disturbance monitoring data, which NERC intends to address during Milestone 3 of its Order No. 901 Work Plan. *See* NERC PRC-028-1 Petition at 35-36.

<sup>14</sup> *Id.* at 19.

<sup>15</sup> *Id.* at 21-22.

<sup>16</sup> *Id.* at 2.

<sup>2</sup> NERC Petition, Docket No. RD25-2-000 (NERC PRC-028-1 Petition).

<sup>3</sup> NERC Petition, Docket No. RD25-3-000 (NERC PRC-030-1 Petition).

<sup>4</sup> 16 U.S.C. 824o.

<sup>5</sup> *Reliability Standards to Address Inverter-Based Res.*, Order No. 901, 185 FERC ¶ 61,042, at P 229 (2023).

<sup>6</sup> *Id.* P 86.

<sup>7</sup> *Id.* P 208.

<sup>8</sup> *Id.* P 229.

<sup>1</sup> NERC Petition, Docket No. RD25-1-000 (NERC IBR Definition Petition).

5. Proposed Reliability Standard PRC–028–1 applies to generator owners that own bulk-electric system IBRs, as well as generator owners that own non-bulk electric system IBRs that NERC will register under NERC’s registry criteria for IBR generator owners and generator operators.<sup>17</sup> The proposed Standard would require applicable entities to install disturbance monitoring equipment on their IBRs in order to collect sequence of event recording, fault recording, and dynamic disturbance recording data.<sup>18</sup> NERC explains that data collected under the proposed Standard would be used to evaluate IBR ride-through performance during system disturbances and provide data for IBR model validation to assist operators and planners in better accounting for IBR performance in the future.<sup>19</sup> Additionally, the proposed Standard would require IBR generator owners to address failures of disturbance monitoring recording capabilities by either restoring function within specified timeframes or submitting corrective action plans indicating how and when recording capabilities would be restored.<sup>20</sup>

6. Proposed Reliability Standard PRC–002–5 would replace Reliability Standard PRC–002–4 and clarify its applicability to non-IBR bulk electric system elements.<sup>21</sup> Further, proposed Reliability Standard PRC–002–5 adds data collection and sharing requirements, as well as data formatting requirements, similar to those in proposed Reliability Standard PRC–028–1.<sup>22</sup>

7. NERC describes its proposed implementation plan for Reliability Standards PRC–028–1 and PRC–002–5 as “a risk-based, phased-in compliance approach” that would require generator owners to implement disturbance monitoring equipment by no later than 2030.<sup>23</sup> NERC further proposes a process by which generator owners may request an extension to implementation deadlines because of potential constraints outside of a generator owner’s control, such as supply chain delays.<sup>24</sup>

8. The NERC PRC–030–1 Petition explains that proposed Reliability Standard PRC–030–1 was developed as

part of a set of Reliability Standards in response to directives in Order No. 901 to develop requirements that address IBR ride-through settings and performance, data recording, and analysis and mitigation of unexpected IBR performance.<sup>25</sup> The purpose of proposed Reliability Standard PRC–030–1 is to “[i]dentify, analyze, and mitigate unexpected [IBR] change of power output.”<sup>26</sup> The proposed Reliability Standard covers both bulk electric system IBRs and non-bulk electric system IBRs<sup>27</sup> and is applicable to generator owners that own: (1) IBRs that meet the bulk electric system definition criteria, and (2) non-bulk electric system IBRs that NERC will register in accordance with its Rules of Procedure.<sup>28</sup>

9. Proposed Reliability Standard PRC–030–1 requires applicable entities to implement a documented process for the identification of any “complete facility loss of output or certain changes of real power output” and contains both thresholds<sup>29</sup> for identification and exclusions from identification measures.<sup>30</sup> Further, the Standard requires applicable entities in certain circumstances to conduct and report, if requested, an analysis of a real power change event.<sup>31</sup> When identified as necessary by the required analysis, a generator owner must develop and implement a corrective action plan to address performance issues or provide a technical justification<sup>32</sup> as to why

<sup>25</sup> See NERC PRC–030–1 Petition at 1; see also Order No. 901, 185 FERC ¶ 61,042 at P 208.

<sup>26</sup> NERC PRC–030–1 Petition at 16.

<sup>27</sup> Applicable non-bulk electric system IBRs include those non-bulk electric system IBRs that either have or contribute to an aggregate nameplate capacity of greater than or equal to 20 MVA, connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV. See *id.* at 17, 32.

<sup>28</sup> See *N. Am. Elec. Reliability Corp.*, 183 FERC ¶ 61,116, at P 52 (2023) (citing *Registration of Inverter-based Res.*, 181 FERC ¶ 61,124, at P 33 (2022) (directing NERC to ensure IBR owners and operators are registered and required to comply with applicable Reliability Standards within 36 months of Commission approval of the NERC Registration Work Plan (May 18, 2026))).

<sup>29</sup> Proposed Reliability Standard PRC–030–1 establishes a minimum threshold of at least 20 MW and at least 10% of the plant’s gross nameplate rating, occurring within a four second period, that NERC states would make the self-identification of events manageable for both small and large facilities. See NERC PRC–030–1 Petition at 19.

<sup>30</sup> *Id.* at 18, 21 (describing those slower changes in Real Power that are excluded from the identification requirements in Requirement R1 because they are anticipated with normal operations or expected responses).

<sup>31</sup> *Id.* at 22–24.

<sup>32</sup> Primary characteristics of an acceptable technical justification for not performing corrective actions include “interconnection requirements on IBR performance extending beyond those in place

corrective actions will not be implemented.<sup>33</sup> Proposed PRC–030–1 further requires generator owners to update corrective action plans if corrective actions or schedules change, and notify associated reliability coordinators of completion of or changes to the corrective action plan. According to NERC, proposed PRC–030–1 is responsive to the Commission’s directive in Order No. 901 requiring NERC to develop Reliability Standards that require generator owners to communicate actual post-disturbance ramp rates to relevant planning coordinators, transmission planners, reliability coordinators, transmission operators, and balancing authorities.<sup>34</sup>

10. NERC’s proposed implementation plan states that proposed Reliability Standard PRC–030–1 will become effective on the later of the first day of the first calendar quarter that is 12 months after the effective date of the Commission’s order approving (1) Reliability Standard PRC–030–1 or (2) Reliability Standard PRC–029–1 (Frequency and Voltage Ride-through Requirements for Inverter-Based Generating Resources).<sup>35</sup> NERC’s proposed implementation plan further provides a phased-in compliance approach where bulk electric system IBRs must comply with all four requirements of Reliability Standard PRC–030–1 no later than the effective date of the Standard. Applicable non-bulk electric system IBRs must comply with all four requirements by the later of January 1, 2027, or the effective date of Reliability Standard PRC–030–1. NERC asserts that this phased-in implementation approach satisfies the Commission’s directive in Order No. 901 for all directed Reliability Standards to be effective and enforceable prior to 2030.<sup>36</sup>

11. Notice of NERC’s three November 4, 2024, petitions were published in the **Federal Register**, 89 FR 88993 (Nov. 12, 2024), with interventions and protests due on or before December 4, 2024. Calpine Corporation, North Carolina Electric Membership Corporation, Solar Energy Industries Association, American Clean Power Association, Orsted Wind Power North America LLC, Invenery Renewables, LLC, Dominion Energy Virginia, Eversource Energy Service Company, and RENEW Northeast, Inc. all filed timely motions to intervene in all or one of the dockets

at the time of interconnection” and corrective actions would require significant material modifications or a qualified change. See *id.* at 26.

<sup>33</sup> *Id.* at 24.

<sup>34</sup> See Order No. 901, 185 FERC ¶ 61,042 at P 208.

<sup>35</sup> See NERC PRC–030–1 Petition at 32.

<sup>36</sup> See Order No. 901, 185 FERC ¶ 61,042 at P 226.

<sup>17</sup> *Id.* at 22; see also NERC, *Rules of Procedure*, App. 5B (Statement of Compliance Registry Criteria) (June 27, 2024), <https://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>.

<sup>18</sup> NERC PRC–028–1 Petition at 23–31.

<sup>19</sup> *Id.* at 2.

<sup>20</sup> *Id.* at 34–35.

<sup>21</sup> *Id.* at 38.

<sup>22</sup> See *id.*

<sup>23</sup> *Id.* at 19.

<sup>24</sup> *Id.*

addressed in this order. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed. No comments or protests were submitted in any of the three dockets.

12. Pursuant to section 215(d)(2) of the FPA, we approve the proposed IBR definition for inclusion in the NERC Glossary, as well as proposed Reliability Standards PRC-028-1, PRC-002-5, and PRC-030-1, as just and reasonable and not unduly discriminatory or preferential and in the public interest.<sup>37</sup> We also approve the proposed Reliability Standards' associated violation risk factors and violation severity levels, as well as the proposed implementation plans. Finally, we approve the retirement of Reliability Standard PRC-002-4 immediately prior to the effective date of proposed Reliability Standard PRC-002-5.

13. We determine that the proposed IBR definition and proposed Reliability Standards PRC-028-1, PRC-002-5, and PRC-030-1 satisfy many of the Commission's relevant directives from Order No. 901 to establish performance requirements and requirements for sharing disturbance monitoring data and post-disturbance ramp rates for registered IBRs.<sup>38</sup> Given the increase in

the amount of IBRs connecting to the Bulk-Power System, as well as the importance of the new IBR definition and Reliability Standards PRC-028-1 and PRC-030-1 to maintaining the reliable operation of the Bulk-Power System, we strongly encourage entities that are capable of complying earlier than the mandatory and enforceable date to do so.

#### Information Collection Statement

14. The FERC-725G information collection requirements are subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the Paperwork Reduction Act of 1995. OMB's regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirements will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number. The Commission solicits comments on the need for this information, whether the information will have practical utility, the accuracy of the burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected or retained, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

15. The Commission bases its paperwork burden estimates on the additional paperwork burden presented by the proposed revisions to Reliability Standard PRC-002-5 and new Reliability Standards PRC-028-1 and PRC-030-1. The new glossary term Inverter-Based Resource (IBR) is not expected to generate any new burden as it is a definition used within the body of Reliability Standards. Reliability Standards are objective-based and allow entities to choose compliance approaches best tailored to their systems. As of November 20, 2024, the NERC Compliance Registry identified 12 reliability coordinators, 325 transmission owners, and 1,238 generator owners as unique U.S. entities that are subject to mandatory compliance with Reliability Standard PRC-002-5. Additionally, these entities will have additional burdens given that the revisions to Reliability Standard PRC-002-5 will focus on synchronous generation and updates to SER, FR, and DDR data being supplied to the reliability coordinator, regional entity, or NERC. Burden estimates for the unique U.S. entities for new PRC-028-1 and PRC-030-1 are taken from numbers supplied by NERC, with 591 registered generator owners that own bulk electric system solar and wind facilities and a median 755 generator owners that own non bulk electric system facilities. Based on these assumptions, we estimate the following reporting burden:

<sup>37</sup> 16 U.S.C. 824o(d)(2).

<sup>38</sup> See Order No. 901, 185 FERC ¶ 61,042 at PP 1-8.

PROPOSED CHANGES IN BURDEN PRC-002-5 DOCKET NO. RD25-2

| Reliability standard                         | Type and number of entity <sup>39</sup> | Number of annual responses per entity | Total number of responses | Average number of burden hours per response <sup>40</sup> | Total burden hours        |
|--|---|---------------------------------------|---------------------------|---|---------------------------|
|  | (1)                                     | (2)                                   | (1) * (2) = (3)           | (4)   | (3) * (4) = (5)           |
| <b>Annual Collection PRC-002-5 FERC-725G</b> |   |                                       |                           |   |                           |
| Annual review and record retention.          | 12 (RC) .....                           | 1                                     | 12                        | 8 hrs. \$70.67/hr .....                                   | 96 hrs \$6,784.32         |
|  | 325 (TO) .....                          | 1                                     | 325                       | 8 hrs. \$70.67/hr. ....                                   | 2,600 hrs. \$183,742.00.  |
|  | 1,238 (GO) .....                        | 1                                     | 1,238                     | 8 hrs. \$70.67/hr .....                                   | 9,904 hrs. \$699,915.68.  |
| Total for PRC-002-5 .....                    | .....                                   | .....                                 | 1,575                     | .....   | 12,600 hrs. \$890,442.00. |

PROPOSED BURDEN PRC-028-1 DOCKET NO. RD25-2

| Reliability standard                         | Type and number of entity <sup>41</sup> | Number of annual responses per entity | Total number of responses | Average number of burden hours per response <sup>42</sup> | Total burden hours           |
|--|---|---------------------------------------|---------------------------|---|------------------------------|
|  | (1)                                     | (2)                                   | (1) * (2) = (3)           | (4)   | (3) * (4) = (5)              |
| <b>Annual Collection PRC-028-1 FERC-725G</b> |   |                                       |                           |   |                              |
| Annual review and record retention.          | 591 (BES IBR GO) .....                  | 1                                     | 591                       | 80 hrs. \$70.67/hr .....                                  | 47,280 hrs. \$3,341,277.60.  |
|  | 755 (Non-BES IBR GO) .....              | 1                                     | 755                       | 80 hrs. \$70.67/hr .....                                  | 60,400 hrs. \$4,268,468.00.  |
| Total for PRC-028-1 .....                    | .....                                   | .....                                 | 1,346                     | .....   | 107,680 hrs. \$7,609,745.60. |

PROPOSED BURDEN PRC-030-1 DOCKET NO. RD25-3

| Reliability standard                         | Type and number of entity <sup>43</sup> | Number of annual responses per entity | Total number of responses | Average number of burden hours per response <sup>44</sup> | Total burden hours          |
|--|---|---------------------------------------|---------------------------|---|-----------------------------|
|  | (1)                                     | (2)                                   | (1) * (2) = (3)           | (4)   | (3) * (4) = (5)             |
| <b>Annual Collection PRC-030-1 FERC-725G</b> |   |                                       |                           |   |                             |
| Annual review and record retention.          | 591 (BES IBR GO) .....                  | 0.5                                   | 296                       | 40 hrs. \$70.67/hr .....                                  | 11,840 hrs. \$836,732.80.   |
|  | 755 (Non-BES IBR GO) .....              | 0.5                                   | 378                       | 40 hrs. \$70.67/hr .....                                  | 15,120 hrs. \$1,068,530.40. |
| Total for PRC-030-1 .....                    | .....                                   | .....                                 | 674                       | .....   | 26,960 hrs. \$1,905,263.20. |

16. The responses and burden hours for Years 1-3 will total respectively as follows:

<sup>39</sup>The "Number of Entity" data is compiled from the November 20, 2024, edition of the NERC Compliance Registry.

<sup>40</sup>The estimated hourly cost (salary plus benefits) is a combination of the following categories from the Bureau of Labor Statistics (BLS) website, [http://www.bls.gov/oes/current/naics2\\_22.htm](http://www.bls.gov/oes/current/naics2_22.htm): 75% of the average of an Electrical Engineer (17-2071) \$79.31/hr., \$79.31 x 0.75 = \$59.4825 (\$59.48/hour); and 25% of an Information and Record Clerk (43-4199) \$44.74/hr., \$44.74 x 0.25 = \$11.185 (\$11.19/hour); for a total of (\$59.48 + \$11.19 = \$70.67/hour).

<sup>41</sup>The "Number of Entity" data is compiled from the November 20, 2024, edition of the NERC Compliance Registry.

<sup>42</sup>The estimated hourly cost (salary plus benefits) is a combination of the following categories from the Bureau of Labor Statistics (BLS) website, [http://www.bls.gov/oes/current/naics2\\_22.htm](http://www.bls.gov/oes/current/naics2_22.htm): 75% of the average of an Electrical Engineer (17-2071) \$79.31/hr., \$79.31 x 0.75 = \$59.4825 (\$59.48/hour); and 25% of an Information and Record Clerk (43-4199) \$44.74/hr., \$44.74 x 0.25 = \$11.185 (\$11.19/hour); for a total of (\$59.48 + \$11.19 = \$70.67/hour).

<sup>43</sup>The "Number of Entity" data is compiled from the November 20, 2024, edition of the NERC Compliance Registry.

<sup>44</sup>The estimated hourly cost (salary plus benefits) is a combination of the following categories from

- Year 1-3 each: for proposed Reliability standard PRC-002-5 will be 1,575 responses; 12,600 hours;
- Year 1-3 each: for proposed Reliability Standard PRC-028-1 will be 1,346 responses; 107,680 hours; and
- Year 1-3 each: for proposed Reliability Standard PRC-030-1 will be 674 responses; 26,960 hours.
- The annual cost burden for each Year 1-3 is \$890,442.00 for proposed Reliability Standard PRC-002-5; \$7,609,745.60 for Proposed Reliability Standard PRC-028-1; and \$1,905,263.20 for proposed Reliability Standard PRC-030-1.

17. Title: Mandatory Reliability Standards, Revised Protection and Control Reliability Standards.

18. Action: Revision to FERC-725G information collection.

the Bureau of Labor Statistics (BLS) website, [http://www.bls.gov/oes/current/naics2\\_22.htm](http://www.bls.gov/oes/current/naics2_22.htm): 75% of the average of an Electrical Engineer (17-2071) \$79.31/hr., 79.31 x 0.75 = 59.4825 (\$59.48/hour); and 25% of an Information and Record Clerk (43-4199) \$44.74/hr., \$44.74 x 0.25% = 11.185 (\$11.19/hour); for a total of (\$59.48 + \$11.19 = \$70.67/hour).

19. OMB Control No.: 1902-0252.

20. Respondents: Businesses or other for-profit institutions; not-for-profit institutions.

21. Frequency of Responses: On Occasion.

22. Necessity of the Information: This order approves the Reliability Standards pertaining to disturbance monitoring and reporting requirements for IBRs and unexpected IBR event mitigation as well as the IBR definition. As discussed above, the Commission approves the proposed IBR definition and Reliability Standards PRC-028-1, PRC-002-5, and PRC-030-1 pursuant to section 215(d)(2) of the FPA because the definition and the Standards help ensure the availability of data from synchronous generating resources and IBRs; the Standards also create requirements for a documented process to identify unexpected IBR events and to develop corrective action plans, as needed.

23. Internal Review: The Commission has reviewed the proposed Reliability

Standards and made a determination that its action is necessary to implement section 215 of the FPA.

24. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 [Attention: Kayla Williams, Office of the Executive Director, email: [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov), phone: (202) 502-8663, fax: (202) 273-0873].

25. For submitting comments concerning the collection(s) of information and the associated burden estimate(s), please send your comments to the Commission, and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395-4638, fax: (202) 395-7285]. For security reasons, comments to OMB should be submitted by email to: [oira\\_submission@omb.eop.gov](mailto:oira_submission@omb.eop.gov). Comments submitted to OMB should include Docket Number RM25-3-000 and OMB Control Number 1902-0252.

26. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<http://www.ferc.gov>).

27. From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

28. User assistance is available for eLibrary and the Commission's website during normal business hours from the Commission's Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502-8371, or (202) 502-8659 for TTY. Email the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

29. All submissions must be formatted and filed in accordance with submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. For user assistance, contact FERC Online Support by email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

By direction of the Commission.

Dated: February 20, 2025.

**Debbie-Anne A. Reese,**  
*Secretary.*

[FR Doc. 2025-03126 Filed 2-25-25; 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:* AC25-52-000.

*Applicants:* Midway Pipeline LLC.

*Description:* Plains Pipeline, L.P. submits proposed journal entries re membership interest in Midway Pipeline, LLC acquired on 12/23/2024.

*Filed Date:* 2/19/25.

*Accession Number:* 20250219-5099.

*Comment Date:* 5 p.m. ET 3/12/25.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

Dated: February 20, 2025.

**Carlos D. Clay,**  
*Deputy Secretary.*

[FR Doc. 2025-03109 Filed 2-25-25; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Project No. 3451-047]

#### Beaver Falls Municipal Authority; Notice of Intent To Prepare an Environmental Assessment

On August 1, 2022,<sup>1</sup> Beaver Falls Municipal Authority filed a relicense application for the 5-megawatt Townsend Water Power Project No. 3451. The project is located on the Beaver River in the Borough of New Brighton in Beaver County, Pennsylvania.

In accordance with the Commission's regulations, on December 12, 2024, Commission staff issued a notice that the project was ready for environmental analysis (REA Notice). Based on the information in the record, including comments filed on the REA Notice, staff does not anticipate that licensing the project would constitute a major Federal action significantly affecting the quality of the human environment. Therefore, staff intends to prepare an Environmental Assessment (EA) on the application to relicense the project.<sup>2</sup>

The EA will be issued and circulated for review by all interested parties. All comments filed on the EA will be analyzed by staff and considered in the Commission's final licensing decision.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members, and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the

<sup>1</sup> The Commission's Rules of Practice and Procedure provide that if a deadline falls on a Saturday, Sunday, holiday, or other day when the Commission is closed for business, the deadline does not end until the close of business on the next business day. 18 CFR 385.2007(a)(2). Because the deadline for filing a license application fell on a Sunday (*i.e.*, July 31, 2022), the deadline was extended until the close of business on Monday, August 1, 2022.

<sup>2</sup> For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX-019-20-000-1739953194. 40 CFR 1501.5(c)(4) (2024).

public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

The application will be processed according to the following schedule. The EA will be issued for a 30-day comment period. Revisions to the schedule may be made as appropriate.

| Milestone            | Target date        |
|----------------------|--------------------|
| Commission issues EA | February 18, 2026. |

Any questions regarding this notice may be directed to Claire Rozdilski at (202) 502-8259 or [claire.rozdilski@ferc.gov](mailto:claire.rozdilski@ferc.gov).

Dated: February 19, 2025.

**Debbie-Anne A. Reese,**  
*Secretary.*

[FR Doc. 2025-03083 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Project No. 1895-105]

#### City of Columbia, South Carolina; Notice of Availability and Adoption of Final Environmental Assessments

Pending before the Federal Energy Regulatory Commission (Commission) is an application filed by the City of Columbia, South Carolina (licensee) for a non-capacity amendment for the Columbia Hydroelectric Project No. 1895. In October 2015, historic rain and flooding in Columbia, South Carolina damaged and destroyed many project features. As proposed, the applicant plans to repair the damaged features, to include replacement of the project headgates and powerhouse generating equipment, as well as repair the canal embankment.

In accordance with the National Environmental Policy Act of 1969 (NEPA), the Commission's regulations at 18 CFR part 380, Commission staff have decided to adopt the Environmental Assessments (EAs) produced by the U.S. Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA) for the proposed work.<sup>1</sup> In determining whether to adopt the EA, Commission staff independently reviewed each EA. The actions analyzed by HUD and FEMA are substantially the same as those being proposed in the licensee's application, and therefore, Commission staff concludes that the

<sup>1</sup> The unique identification number for documents relating to this environmental review is: EAXX-019-20-000-1738918338.

EAs adequately assess the environmental impacts of the proposed action and can be adopted. Commission staff also agrees with HUD's and FEMA's finding that the proposed work is not a major Federal action significantly affecting the quality of the human environment.

The HUD EA titled "Columbia Canal Head Gates and Lock Repair Project" and the FEMA EA titled "Columbia Canal 2015 Flood Repairs (Hydroelectric Plant and Canal Dikes) can be viewed through links contained in the City of Columbia's amendment application filed in the Commission's eLibrary system on July 1, 2024, under Docket P-1895.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

For further information, contact Jennifer Polardino at (202) 502-6437 or [jennifer.polardino@ferc.gov](mailto:jennifer.polardino@ferc.gov).

Dated: February 20, 2025.

**Debbie-Anne A. Reese,**  
*Secretary.*

[FR Doc. 2025-03128 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Project No. 6619-023]

#### Lake Upchurch Dam Preservation Association; Notice of Intent To Prepare an Environmental Assessment

On September 23, 2024, as supplemented on November 19, 2024, Lake Upchurch Dam Preservation Association (exemptee) filed an application for the surrender of its exemption for the Raeford Hydroelectric Project No. 6619. The project is located on Rockfish Creek, at Upchurch Pond, in Cumberland County, North Carolina. The project does not occupy any Federal lands.

The exemptee proposes to surrender the project exemption. The generating equipment has not operated since 2016, when the reservoir was lowered due to storm damage to the auxiliary spillway. No significant modifications to the

existing dam, buildings, or structures and no ground disturbing activities are proposed. The applicant proposes to remove the electrical connections to the generators within the powerhouse and remove the electrical substation outside of the powerhouse to prevent future generation. There will be no work on the dam or spillways. Upon surrender of the exemption, the applicant proposes to pass all inflow at the dam. Historic pond elevations will be maintained subject to inflow.

Commission staff public noticed the application on December 4, 2024, and solicited comments, motions to intervene, and protests, with the comment period ending on January 6, 2025. No comments were received in response to the Commission's notice.

This notice identifies Commission staff's intention to prepare an environmental assessment (EA) for the project.<sup>1</sup> Commission staff plans to issue an EA by July 31, 2025. Revisions to the schedule may be made as appropriate. The EA will be issued for a 30-day comment period. All comments filed on the EA will be reviewed by staff and considered in the Commission's final decision on the proceeding.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members, and others to access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502-6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

Any questions regarding this notice may be directed to Kelly Fitzpatrick at 202-502-8435 or [kelly.fitzpatrick@ferc.gov](mailto:kelly.fitzpatrick@ferc.gov).

Dated: February 20, 2025.

**Debbie-Anne A. Reese,**  
*Secretary.*

[FR Doc. 2025-03127 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

<sup>1</sup> In accordance with the Council on Environmental Quality's regulations, the unique identification number for documents relating to this environmental review is EAXX-019-20-000-1737643443. 40 CFR 1501.5(c)(4) (2024).

**DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission**

[Docket No. AD24–7–000]

**Federal and State Current Issues Collaborative; Notice Announcing Meeting**

On March 21, 2024, the Commission established a Federal and State Current Issues Collaborative (Collaborative) to explore cross-jurisdictional issues relevant to FERC and state utility commissions.<sup>1</sup>

The second public meeting of the Collaborative will be held on April 30, 2025, from approximately 9:00 a.m.–1:00 p.m. EST, in the Kevin J. McIntyre Commission Meeting Room at the Federal Energy Regulatory Commission in Washington, DC. The meeting will be open to the public for listening and observing and on the record. There is no fee for attendance and registration is not required. The public may also attend via Webcast. This conference will be transcribed. Transcripts will be available for a fee from Ace Reporting, 202–347–3700.

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an email to [accessibility@ferc.gov](mailto:accessibility@ferc.gov) or call toll free 1–866–208–3372 (voice) or 202–208–8659 (TTY), or send a fax to 202–208–2106 with the required accommodations.

The overarching topic the Collaborative will discuss is gas-electric coordination. As explained in the Establishing Order, the Commission will issue agendas for each meeting, after consulting with members of the Collaborative and considering suggestions from state commissions.<sup>2</sup> The Commission will issue the specific agenda for the second public meeting no later than April 16, 2025.

More information about the Collaborative is available here: <https://www.ferc.gov/federal-state-current-issues-collaborative>. For questions related to the Collaborative, please contact: Rob Thormeyer, 202–502–8694, [robert.thormeyer@ferc.gov](mailto:robert.thormeyer@ferc.gov), CeCe Coffey, 202–502–8040, [cecilia.coffey@ferc.gov](mailto:cecilia.coffey@ferc.gov), or J. Bradford Ramsey, 202–898–2207, [jramsay@naruc.org](mailto:jramsay@naruc.org).

<sup>1</sup> *Fed. and State Current Issues Collaborative*, 186 FERC ¶ 61,189 (2024) (Establishing Order).

<sup>2</sup> *Id.* P. 7.

Dated: February 20, 2025.

**Debbie-Anne A. Reese,***Secretary.*

[FR Doc. 2025–03131 Filed 2–25–25; 8:45 am]

BILLING CODE 6717–01–P

**DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission**

[Docket No. CP25–30–000]

**Florida Gas Transmission, LLC; Notice of Schedule for the Preparation of an Environmental Assessment for the South Central Louisiana Project**

On December 13, 2024, Florida Gas Transmission Company, LLC (FGT) filed an application in Docket No. CP25–30–000 requesting a Certificate of Public Convenience and Necessity pursuant to section 7(c) the Natural Gas Act to construct and operate certain natural gas pipeline facilities. The proposed project is known as the South Central Louisiana Project (Project). FGT would construct, modify, install, own, operate and maintain certain natural gas compressor stations and auxiliary facilities in St. Landry and East Baton Rouge Parishes, Louisiana.

On December 31, 2024, the Federal Energy Regulatory Commission (Commission or FERC) issued its Notice of Application for the Project. Among other things, that notice alerted agencies issuing federal authorizations of the requirement to complete all necessary reviews and to reach a final decision on a request for a Federal authorization within 90 days of the date of issuance of the Commission staff's environmental document for the Project.

This notice identifies Commission staff's intention to prepare an environmental assessment (EA) for the Project and the planned schedule for the completion of the environmental review.<sup>1</sup> The EA will be issued for a 30-day comment period.

**Schedule for Environmental Review**

Issuance of EA—July 25, 2025  
90-day Federal Authorization Decision  
Deadline<sup>2</sup>—October 23, 2025

<sup>1</sup> For tracking purposes, the Council on Environmental Quality unique identification number for documents relating to this environmental review is EAXX–019–20–000–1739964549. 40 CFR 1501.5(c)(4) (2024).

<sup>2</sup> The Commission's deadline applies to the decisions of other federal agencies, and state agencies acting under federally delegated authority, that are responsible for federal authorizations, permits, and other approvals necessary for proposed projects under the Natural Gas Act. Per 18 CFR 157.22(a), the Commission's deadline for other agency's decisions applies unless a schedule is otherwise established by federal law.

If a schedule change becomes necessary, additional notice will be provided so that the relevant agencies are kept informed of the Project's progress.

**Project Description**

The South Central Louisiana Project would update one existing natural gas-fired compressor turbine unit and re-wheel three existing natural gas-fired compressor turbine units in St. Landry Parish, Louisiana; construct one new natural gas-fired turbine compressor unit East Baton Rouge Parish, Louisiana; construct approximately 700 feet of new 30-inch suction and 30-inch discharge header piping at CS8; and install/modify auxiliary facilities as needed. The purpose of the Project is to provide an additional firm transportation capacity of up to 75,000 million British thermal units per day of natural gas.

**Background**

On January 30, 2025, the Commission issued a *Notice of Scoping Period Requesting Comments on Environmental Issues for the Proposed South Central Louisiana Project* (Notice of Scoping). The Notice of Scoping was sent to affected landowners; federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; other interested parties; and local libraries and newspapers. All substantive comments will be addressed in the EA.

**Additional Information**

In order to receive notification of the issuance of the EA and to keep track of formal issuances and submittals in specific dockets, the Commission offers a free service called eSubscription. This service provides automatic notification of filings made to subscribed dockets, document summaries, and direct links to the documents. Go to <https://www.ferc.gov/ferc-online/overview> to register for eSubscription.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502–6595 or [OPP@ferc.gov](mailto:OPP@ferc.gov).

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](http://www.ferc.gov)). Using the “eLibrary” link, select “General Search” from the eLibrary menu, enter the selected date range and “Docket Number” excluding the last three digits (*i.e.*, CP25-30), and follow the instructions. For assistance with access to eLibrary, the helpline can be reached at (866) 208-3676, TTY (202) 502-8659, or at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov). The eLibrary link on the FERC website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

Dated: February 20, 2025.

**Debbie-Anne A. Reese,**  
Secretary.

[FR Doc. 2025-03129 Filed 2-25-25; 8:45 am]

**BILLING CODE 6717-01-P**

## EXPORT-IMPORT BANK

[Public Notice: 2025-3126]

### Agency Information Collection Activities: Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 21-02, Co-Financing Certificate

**AGENCY:** Export-Import Bank of the United States

**ACTION:** Submission for OMB review and comments request.

**SUMMARY:** The Export-Import Bank of the United States (EXIM), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.

**DATES:** Comments must be received on or before March 28, 2025 to be assured of consideration.

**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 21-02) or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048-0059. The information collection tool can be reviewed at: [https://img.exim.gov/s3fs-public/pub/pending/EIB+21-02+Co-financing+Certificate+\(EXIM+follow\)+November+2024.pdf](https://img.exim.gov/s3fs-public/pub/pending/EIB+21-02+Co-financing+Certificate+(EXIM+follow)+November+2024.pdf).

**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, [donna.schneider@exim.gov](mailto:donna.schneider@exim.gov), 202-565-3612.

**SUPPLEMENTARY INFORMATION:** EXIM’s borrowers, financial institution policy holders and guaranteed lenders provide this form to U.S. exporters, who certify to the eligibility of their exports for EXIM support. For direct loans and loan guarantees, the completed form is required to be submitted at time of disbursement and held by either the guaranteed lender or EXIM. For MT insurance, the completed forms are held by the financial institution, only to be submitted to EXIM in the event of a claim filing. EXIM uses the referenced form to obtain information from exporters regarding the export transaction and content sourcing. These details are necessary to determine the value and legitimacy of EXIM financing support and claims submitted. It also provides the financial institutions a check on the export transaction’s eligibility at the time it is fulfilling a financing request.

*Title and Form Number:* EIB 21-02, Co-financing Certificate.

*OMB Number:* 3048-0059.

*Type of Review:* Regular.

*Need and Use:* The information collected will allow EXIM to determine compliance and content for transaction requests submitted to the Export-Import Bank under its insurance, guarantee, and direct loan programs.

*Affected Public:* This form affects entities involved in the export of U.S. goods and services.

*Annual Number of Respondents:* 25.

*Estimated Time per Respondent:* 30 minutes.

*Annual Burden Hours:* 12.5 hours.

*Frequency of Reporting of Use:* As required.

Dated: February 21, 2025.

**Andrew Smith,**  
Records Officer.

[FR Doc. 2025-03105 Filed 2-25-25; 8:45 am]

**BILLING CODE 6690-01-P**

## EXPORT-IMPORT BANK

[Public Notice: 2024-3121]

### Agency Information Collection Activities: Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 11-05, Exporter’s Certificate for Direct Loan, Guarantee & MT Insurance Programs

**AGENCY:** Export-Import Bank of the United States.

**ACTION:** Submission for OMB review and comments request.

**SUMMARY:** The Export-Import Bank of the United States (EXIM), as part of its

continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.

**DATES:** Comments must be received on or before March 28, 2025 to be assured of consideration.

**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 11-05) or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048-0043. The information collection tool can be reviewed at: <https://img.exim.gov/s3fs-public/pub/pending/EIB+11-05+Exporter’s+Certificate+November+2024.pdf>.

**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, [donna.schneider@exim.gov](mailto:donna.schneider@exim.gov), 202-565-3612.

**SUPPLEMENTARY INFORMATION:** EXIM’s borrowers, financial institution policy holders and guaranteed lenders provide this form to U.S. exporters, who certify to the eligibility of their exports for EXIM support. For direct loans and loan guarantees, the completed form is required to be submitted at time of disbursement and held by either the guaranteed lender or EXIM. For MT insurance, the completed forms are held by the financial institution, only to be submitted to EXIM in the event of a claim filing. EXIM uses the referenced form to obtain information from exporters regarding the export transaction and content sourcing. These details are necessary to determine the value and legitimacy of EXIM financing support and claims submitted. It also provides the financial institutions a check on the export transaction’s eligibility at the time it is fulfilling a financing request.

*Title and Form Number:* EIB 11-05, Exporter’s Certificate for Direct Loan, Guarantee & MT Insurance Programs.

*OMB Number:* 3048-0043.

*Type of Review:* Regular.

*Need and Use:* The information collected will allow EXIM to determine compliance and content for transaction requests submitted to the Export-Import Bank under its insurance, guarantee, and direct loan programs.

*Affected Public:* This form affects entities involved in the export of U.S. goods and services.

*Annual Number of Respondents:* 1,500.

*Estimated Time per Respondent:* 30 minutes.

*Annual Burden Hours:* 750 hours.  
*Frequency of Reporting of Use:* As required.

Dated: February 21, 2025.

**Andrew Smith,**  
*Records Officer.*

[FR Doc. 2025-03101 Filed 2-25-25; 8:45 am]

**BILLING CODE 6690-01-P**

## EXPORT-IMPORT BANK

[Public Notice: 2024-3123]

**Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 18-03, Itemized Statement of Payments—Local Costs for EXIM Credit Guarantee Facility**

**AGENCY:** Export-Import Bank of the United States.

**ACTION:** Submission for OMB review and comments request.

**SUMMARY:** The Export-Import Bank of the United States (EXIM), as a part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.

**DATES:** Comments should be received on or before March 28, 2025 to be assured of consideration.

**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 18-03) or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048-0055. The form can be viewed at: [https://img.exim.gov/s3fs-public/pub/pending/EIB18-03\\_itemized\\_statement\\_of\\_payments-local\\_costs\\_for\\_exim\\_cgf\\_2025.xlsx](https://img.exim.gov/s3fs-public/pub/pending/EIB18-03_itemized_statement_of_payments-local_costs_for_exim_cgf_2025.xlsx).

**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, 202-565-3612.

**SUPPLEMENTARY INFORMATION:** This form is to be completed by EXIM borrowers as required under EXIM Credit Guarantee Facility (CGF) transactions in conjunction with a borrower's request for disbursement for local cost goods and services. It is used to summarize disbursement documents submitted with a borrower's request and to calculate the requested financing amount. It will enable EXIM lenders to identify the specific details of the amount of disbursement requested for approval to ensure that the financing request is complete and in compliance

with EXIM's disbursement requirements.

*Titles and Form Number:* EIB 18-03, Itemized Statement of Payments—Local Costs for EXIM Credit Guarantee Facility.

*OMB Number:* 3048-0055.

*Type of Review:* Regular.

*Need and Use:* The information collected will assist in determining compliance of disbursement requests for local cost goods and services submitted to EXIM lenders under CGF transactions.

*Affected Public:* This form affects EXIM borrowers involved in financing local cost goods and services under CGF transactions.

*Annual Number of Respondents:* 12.

*Estimated Time per Respondent:* 30 minutes.

*Annual Burden Hours:* 6 hours.

*Frequency of Reporting or Use:* As needed.

This form is submitted by the borrower to the CGF lender for review. The lender reports information regarding the disbursement electronically to EXIM using OMB Number 3048-0046 CGF (EIB 12-02) Disbursement Approval Request Report.

Dated: February 21, 2025.

**Andrew Smith,**  
*Records Officer.*

[FR Doc. 2025-03098 Filed 2-25-25; 8:45 am]

**BILLING CODE 6690-01-P**

## EXPORT-IMPORT BANK

[Public Notice: 2025-3124]

**Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 18-04, Itemized Statement of Payments—Long-Term Guarantees and Direct Loans—U.S. Costs**

**AGENCY:** Export-Import Bank of the United States.

**ACTION:** Submission for OMB review and comments request.

**SUMMARY:** The Export-Import Bank of the United States (EXIM), as a part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.

**DATES:** Comments should be received on or before March 28, 2025 to be assured of consideration.

**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 18-04)

or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048-0056. The form can be viewed at: [https://img.exim.gov/s3fs-public/pub/pending/EIB+18-04\\_itemized\\_statement\\_of\\_payments-us\\_costs\\_form\\_2025.xlsx](https://img.exim.gov/s3fs-public/pub/pending/EIB+18-04_itemized_statement_of_payments-us_costs_form_2025.xlsx).

**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, 202-565-3612.

**SUPPLEMENTARY INFORMATION:** This form is to be completed by EXIM borrowers as required under certain EXIM long-term guarantee and direct loan transactions in conjunction with a borrower's request for disbursement for U.S. goods and services. It is used to summarize disbursement documents submitted with a borrower's request and to calculate the requested financing amount. It will enable EXIM to identify the specific details of the amount of disbursement requested for approval to ensure that the financing request is complete and in compliance with EXIM's disbursement requirements. This form will be uploaded into an electronic disbursement portal.

*Titles and Form Number:* EIB 18-04, Itemized Statement of Payments—Long-term Guarantees and Direct Loans—U.S. Costs.

*OMB Number:* 3048-0056.

*Type of Review:* Regular.

*Need and Use:* The information collected will assist in determining compliance of disbursement requests for U.S. goods and services submitted to EXIM through an electronic disbursement portal under certain long-term guarantee and direct loan transactions.

*Affected Public:* This form affects EXIM borrowers involved in financing U.S. goods and services under certain long-term guarantee and direct loan transactions.

*Annual Number of Respondents:* 150.

*Estimated Time per Respondent:* 90 minutes.

*Annual Burden Hours:* 225 hours.

*Frequency of Reporting or Use:* As needed.

Dated: February 21, 2025.

**Andrew Smith,**  
*Records Officer.*

[FR Doc. 2025-03099 Filed 2-25-25; 8:45 am]

**BILLING CODE 6690-01-P**

**EXPORT-IMPORT BANK**

[Public Notice: 2025–3122]

**Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 18–02, Itemized Statement of Payments—U.S. Costs for EXIM Credit Guarantee Facility****AGENCY:** Export-Import Bank of the United States.**ACTION:** Submission for OMB review and comments request.**SUMMARY:** The Export-Import Bank of the United States (EXIM), as a part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.**DATES:** Comments should be received on or before March 28, 2025 to be assured of consideration.**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 18–02) or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048–0054. The form can be viewed at: [https://img.exim.gov/s3fs-public/pending/EIB+18-02\\_itemized\\_statement\\_of\\_payments-us\\_costs\\_for\\_exim\\_cgf\\_2025.xlsx](https://img.exim.gov/s3fs-public/pending/EIB+18-02_itemized_statement_of_payments-us_costs_for_exim_cgf_2025.xlsx).**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, 202–565–3612.**SUPPLEMENTARY INFORMATION:** This form is to be completed by EXIM borrowers as required under EXIM Credit Guarantee Facility (CGF) transactions in conjunction with a borrower's request for disbursement for U.S. goods and services. It is used to summarize disbursement documents submitted with a borrower's request and to calculate the requested financing amount. It will enable EXIM lenders to identify the specific details of the amount of disbursement requested for approval to ensure that the financing request is complete and in compliance with EXIM's disbursement requirements. This form is submitted by the borrower to the CGF lender for review. The lender reports information regarding the disbursement electronically to EXIM using OMB Number 3048–0046 CGF (EIB 12–02) Disbursement Approval Request Report.  
*Titles and Form Number:* EIB 18–02, Itemized Statement of Payments—U.S.

Costs for EXIM Credit Guarantee Facility.

*OMB Number:* 3048–0054.*Type of Review:* Regular.*Need and Use:* The information collected will assist in determining compliance of disbursement requests for U.S. goods and services submitted to EXIM lenders under CGF transactions.*Affected Public:* This form affects EXIM borrowers involved in financing U.S. goods and services under CGF transactions.*Annual Number of Respondents:* 12.  
*Estimated Time per Respondent:* 30 minutes.*Annual Burden Hours:* 6 hours.  
*Frequency of Reporting or Use:* As needed.

Dated: February 21, 2025.

**Andrew Smith,**  
*Records Officer.*

[FR Doc. 2025–03102 Filed 2–25–25; 8:45 am]

**BILLING CODE 6690–01–P****EXPORT-IMPORT BANK**

[Public Notice: 2025–3125]

**Agency Information Collection Activities: Submission to the Office of Management and Budget for Review and Approval; Comment Request; EIB 18–05, Itemized Statement of Payments Long-Term Guarantee and Direct Loan—Local Costs****AGENCY:** Export-Import Bank of the United States.**ACTION:** Submission for OMB review and comments request.**SUMMARY:** The Export-Import Bank of the United States (EXIM), as a part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995.**DATES:** Comments should be received on or before March 28, 2025 to be assured of consideration.**ADDRESSES:** Comments may be submitted electronically on [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV) (EIB 18–05) or by mail to Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20038, Attn: OMB 3048–0057. The form can be viewed at: [https://img.exim.gov/s3fs-public/pending/EIB+18-05\\_itemized\\_statement\\_of\\_payments-local\\_cost\\_form\\_2025.xlsx](https://img.exim.gov/s3fs-public/pending/EIB+18-05_itemized_statement_of_payments-local_cost_form_2025.xlsx).**FOR FURTHER INFORMATION CONTACT:** To request additional information, please contact Donna Schneider, 202–565–3612.**SUPPLEMENTARY INFORMATION:** This form is to be completed by EXIM borrowers as required under certain EXIM long-term guarantee and direct loan transactions in conjunction with a borrower's request for disbursement for local cost goods and services. It is used to summarize disbursement documents submitted with a borrower's request and to calculate the requested financing amount. It will enable EXIM to identify the specific details of the amount of disbursement requested for approval to ensure that the financing request is complete and in compliance with EXIM's disbursement requirements. This form will be uploaded into an electronic disbursement portal.*Titles and Form Number:* EIB 18–05, Itemized Statement of Payments Long-term Guarantee and Direct Loan—Local Costs.*OMB Number:* 3048–0057.*Type of Review:* Regular.*Need and Use:* The information collected will assist in determining compliance of disbursement requests for local cost goods and services submitted to EXIM through an electronic disbursement portal under certain long-term guarantee and direct loan transactions.*Affected Public:* This form affects EXIM borrowers involved in financing local cost goods and services under certain long-term guarantee and direct loan transactions.*Annual Number of Respondents:* 30.  
*Estimated Time per Respondent:* 30 minutes.*Annual Burden Hours:* 15 hours.  
*Frequency of Reporting or Use:* As needed.

Dated: February 21, 2025.

**Andrew Smith,**  
*Records Officer.*

[FR Doc. 2025–03107 Filed 2–25–25; 8:45 am]

**BILLING CODE 6690–01–P****FEDERAL COMMUNICATIONS COMMISSION**

[OMB 3060–1079; FR ID 276734]

**Information Collection Being Reviewed by the Federal Communications Commission Under Delegated Authority****AGENCY:** Federal Communications Commission.**ACTION:** Notice and request for comments.**SUMMARY:** As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act (PRA) of 1995, the Federal

Communications Commission (FCC or the Commission) invites the general public and other Federal agencies to take this opportunity to comment on the following information collection.

Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology; and ways to further reduce the information collection burden on small business concerns with fewer than 25 employees.

The FCC may not conduct or sponsor a collection of information unless it displays a currently valid control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid Office of Management and Budget (OMB) control number.

**DATES:** Written PRA comments should be submitted on or before April 28, 2025. If you anticipate that you will be submitting comments, but find it difficult to do so within the period of time allowed by this notice, you should advise the contact listed below as soon as possible.

**ADDRESSES:** Direct all PRA comments to Nicole Ongele, FCC, via email [PRA@fcc.gov](mailto:PRA@fcc.gov) and to [nicole.ongele@fcc.gov](mailto:nicole.ongele@fcc.gov).

**FOR FURTHER INFORMATION CONTACT:** For additional information about the information collection, contact Nicole Ongele, (202) 418–2991.

*OMB Control Number:* 3060–1079.

*Title:* Section 15.240, Radio Frequency Identification Equipment.

*Type of Review:* Extension of a currently approved collection.

*Form No.:* N/A.

*Respondents:* Business or other for-profit and not-for-profit institutions.

*Number of Respondents and Responses:* 10 respondents; 20 responses.

*Estimated Time per Response:* 2 hours.

*Frequency of Response:* On occasion reporting requirement and third party disclosure requirements.

*Obligation to Respond:* Mandatory. Statutory authority for this information collection is contained in 47 U.S.C. 154(i), 301, 302, 303(e), 303(f) and 303(r).

*Total Annual Burden:* 200 hours.

*Total Annual Cost:* No cost.

*Needs and Uses:* The Commission will submit this expiring information collection to the Office of Management and Budget (OMB) after this 60 day comment period in order to obtain the three year clearance. Section 15.240 requires each grantee of certification for Radio Frequency Identification (RFID) Equipment to register the location of the equipment/devices its markets with the Commission.

The information that the grantee must supply to the Commission when registering the device(s) shall include the name, address and other pertinent contact information of users, the geographic coordinates of the operating location, and the FCC identification number(s) of the equipment.

Federal Communications Commission.

**Marlene Dortch,**

*Secretary, Office of the Secretary.*

[FR Doc. 2025–03123 Filed 2–25–25; 8:45 am]

**BILLING CODE 6712–01–P**

## FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060–1034; FR ID 281407]

### Information Collection Being Submitted for Review and Approval to Office of Management and Budget

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice and request for comments.

**SUMMARY:** As part of its continuing effort to reduce paperwork burdens, as required by the Paperwork Reduction Act (PRA) of 1995, the Federal Communications Commission (FCC or the Commission) invites the general public and other Federal Agencies to take this opportunity to comment on the following information collection. Pursuant to the Small Business Paperwork Relief Act of 2002, the FCC seeks specific comment on how it might “further reduce the information collection burden for small business concerns with fewer than 25 employees.”

**DATES:** Written comments and recommendations for the proposed information collection should be submitted on or before March 28, 2025.

**ADDRESSES:** Comments should be sent to [www.reginfo.gov/public/do/PRAMain](http://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. Your comment must be

submitted into [www.reginfo.gov](http://www.reginfo.gov) per the above instructions for it to be considered. In addition to submitting in [www.reginfo.gov](http://www.reginfo.gov) also send a copy of your comment on the proposed information collection to Cathy Williams, FCC, via email to [PRA@fcc.gov](mailto:PRA@fcc.gov) and to [Cathy.Williams@fcc.gov](mailto:Cathy.Williams@fcc.gov). Include in the comments the OMB control number as shown in the **SUPPLEMENTARY INFORMATION** below.

**FOR FURTHER INFORMATION CONTACT:** For additional information or copies of the information collection, contact Cathy Williams at (202) 418–2918. To view a copy of this information collection request (ICR) submitted to OMB: (1) go to the web page <http://www.reginfo.gov/public/do/PRAMain>, (2) look for the section of the web page called “Currently Under Review,” (3) click on the downward-pointing arrow in the “Select Agency” box below the “Currently Under Review” heading, (4) select “Federal Communications Commission” from the list of agencies presented in the “Select Agency” box, (5) click the “Submit” button to the right of the “Select Agency” box, (6) when the list of FCC ICRs currently under review appears, look for the Title of this ICR and then click on the ICR Reference Number. A copy of the FCC submission to OMB will be displayed.

**SUPPLEMENTARY INFORMATION:** The Commission may not conduct or sponsor a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

As part of its continuing effort to reduce paperwork burdens, as required by the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501–3520), the FCC invited the general public and other Federal Agencies to take this opportunity to comment on the following information collection. Comments are requested concerning: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (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 the respondents, including the use of automated collection techniques or other forms of information technology. Pursuant to the Small Business Paperwork Relief Act of

2002, Public Law 107–198, see 44 U.S.C. 3506(c)(4), the FCC seeks specific comment on how it might “further reduce the information collection burden for small business concerns with fewer than 25 employees.”

*OMB Control Number:* 3060–1034.

*Title:* Digital Audio Broadcasting Systems and their Impact on the Terrestrial Radio Broadcast Service; Form 2100, Schedule 335–FM—FM Digital Notification; Form 2100, Schedule 335–AM—AM Digital Notification.

*Form Number:* Form 2100, Schedule 335–FM.

*Type of Review:* Revision of a currently approved collection.

*Respondents:* Business or other for-profit entities.

*Number of Respondents and Responses:* 215 respondents; 215 responses.

*Estimated Hours per Response:* 1 hour–8 hours.

*Frequency of Response:* On occasion reporting requirement.

*Total Annual Burden:* 345 hours.

*Total Annual Cost:* \$128,250.

*Obligation to Respond:* Required to obtain or retain benefits. The statutory authority for this collection of information is contained in sections 154(i), 303, 310, and 553 of the Communications Act of 1934, as amended.

*Needs and Uses:* On September 24, 2024, the Commission adopted the First Report and Order in the Modifying Rules for FM Terrestrial Digital Audio Broadcasting System, MB Docket No. 22–405, FCC 24–105 (FM Digital First R&O) proceeding, to allow digital FM station operation with asymmetric power on the digital sidebands. This asymmetric sideband operation will allow digital FM stations to operate with different power levels on the upper and lower digital sidebands, as a way to facilitate greater digital FM radio coverage without interfering with adjacent-channel FM stations, upon notification to the Commission on FCC Form 2100, Schedule 335–FM. Prior to adoption of the FM Digital First R&O, an FM digital station that wished to employ asymmetric sideband operation had to apply for an experimental authorization and renew that authorization annually. Initiating such operation by notification rather than experimental authorization will be simpler and less expensive to the licensee, and thus less burdensome. Additionally, eliminating the requirement of annual experimental authorization will remove a regulatory barrier and incentivize more digital FM stations to adopt such operations. This

submission is therefore being made to OMB for approval of new or modified Information Collection requirements stemming from the FM Digital First R&O.

The changes as adopted in the FM Digital First R&O require modifications to Schedule 335–FM and rule sections 73.404 and 73.406. Specifically, the FM Digital First R&O permits digital FM stations to use asymmetric sideband operation by notifying the Commission using Schedule 335–FM, and modifies that schedule by including fields to report the digital ERP being transmitted on each digital sideband, as well as the total digital ERP. Therefore, Schedule 335–FM is being amended to provide fields for the notifying station to indicate the digital ERP transmitted on each digital sideband, as well as the total digital ERP.

The Commission also made an administrative change to the procedures used by FM station licensees seeking to increase digital power above  $-14$  dBc. Those requests, previously submitted by “informal request,” will now be submitted using Schedule 335–FM. After the effective date of the rules adopted in the First Digital R&O, digital FM stations must use Schedule 335–FM to request an increase in total digital ERP above  $-14$  dBc, using Table 1 to § 73.404(f), and will also report certain digital power decreases on Schedule 335–FM. In sum, after the effective date of the FM Digital First R&O, a digital FM station will report the following actions (or request authority in the case of an increase of total digital ERP above  $-14$  dBc) by submitting Schedule 335–FM: the initiation of hybrid digital operation; the initiation of asymmetric sideband operation at any power level, as well as the discontinuance of asymmetric sideband operation; an increase of total digital ERP above  $-14$  dBc; or a decrease in total digital ERP from a level above  $-14$  dBc to a level at or below  $-14$  dBc. As required with the current informal request process, a station choosing to operate with total digital ERP between  $-14$  dBc and  $-10$  dBc must attach an exhibit demonstrating that the proposed FM digital ERP is permitted for each digital sideband, using Table 1 to § 73.404(f). This exhibit will now be an attachment to the Schedule 335–FM submission. As is the case with the current informal request process, a digital FM station choosing to operate with total digital ERP above  $-14$  dBc may initiate such operation upon approval from the Commission.

Schedule 335–FM is amended as follows:

a. To include a question for the notifying station to report when

asymmetric sideband operations commenced.

b. To provide fields for the notifying station to indicate the digital ERP transmitted on each digital sideband, as well as the total digital ERP.

c. To include a question for the notifying station to report that it has discontinued digital broadcasts and/or asymmetric sideband operations, and provide the date of the discontinuance.

d. To include a question for the notifying station to report that the total digital ERP (listed in a previous item of the schedule) is greater than  $-14$  dBc. A station choosing to operate with total digital ERP between  $-14$  dBc and  $-10$  dBc must attach an exhibit demonstrating that the proposed FM digital ERP is permitted for each digital sideband, using Table 1 in § 73.404(f).

e. To include a question for the notifying station to report a decrease in the total digital ERP to  $-14$  dBc or below, and provide the date on which such decreased digital ERP operations commenced.

Moreover, to implement the new or modified information collection requirements contained in the FM Digital First R&O, sections 73.404(e) and (f) of the rules are revised to allow digital FM stations to use asymmetric power on the digital sidebands and to use the “Maximum permissible FM digital ERP per-sideband” Table to comport with the current limits on FM digital ERP. Additionally, the newly adopted digital FM notification requirements are added to rule section 73.406 in new paragraphs (d)(5) and (d)(6) as follows:

#### § 73.406 Notification

(d)(5) Any digital FM station taking any of the following actions must notify the Commission of such action on Form 2100, Schedule 335–FM:

(i) Upon initiation of hybrid digital operation;

(ii) Upon initiation of asymmetric sideband operation at any power level. For FM stations employing asymmetric sideband operation as defined in § 73.402(i), the notification must include a certification that the proposed digital sideband power on each sideband conforms to the Maximum Permissible FM Digital ERP set forth in Table 1 to § 73.404(f), and that the total digital sideband power will not exceed the total power if the digital sideband operation were symmetric. The notifying station may commence asymmetric sideband operation upon filing Form 2100, Schedule 335–FM, and may continue such operation unless notified by the Commission that such operation is not rule-compliant;

(iii) Discontinuing asymmetric sideband operation and reverting to symmetric sideband operation. The digital FM station must file Form 2100, Schedule 335–FM within 30 days of discontinuing asymmetric sideband operation; or

(iv) Decreasing total digital Effective Radiated Power from a level above –14 dBc to a level at or below –14 dBc. The digital FM station must file Form 2100, Schedule 335–FM within 30 days of decreasing power.

(6) Any digital FM station seeking authority to increase total digital Effective Radiated Power above –14 dBc must submit Form 2100, Schedule 335–FM. The submission must include a certification that the proposed FM digital Effective Radiated Power is permitted, using the table set forth in Table 1 to § 73.404(f). Certifications must be based on the most restrictive analog field strength of the proponent at any nearby first-adjacent channel station's 60 dBu contour. The station choosing to operate with total digital ERP above –14 dBc may initiate such operation upon approval from the Commission.

Federal Communications Commission.

**Marlene Dortch,**

*Secretary, Office of the Secretary.*

[FR Doc. 2025–03124 Filed 2–25–25; 8:45 am]

**BILLING CODE 6712–01–P**

*Filing Party:* Wayne Rohde; Cozen O'Connor.

*Synopsis:* The Agreement authorizes the parties to exchange space on the MECL and EX1 services operating in the trades between the U.S. Atlantic and Pacific Coasts on the one hand and Japan, the Republic of Korea, China, Spain, Oman, the United Arab Emirates, and India on the other hand.

*Proposed Effective Date:* 2/14/2025.

*Location:* <https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/88603>.

*Agreement No.:* 201452.

*Agreement Name:* Hoegh/Accordia Space Charter Agreement.

*Parties:* Accordia Shipping LLC; Hoegh Autoliners AS.

*Filing Party:* Wayne Rohde; Cozen O'Connor.

*Synopsis:* The Agreement authorizes the parties to charter space to/from one another on an ad hoc basis in the trades between all U.S. ports on the one hand and all non-U.S. ports worldwide on the other hand.

*Proposed Effective Date:* 2/19/2025.

*Location:* <https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/88604>.

Dated: February 21, 2025.

**Alanna Beck,**

*Federal Register Alternate Liaison Officer.*

[FR Doc. 2025–03119 Filed 2–25–25; 8:45 am]

**BILLING CODE 6730–02–P**

standards enumerated in paragraph 7 of the Act.

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Ann E. Misback, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than March 13, 2025.

*A. Federal Reserve Bank of Boston* (Prabal Chakrabarti, Executive Vice President) 600 Atlantic Avenue, Boston, Massachusetts 02210–2204. Comments can also be sent electronically to [BOS.SRC.Applications.Comments@bos.frb.org](mailto:BOS.SRC.Applications.Comments@bos.frb.org):

1. *The Charles P. Butson Living Trust and the Michele F. Butson Living Trust, Charles P. Butson and Michele F. Butson, as co-trustees of both aforementioned trusts, all of Bradenton, Florida; Donald A. Butson and Mary Ann D. Butson, both of Littleton, New Hampshire; Harold Alan Butson, Southampton, Massachusetts; the Shirley Butson Fox Living Trust, Shirley Butson Fox, as trustee, both of Melbourne, Florida; Miranda L. Butson, Tallahassee, Florida; Christine M. Butson, Lakewood Ranch, Florida; Charles Laurent Butson, Perkasio, Pennsylvania; Eva B. Rosko, Salisbury, North Carolina; Joshua L. Butson, Grand Junction, Colorado; Amy F. Bigelow, Essex Junction, Vermont; Benjamin R. Fox, St. George, Vermont; Lucas A. Fox, Long Island City, New York; Janet S. Costa, Littleton, New Hampshire; Roger E. Fournier, Bath, New Hampshire; Dennis R. Fournier, Janet L. Fournier, Ronald W. Fournier, Irene G. Fournier, and Mary E. Fairfield, all of North Haverhill, New Hampshire; as a group acting in concert, to retain voting shares of Guaranty Bancorp, Inc., and thereby indirectly retain voting shares of Woodsville Guaranty Savings Bank, both of Woodsville, New Hampshire.*

Board of Governors of the Federal Reserve System.

**Michele Taylor Fennell,**

*Associate Secretary of the Board.*

[FR Doc. 2025–03120 Filed 2–25–25; 8:45 am]

**BILLING CODE P**

## FEDERAL MARITIME COMMISSION

### Notice of Agreements Filed

The Commission hereby gives notice of the 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](mailto: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 the agreements are available through the Commission's website ([www.fmc.gov](http://www.fmc.gov)) or by contacting the Office of Agreements at (202) 523–5793 or [tradeanalysis@fmc.gov](mailto:tradeanalysis@fmc.gov).

*Agreement No.:* 201451.

*Agreement Name:* APL/MLL MECL–EX1 Slot Exchange Agreement.

*Parties:* American Presidents Line, LLC; Maersk Line, Limited.

## FEDERAL RESERVE SYSTEM

### Change in Bank Control Notices; Acquisitions of Shares of a Bank or Bank Holding Company

The notificants listed below have applied under the Change in Bank Control Act (Act) (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire shares of a bank or bank holding company. The factors that are considered in acting on the applications are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at <https://www.federalreserve.gov/foia/request.htm>. Interested persons may express their views in writing on the

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1440]

### Certain Motorized Self-Balancing Vehicles; Notice of Institution of Investigation

**AGENCY:** U.S. International Trade  
Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on January 3, 2025, under section 337 of the Tariff Act of 1930, as amended, on behalf of Razor USA LLC of Cerritos, California and Shane Chen of Camas, Washington. An amended complaint was filed on January 21, 2025. The complaint, as amended, alleges violations of section 337 based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain motorized self-balancing vehicles by reason of the infringement of certain claims of U.S. Patent No. RE46,964 (“the ‘964 patent”), U.S. Patent No. RE49,608 (“the ‘608 patent”), and U.S. Patent No. D739,906 (“the ‘906 patent”). The complaint further alleges that an industry in the United States exists or is in the process of being established as required by the applicable Federal Statute. The complainants request that the Commission institute an investigation and, after the investigation, issue a limited exclusion order and cease and desist orders.

**ADDRESSES:** The complaint, except for any confidential information contained therein, may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email [EDIS3Help@usitc.gov](mailto:EDIS3Help@usitc.gov). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Susan Orndoff, Office of Docket Services, U.S. International Trade Commission, telephone (202) 205–1802.

**SUPPLEMENTARY INFORMATION:**

*Authority:* The authority for institution of this investigation is

contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in section 210.10 of the Commission’s Rules of Practice and Procedure, 19 CFR 210.10 (2024).

*Scope of Investigation:* Having considered the complaint, the U.S. International Trade Commission, on February 20, 2025, Ordered that—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain products identified in paragraph (2) by reason of infringement of one or more of claims 10–17 of the ‘964 patent; claims 10–13 of the ‘608 patent and claim 1 of the ‘906 patent, and whether an industry in the United States exists or is in the process of being established as required by subsection (a)(2) of section 337;

(2) Pursuant to section 210.10(b)(1) of the Commission’s Rules of Practice and Procedure, 19 CFR 210.10(b)(1), the plain language description of the accused products or category of accused products, which defines the scope of the investigation, is “motorized two-wheeled self-balancing vehicles without handlebars”;

(3) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) *The complainants are:*  
Razor USA LLC, 12723 166th St.,  
Cerritos, California 90703  
Shane Chen, 1821 NW 8th Ave., Camas,  
Washington 98607

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:  
Golabs Inc. d/b/a Gotrax, 2201 Luna  
Road, Carrollton, Texas 75006  
Dongguan Saibotan Nengyuan Keji Co.,  
Ltd., d/b/a “Gyroor US”, No. 1 Feida  
Rd. Building A, 2F, Zhangyang  
District, Zhangmatou Town,  
Guangdong, China 523637  
Gyroor Technology (CHINA) Co., Ltd.,  
d/b/a Gyroor, No. 1800112, Dafu  
Industrial Area, Guanlan Town,  
Longhua District, Shenzhen City,  
Guangdong, China 51800  
Shenzhen Chitado Technology Co., Ltd.,  
d/b/a Gyroor, Floor 901, 902, 11, 12,  
13, Building 13, No., 6, Xincheng  
Avenue, Guangpei Community,  
Guanlan Town, Longhua District,  
Shenzhen City, Guangdong, China  
51800

Unicorn Network, LLC. d/b/a Sisigad,  
c/o A Registered Agent, Inc., 8 The  
Green, Ste. A, Dover, Delaware 19901

(4) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge. The Office of Unfair Import Investigations will not participate as a party in this investigation.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission’s Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(e) and 210.13(a), as amended in 85 FR 15798 (March 19, 2020), such responses will be considered by the Commission if received not later than 20 days after the date of service by the complainants of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: February 20, 2025.

**Lisa Barton,**

*Secretary to the Commission.*

[FR Doc. 2025–03080 Filed 2–25–25; 8:45 am]

**BILLING CODE 7020–02–P**

## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

[Docket No. DEA–1502]

#### Importer of Controlled Substances Application: Sharp Clinical Services, LLC

**AGENCY:** Drug Enforcement  
Administration, Justice.

**ACTION:** Notice of application.

**SUMMARY:** Sharp Clinical Services, LLC has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

**DATES:** Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before March 28, 2025. Such persons may also file a written request for a hearing on the application on or before March 28, 2025.

**ADDRESSES:** The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal,

which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to <https://www.regulations.gov> and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on <https://www.regulations.gov>. If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701

Morrisette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrisette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrisette Drive, Springfield, Virginia 22152.

**SUPPLEMENTARY INFORMATION:** In accordance with 21 CFR 1301.34(a), this is notice that on January 7, 2025, Sharp Clinical Services, LLC, 2400 Baglyos Circle, Bethlehem, Pennsylvania 18020–8024, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

| Controlled substance                    | Drug code | Schedule |
|---|-----------|----------|
| Gamma Hydroxybutyric Acid .....         | 2010      | I        |
| 3,4-Methylenedioxymethamphetamine ..... | 7405      | I        |
| 5-Methoxy-N-N-dimethyltryptamine .....  | 7431      | I        |
| Psilocybin .....                        | 7437      | I        |

The company plans to import the listed controlled substances for distribution and clinical trials. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

**Matthew Strait,**

*Deputy Assistant Administrator.*

[FR Doc. 2025–03060 Filed 2–25–25; 8:45 am]

**BILLING CODE P**

**DEPARTMENT OF JUSTICE**

**Drug Enforcement Administration**

[Docket No. DEA–1503]

**Importer of Controlled Substances Application: Catalent Pharma Solutions, LLC**

**AGENCY:** Drug Enforcement Administration, Justice.

**ACTION:** Notice of application.

**SUMMARY:** Catalent Pharma Solutions, LLC has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

**DATES:** Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before March 28, 2025. Such persons may also file a written request for a hearing on the application on or before March 28, 2025.

**ADDRESSES:** The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to <https://www.regulations.gov> and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not

instantaneously available for public view on <https://www.regulations.gov>. If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrisette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrisette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrisette Drive, Springfield, Virginia 22152.

**SUPPLEMENTARY INFORMATION:** In accordance with 21 CFR 1301.34(a), this is notice that on November 19, 2024, Catalent Pharma Solutions, LLC, 3031 Red Lion Road, Philadelphia, Pennsylvania 19114–1123, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

| Controlled substance | Drug code | Schedule |
|----------------------|-----------|----------|
| lbgaine .....        | 7260      | I        |

The company plans to import the listed controlled substance as finished dosage unit products for clinical trials,

research, and analytical activities. No other activity for this drug code is authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what

is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Matthew Strait, Deputy Assistant Administrator. [FR Doc. 2025-03061 Filed 2-25-25; 8:45 am] BILLING CODE P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA-1501]

Importer of Controlled Substances Application: S&B Pharma LLC DBA Norac Pharma

AGENCY: Drug Enforcement Administration, Justice. ACTION: Notice of application.

SUMMARY: S&B Pharma LLC DBA Norac Pharma has applied to be registered as

an importer of basic class(es) of controlled substance(s). Refer to SUPPLEMENTARY INFORMATION listed below for further drug information. DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before March 28, 2025. Such persons may also file a written request for a hearing on the application on or before March 28, 2025. ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to https://www.regulations.gov and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not

instantaneously available for public view on https://www.regulations.gov. If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrisette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrisette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrisette Drive, Springfield, Virginia 22152. SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on December 9, 2024, S&B Pharma LLC DBA Norac Pharma, 405 South Motor Avenue, Azusa, California 91702, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Table with 3 columns: Controlled substance, Drug code, Schedule. Rows include 4-Anilino-N-phenethyl-4-piperidine (ANPP) and Tapentadol.

The company plans to import intermediate forms of Tapentadol (9780) for further manufacturing prior to distribution to its customers. The company plans to import ANPP (8333) to bulk manufacture other controlled substances for distribution to its customers. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Matthew Strait, Deputy Assistant Administrator. [FR Doc. 2025-03062 Filed 2-25-25; 8:45 am] BILLING CODE P

NATIONAL SCIENCE FOUNDATION

Astronomy and Astrophysics Advisory Committee; Cancellation of Meeting

AGENCY: National Science Foundation. ACTION: Notice; Cancellation of meeting date.

The National Science Foundation published a notice in the Federal Register January 28, 2025, in FR Doc. 2025-01779 at 90 FR 8306, concerning a meeting of the Astronomy and Astrophysics Advisory Committee. The meeting scheduled for Tuesday, February 25, 2025, at 10 a.m. (ET) is cancelled.

FOR FURTHER INFORMATION CONTACT: Please contact Crystal Robinson crrobins@nsf.gov or 703-292-8687.

Dated: February 21, 2025. Crystal Robinson, Committee Management Officer, National Science Foundation. [FR Doc. 2025-03097 Filed 2-25-25; 8:45 am] BILLING CODE 7555-01-P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2025-1189 and K2025-1189; MC2025-1190 and K2025-1190; MC2025-1191 and K2025-1191]

New Postal Products

AGENCY: Postal Regulatory Commission. ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This

notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: February 28, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at https://www.prc.gov. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Introduction
II. Public Proceeding(s)
III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an

existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<https://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.<sup>1</sup>

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. See 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)–(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

## II. Public Proceeding(s)

1. *Docket No(s)*.: MC2025–1189 and K2025–1189; *Filing Title*: USPS Request

to Add Priority Mail & USPS Ground Advantage Contract 624 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: February 20, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Maxine Bradley; *Comments Due*: February 28, 2025.

2. *Docket No(s)*.: MC2025–1190 and K2025–1190; *Filing Title*: USPS Request to Add Priority Mail & USPS Ground Advantage Contract 625 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: February 20, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Elsie Lee-Robbins; *Comments Due*: February 28, 2025.

3. *Docket No(s)*.: MC2025–1191 and K2025–1191; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1334 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: February 20, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Kenneth Moeller; *Comments Due*: February 28, 2025.

## III. Summary Proceeding(s)

None. See Section II for public proceedings.

This Notice will be published in the **Federal Register**.

**Erica A. Barker,**

*Secretary.*

[FR Doc. 2025–03111 Filed 2–25–25; 8:45 am]

**BILLING CODE 7710–FW–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102464; File No. SR–CboeEDGX–2025–010]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt Fees for Cboe Timestamping Service Reports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 13, 2025, Cboe EDGX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule

change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(f) thereunder.<sup>4</sup> 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 its fee schedule to adopt fees for Cboe Timestamping Service reports. The text of the proposed rule change is provided in Exhibit 5.

The proposed rule change, including the Exchange's statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange's website at [http://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/) and on the Commission's website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-010](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-010).

### II. 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.<sup>5</sup> Comments may be submitted electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-010](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-010)) or by sending an email to

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b–4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

<sup>1</sup> See Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

*rule-comments@sec.gov*. Please include file number SR-CboeEDGX-2025-010 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeEDGX-2025-010. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-010](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-010)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeEDGX-2025-010 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025-03073 Filed 2-25-25; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102462; File No. SR-OCC-2025-801]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Advance Notice Relating to The Options Clearing Corporation's Proposed Amendments to Certain Key Terms of a Master Repurchase Agreement for a Committed Liquidity Facility With a Bank Counterparty as Part of the Options Clearing Corporation's Overall Liquidity Plan

February 20, 2025.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act")<sup>1</sup> and Rule 19b-4(n)(1)(i)<sup>2</sup> of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),<sup>3</sup> notice is hereby given that on February 14, 2025, The Options

Clearing Corporation ("OCC" or "Corporation") filed with the Securities and Exchange Commission ("Commission") an advance notice as described in Items I, II and III below, which Items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments on the advance notice from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Advance Notice

This advance notice is submitted in connection with a proposed change to its operations in the form of amendments to certain key terms of a Master Repurchase Agreement for a committed liquidity facility with a bank counterparty as part of OCC's overall liquidity plan. The proposed change does not require any changes to the text of OCC's By-Laws or Rules. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.<sup>4</sup>

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the advance notice and discussed any comments it received on the advance notice. The text of these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A) and (B) below, of the most significant aspects of these statements.

##### (A) Clearing Agency's Statement on Comments on the Advance Notice Received From Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed change and none have been received.

##### (B) Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act

###### Description of the Proposed Change

OCC is the sole clearing agency for standardized equity options listed on national securities exchanges registered with the Commission. In its role as a registered clearing agency, and as a derivatives clearing organization ("DCO") registered with the Commodity

Futures Trading Commission ("CFTC"), OCC acts as a central counterparty ("CCP") that guarantees all contracts it clears. That is, OCC becomes the buyer to every seller and the seller to every buyer. In its role as guarantor, OCC is exposed to risks from a Clearing Member's failure to fulfill its obligations. In the event of a Clearing Member default, OCC would be obligated to fulfill that member's cleared transactions and meet settlement obligations in a timely manner.

OCC manages these financial risks by maintaining an overall liquidity plan that provides access to a diverse set of funding sources, including a syndicated bank credit facility<sup>5</sup> and a program for accessing additional committed sources of liquidity that do not increase the concentration of OCC's counterparty exposure ("Non-Bank Liquidity Facility").<sup>6</sup> These facilities provide OCC with cash in exchange for collateral, such as U.S. Government securities deposited by Clearing Members in satisfaction of their Clearing Fund requirements. Together with the minimum amount of cash OCC requires each Clearing Member to deposit in the Clearing Fund ("Clearing Fund Cash Requirement")<sup>7</sup> and any excess cash a Clearing Member may choose to maintain up to its required Clearing Fund contribution,<sup>8</sup> the facilities comprise part of OCC's qualifying liquid resources to satisfy its regulatory obligations.<sup>9</sup>

<sup>5</sup> See, e.g., Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (SR-OCC-2020-804).

<sup>6</sup> See, e.g., Exchange Act Release No. 89039 (June 10, 2020), 85 FR 36444 (June 16, 2020) (SR-OCC-2020-803).

<sup>7</sup> See OCC Rule 1002.

<sup>8</sup> Clearing Members that choose to satisfy their Clearing Fund requirement with more than the minimum amount of cash may choose to do so, in part, because of the interest earned on Clearing Fund cash held at a Federal Reserve Bank, which OCC passes through to the Clearing Member. See OCC Rule 1002(b). Substitution of U.S. Government securities in place of excess cash is subject to a two-day notification period, which aligns with OCC's liquidation time horizon for managing a Clearing Member default. See OCC Rule 1002(a)(iv). Accordingly, OCC considers excess cash up to the Clearing Member's Clearing Fund requirement as part of its "Available Liquidity Resources" under its Liquidity Risk Management Framework. See Exchange Act Release No. 89014 (June 4, 2020), 85 FR 35446, 35447 (June 10, 2020) (SR-OCC-2020-003).

<sup>9</sup> See 17 CFR 17ad-22(e)(7)(i) (requiring covered clearing agencies to, among other things, maintain sufficient liquid resources to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios that includes the default of the participant family that would generate the largest aggregate payment obligation in extreme but plausible market conditions); 17 CFR 39.11(e) (requiring that a DCO effectively measure, monitor,

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> 15 U.S.C. 78a et seq.

<sup>4</sup> OCC's By-Laws and Rules can be found on OCC's public website: <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

In 2020, OCC also entered into a one-year Master Repurchase Agreement (“MRA”), otherwise known as a “repo,” with a bank counterparty,<sup>10</sup> and most recently in 2022 filed an advance notice to establish an MRA with a bank counterparty on an ongoing basis with a commitment amount of up to \$1 billion (the “Bank Repo Facility”).<sup>11</sup> Under the Bank Repo Facility, the buyer (*i.e.*, the bank counterparty) would purchase U.S. Government securities from OCC from time to time in exchange for a buyer payment to OCC in immediately available funds (“Purchase Price”). The buyer would simultaneously agree to transfer the purchased securities back to OCC at a specified later date (“Repurchase Date”), or on OCC’s demand against the transfer of funds from OCC to the buyer, where the funds would be equal to the outstanding Purchase Price plus the accrued and unpaid price differential (together, “Repurchase Price”). The 2022 advance notice also discussed the MRA terms OCC would require under the Bank Repo Facility, including that, like the current Non-Bank Liquidity Facility,<sup>12</sup> the buyer may not pledge, charge, encumber, hypothecate, transfer, dispose of, or otherwise grant any third party any interest in (*i.e.*, “rehypothecate”) any eligible securities.<sup>13</sup> This prohibition on rehypothecation was intended to prevent the bank from granting any third party an interest in purchased securities in order to reduce the risk that the third party could interfere with the buyer’s transfer of the U.S. Government securities collateral to OCC on the Repurchase Date.<sup>14</sup>

The parties have yet to execute the Bank Repo Facility following the Commission’s notice of no objection for OCC’s 2022 advance notice. The prohibition on rehypothecation is not a standard feature for bilateral repo transactions like the one contemplated by the Bank Repo Facility and its inclusion in the MRA made the transaction less commercially appealing

and manage its liquidity risks such that it can, at a minimum, fulfill its cash obligations when due and that that financial resources allocated to meet its requirements shall be sufficiently liquid to enable the DCO to fulfill its obligations as a central counterparty during a one-day settlement cycle.

<sup>10</sup> See Exchange Act Release No. 88317 (Mar. 4, 2020), 85 FR 13681 (Mar. 9, 2020) (SR–OCC–2020–801).

<sup>11</sup> See Exchange Act Release No. 95669 (Sept. 2, 2022), 87 FR 55064 (Sept. 8, 2022) (SR–OCC–2022–802).

<sup>12</sup> Exchange Act Release No. 89039, *supra* note 6, at 36445 n.14 and accompanying text.

<sup>13</sup> See Exchange Act Release No. 95669, *supra* note 11, at 55064–66.

<sup>14</sup> *Id.*

to the bank counterparty than initially anticipated. The delay in implementing the Bank Repo Facility has not, however, materially affected OCC’s liquidity risk management because OCC has, since its 2022 expansion of the Non-Bank Liquidity Facility,<sup>15</sup> generally maintained sufficient capacity under its other committed facilities to exchange all U.S. Government securities deposited in respect of the Clearing Fund.

#### Proposed Change

On a regular basis, OCC reviews its access to such liquidity facilities to calibrate its potential funding requirements to meet payment obligations under stressed market conditions. The review and ongoing negotiations with the bank counterparty identified an opportunity for OCC to provide terms that would be more commercially attractive, thereby allowing OCC and its bank counterparty to move forward with the Bank Repo Facility. Specifically, OCC proposes to modify the Bank Repo Facility to provide for a limited right to rehypothecate the non-customer collateral,<sup>16</sup> provided that the rehypothecation is: (i) within a tri-party repo program<sup>17</sup> of a third-party custodian where the buyer would hold the eligible securities in a custodial account; and (ii) only to a third-party cash investor (*e.g.*, large institutional money market funds) that is legally restricted from further pledging, charging, encumbering, hypothecating, transferring, disposing of or otherwise granting any interest in the purchased securities. These limitations would ensure that the securities remain at the buyer’s custodial bank in a segregated account on behalf of the third-party cash investor. OCC believes these terms would create the required commercial incentives to move forward with the Bank Repo Facility. The remainder of the other terms and conditions of the

<sup>15</sup> See Exchange Act Release No. 89039, *supra* note 6.

<sup>16</sup> Clearing Fund collateral and non-customer margin collateral of any suspended Clearing Member may be pledged under the Bank Repo Facility. OCC Rule 1006(f) and OCC Rule 1104(b) provide for and authorize OCC to obtain funds from third parties to meet its obligations. The officers who may exercise this authority include the Chairman, Chief Executive Officer, and Chief Operating Officer. Clearing Fund collateral is distinct from, and does not include, margin collateral related to customer positions.

<sup>17</sup> Tri-party repos use a custodian bank that provides collateral valuation, margining, and management services to the counterparties to the agreement. OCC understands that unlike with respect to the bilateral repo market, prohibiting further rehypothecation is not uncommon in the tri-party repo market.

Bank Repo Facility addressed in the 2022 advance notice would remain unchanged, including the conditions under which OCC would file another advance notice with respect to annual renewals or changes to the Bank Repo Facility.<sup>18</sup>

#### Anticipated Effect on and Management of Risk

Like any liquidity resource, the Bank Repo Facility would involve certain risks, most of which are standard to any repo transaction. OCC has structured the program to mitigate and address such risks. As discussed above, OCC plays a crucial role as a clearing agency by ensuring timely fulfillment of settlement obligations and mitigating the risks related to settlement failures. Therefore, it is essential for OCC to have continuous, reliable, and consistent access to funds from a diverse group of liquidity sources to settle its obligations. In removing the prohibition and establishing a limited rehypothecation right, OCC believes it can expand access to new sources of funding by offering standard market terms that would encourage the bank counterparty to enter into and execute an MRA pursuant to the revised terms of the Bank Repo Facility. OCC understands that the ability to rehypothecate would provide the bank with favorable capital treatment, allowing for reduced pricing and a larger commitment size (subject to the Bank Repo Facility’s currently approved \$1 billion maximum). Increasing access to additional sources of liquidity would, in turn, promote the reduction of OCC’s liquidity risk from the default or suspension of a member or the other circumstances in which it may access the Clearing Fund to meet liquidity needs.

The Bank Repo Facility, once in place, would also help OCC address the risks arising from a change in circumstances that may remove or restrict access to one or more of OCC’s other current liquidity facilities. This facility would act as an alternative source of liquidity providing OCC with ability to reallocate across existing facilities as necessary to avoid a

<sup>18</sup> Exchange Act Release No. 95669, *supra* note 11, at 55066 (“OCC would submit another advance notice with respect to such renewal for the same term only under one of the following conditions: (1) OCC determines its liquidity needs merit funding levels above the \$1 billion; (2) OCC should seek to change the terms and conditions of the MRA in a manner that materially affects the nature or level of risk presented by OCC; (3) OCC should seek to add counterparties or substitute the bank counterparty to the Bank Repo Facility program; or (4) the bank counterparty has experienced a negative change to its credit profile or a material adverse change since the latest renewal of the MRA”).

shortfall in its overall resources and meet liquidity demands relative to OCC's base liquidity resources. The new facility will also help OCC to operationally manage allocations across funding sources more effectively based on pricing, market conditions, and liquidity needs.

Furthermore, OCC believes it can mitigate the risks attendant to the Bank Repo Facility without prohibiting rehypothecation by the buyer. First, nothing in OCC's current By-Laws or Rules limit how OCC may use the Clearing Fund collateral, or what rights it may grant others in respect of Clearing Fund collateral, to address a Clearing Member default or other circumstance in which use of Clearing Fund collateral is permitted. To the contrary, OCC is authorized to take possession of the Government securities deposited by Clearing Members as contributions to the Clearing Fund to borrow or otherwise obtain funds through means determined to be reasonable at the discretion of OCC's Chairman, Chief Executive Officer or Chief Operating Officer, including, without limitation, pledging such assets as security for loans or using such assets to effect repurchase, securities lending or other transactions.<sup>19</sup>

Second, OCC has already mitigated one of the risks relating to the prohibition on rehypothecation. Prior to 2021, there was ambiguity as to whether OCC was obligated to honor a Clearing Member's request to substitute Clearing Fund collateral after OCC had initiated a draw through one of the facilities, or otherwise initiated a borrowing using Clearing Fund collateral under OCC Rule 1006(f). Given this ambiguity, OCC has historically included terms in its facilities that would allow OCC to substitute any collateral by a specified time so that OCC could then honor its Clearing Members' substitution requests.<sup>20</sup> The prohibition on rehypothecation facilitated such substitution by ensuring that a third party could not interfere with OCC's ability to honor a Clearing Member's substitution request. However, OCC has since amended OCC Rule 1006(f) to make clear that OCC has the authority to reject substitution requests for securities contributed to the Clearing Fund that the Corporation has taken possession of to borrow funds from

OCC's liquidity facilities.<sup>21</sup> While OCC may facilitate substitutions following a draw as a convenience and accommodation to Clearing Members, it is no longer required to do so.

Third, OCC would mitigate the risk that a third-party could interfere with the buyer's ability to return the purchased securities on the Repurchase Date through the limitations on the rehypothecation right that OCC is proposing based on its negotiations with the bank counterparty. Such rehypothecation would be limited to cash investors (e.g., large institutional money market funds) who are party to a tri-party repo agreement with the bank counterparty. These third parties would be prohibited from themselves rehypothecating the collateral, which would be maintained in the tri-party custodial bank. Additionally, a bank counterparty's failure to return the Clearing Fund collateral on the Repurchase Date due to the interference of a third-party or otherwise would itself be a condition under which OCC could utilize Clearing Fund collateral or charge the Clearing Fund in order to manage OCC's liquidity risk and meet daily settlement obligations.<sup>22</sup>

Finally, OCC's rights under the agreement would not be impaired by the bankruptcy or receivership of the bank counterparty. A repo falls within the safe harbors from an automatic stay under the Bankruptcy Code.<sup>23</sup> A repo is also a qualified financial contract ("QFC") under the Federal Deposit Insurance Act ("FDIA")<sup>24</sup> and Title II of Dodd-Frank.<sup>25</sup> Accordingly, OCC's rights under the repo agreement to terminate, liquidate or accelerate would not be subject to the 90-day stay in receivership.<sup>26</sup>

<sup>19</sup> See Exchange Act Release No. 89014, *supra* note 8, at 35450.

<sup>20</sup> See OCC Rule 1006(a) (providing that the Clearing Fund may be used for borrowings, or to make good losses or expenses suffered by OCC resulting from borrowings, as a result of, among other things, the failure of any bank to perform its obligations to OCC); Rule 1006(f)(1)(C) (authorizing OCC to initiate a borrowing using Clearing Fund collateral when OCC reasonably believes it necessary to borrow to meet its liquidity needs for daily settlement as a result of, among other things, the failure of any bank to perform any obligation to OCC when due).

<sup>21</sup> 11 U.S.C. 559.

<sup>22</sup> 12 U.S.C. 1821(e)(8)(D)(ii)(I). The FDIA is applicable to insured national banks and state-chartered banks when an institution becomes insolvent and the Federal Deposit Insurance Corporation ("FDIC") is appointed as a receiver.

<sup>23</sup> 12 U.S.C. 5390(c)(8)(D)(i). Title II of Dodd-Frank is applicable to FDIC-insured banks that are designated as systemically important financial institutions ("SIFIs").

<sup>24</sup> See, e.g., 12 U.S.C. 5390(c)(8)(A) ("no person shall be stayed or prohibited from exercising . . . (i) any right that such person has to cause the

Consistency With the Payment, Clearing and Settlement Supervision Act

The stated purpose of the Clearing Supervision Act is to mitigate systemic risk in the financial system and promote financial stability by, among other things, promoting uniform risk management standards for systemically important financial market utilities and strengthening the liquidity of systemically important financial market utilities.<sup>27</sup> Section 805(a)(2) of the Clearing Supervision Act<sup>28</sup> also authorizes the Commission to prescribe risk management standards for the payment, clearing and settlement activities of designated clearing entities, like OCC, for which the Commission is the supervisory agency. Section 805(b) of the Clearing Supervision Act<sup>29</sup> states that the objectives and principles for risk management standards prescribed under Section 805(a) shall be to:

- promote robust risk management;
- promote safety and soundness;
- reduce systemic risks; and
- support the stability of the broader financial system.

The Commission has adopted risk management standards under Section 805(a)(2) of the Clearing Supervision Act and the Exchange Act in furtherance of these objectives and principles.<sup>30</sup> Rule 17Ad-22 requires registered clearing agencies, like OCC, to establish, implement, maintain, and enforce written policies and procedures that are reasonably designed to meet certain minimum requirements for their operations and risk management practices on an ongoing basis.<sup>31</sup> Therefore, the Commission has stated<sup>32</sup> that it believes it is appropriate to review changes proposed in advance notices against Rule 17Ad-22 and the objectives and principles of these risk management standards as described in Section 805(b) of the Clearing Supervision Act.<sup>33</sup>

OCC believes that the proposed changes are consistent with Section

termination, liquidation, or acceleration of any [QFC] with a covered financial company which arises upon the date of appointment of the [FDIC] as receiver for such covered financial company or at any time after such appointment").

<sup>27</sup> 12 U.S.C. 5461(b).

<sup>28</sup> 12 U.S.C. 5464(a)(2).

<sup>29</sup> 12 U.S.C. 5464(b).

<sup>30</sup> 17 CFR 240.17ad-22. See Exchange Act Release Nos. 68080 (Oct. 22, 2012), 77 FR 66220 (Nov. 2, 2012) (S7-08-11) ("Clearing Agency Standards"); 78961 (Sept. 28, 2016), 81 FR 70786 (Oct. 13, 2016) (S7-03-14) ("Standards for Covered Clearing Agencies").

<sup>31</sup> 17 CFR 240.17ad-22.

<sup>32</sup> See, e.g., Exchange Act Release No. 86182 (June 24, 2019), 84 FR 31128, 31129 (June 28, 2019) (SR-OCC-2019-803).

<sup>33</sup> 12 U.S.C. 5464(b).

<sup>19</sup> See OCC Rule 1006(f)(2)(A)(iii).

<sup>20</sup> See, e.g., Exchange Act Release Nos. 95669, *supra* note 11, at 55065 n.25 and accompanying text; 88317, *supra* note 10, at 13682; 73979 (Jan. 2, 2015), 80 FR 1062, 1064 (Jan. 8, 2015) (SR-OCC-2014-809).

805(b)(1) of the Clearing Supervision Act<sup>34</sup> because the proposed modified terms of the MRA under the Bank Repo Facility would provide OCC with access to an additional source of committed liquidity and provide a new funding option within its risk management toolbox to manage financial obligations more efficiently and effectively. The Bank Repo Facility, as described above, is structured to mitigate the risks that arise in connection with this committed liquidity facility by allowing OCC to move forward with the Bank Repo Facility while managing the related risks by granting the buyer a limited rehypothecation right. In this way, the proposed changes are designed to promote robust risk management; promote safety and soundness; reduce systemic risks; and support the stability of the broader financial system.

Rule 17Ad-22(e)(7)(i) under the Exchange Act requires that OCC establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain sufficient liquid resources at the minimum in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios that includes, but is not limited to, the default of the participant family that would generate the largest aggregate payment obligation for the covered clearing agency in extreme but plausible market conditions.<sup>35</sup> As described above, the proposed change would allow OCC to implement the Bank Repo Facility, which would in turn help provide OCC with a readily available liquidity resource that would enable it to continue to meet its obligations in a timely manner and address OCC's liquidity demands under stressed or volatile market conditions. Accordingly, OCC believes that the proposal is consistent with Rule 17Ad-22(e)(7)(i).<sup>36</sup>

Rule 17Ad-22(e)(7)(ii) under the Exchange Act requires OCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to hold qualifying liquid resources sufficient to satisfy the minimum liquidity resource requirement under Rule 17Ad-22(e)(7)(i) in the currency for which OCC has payment obligations owed to Clearing Members.<sup>37</sup> Rule 17Ad-22(a)(14) of the Act defines "qualifying liquid resources" to include, among

other things, lines of credit without material adverse change provisions, which are readily available and convertible into cash.<sup>38</sup> As described above the proposed change to the Bank Repo Facility would provide OCC with an additional committed liquidity resource, which would help ensure OCC has sufficient, readily available qualifying liquid resources to meet settlement obligations and its minimum liquidity resource requirements. Accordingly, OCC believes that the proposal is consistent with Rule 17Ad-22(e)(7)(ii).<sup>39</sup>

Rule 17Ad-22(e)(21) under the Exchange Act requires OCC to 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 and regularly review the efficiency and effectiveness of, among other things, its operating structure, including risk management policies, procedures and systems.<sup>40</sup> OCC has, through its regular review of its liquidity funding arrangements and negotiations with the bank counterparty, identified an impediment to the implementation of an additional liquidity source that would further diversify OCC's liquidity funding resources. The current prohibition on rehypothecation has prevented execution of the facility on commercially acceptable terms. Removing this impediment would allow OCC to implement the facility for a greater amount and for a lower cost. Because OCC operates under a financial market utility model and principally funds its operations through the collection of clearing fees, such costs are ultimately borne by Clearing Members and, in turn, market participants. Establishing access to a facility as part of OCC's overall liquidity plan and diverse set of liquidity sources that is comparable or lower in cost to OCC's other liquidity facilities would help OCC manage its operations in an efficient and effective manner. Accordingly, OCC believes that the changes to the Bank Repo Facility are reasonably designed to manage OCC's liquidity risk in an efficient and effective manner, consistent with Rule 17Ad-22(e)(21)(ii).<sup>41</sup>

For the foregoing reasons, OCC believes that the proposed changes are consistent with Section 805(b)(1) of the

Clearing Supervision Act<sup>42</sup> and Rules 17Ad-22(e)(7) and (e)(21) under the Exchange Act.<sup>43</sup>

### III. Date of Effectiveness of the Advance Notice and Timing for Commission Action

The proposed change may be implemented if the Commission does not object to the proposed change within 60 days of the later of (i) the date that the proposed change was filed with the Commission or (ii) the date that any additional information requested by the Commission is received. The clearing agency shall not implement the proposed change if the Commission has any objection to the proposed change.

The Commission may extend period for review by an additional 60 days if the proposed change raises novel or complex issues, subject to the Commission or the Board of Governors of the Federal Reserve System providing the clearing agency with prompt written notice of the extension. A proposed change may be implemented in less than 60 days from the date the advance notice is filed, or the date further information requested by the Commission is received, if the Commission notifies the clearing agency in writing that it does not object to the proposed change and authorizes the clearing agency to implement the proposed change on an earlier date, subject to any conditions imposed by the Commission. The clearing agency shall post notice on its website of proposed changes that are implemented.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the advance notice 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](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2025-801 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission,

<sup>34</sup> 12 U.S.C. 5464(b)(1).

<sup>35</sup> 17 CFR 240.17ad-22(e)(7)(i).

<sup>36</sup> *Id.*

<sup>37</sup> 17 CFR 240.17ad-22(e)(7)(ii).

<sup>38</sup> 17 CFR 240.17ad-22(a) "Qualifying liquid resources".

<sup>39</sup> 17 CFR 240.17ad-22(e)(7)(ii).

<sup>40</sup> 17 CFR 17ad-22(e)(21)(ii).

<sup>41</sup> *Id.*

<sup>42</sup> 12 U.S.C. 5464(b)(1).

<sup>43</sup> 17 CFR 240.17ad-22(e)(7), (21).

100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–OCC–2025–801. 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 advance notice that are filed with the Commission, and all written communications relating to the advance notice 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 such filing also will be available for inspection and copying at the principal office of OCC and on OCC’s website at <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–OCC–2025–801 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>44</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025–03071 Filed 2–25–25; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102463; File No. SR–ISE–2024–62]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Regarding Position and Exercise Limits and Flexible Exchange Options for iShares Bitcoin Trust ETF

February 20, 2025.

On December 20, 2024, Nasdaq ISE, LLC filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change regarding position and exercise limits and Flexible Exchange Options for iShares Bitcoin Trust ETF. The proposed rule change was published for comment in the *Federal Register* on January 6, 2025.<sup>3</sup> The Commission has received comments on the proposed rule change.<sup>4</sup>

Section 19(b)(2) of the Act<sup>5</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is February 20, 2025. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates April 6, 2025 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to

disapprove, the proposed rule change (File No. SR–ISE–2024–62).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025–03072 Filed 2–25–25; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102468; File No. SR–NYSEARCA–2024–70]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the COtwo Advisors Physical European Carbon Allowance Trust Under NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares)

February 20, 2025.

On August 19, 2024, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares of the COtwo Advisors Physical European Carbon Allowance Trust under NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares). The proposed rule change was published for comment in the *Federal Register* on September 5, 2024.<sup>3</sup>

On October 16, 2024, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On November 22, 2024, the Exchange filed Amendment No. 1 to the proposed rule change, and on December 3, 2024, the Commission issued notice of filing of Amendment No. 1 to the proposed rule change and instituted proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>6</sup> to determine whether to approve

<sup>7</sup> 17 CFR 200.30–3(a)(31).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Securities Exchange Act Release No. 100877 (Dec. 31, 2024), 90 FR 704.

<sup>4</sup> Comments on the proposal are available at: <https://www.sec.gov/comments/sr-ise-2024-62/sr-ise-2024-62.htm>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> *Id.*

<sup>3</sup> See Securities Exchange Act Release No. 100877 (Aug. 29, 2024), 89 FR 72524. The Commission has not received any comments.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 101360, 89 FR 84406 (Oct. 22, 2024).

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>44</sup> 17 CFR 200.30–3(a)(12).

or disapprove the proposed rule change, as modified by Amendment No. 1.<sup>7</sup>

Section 19(b)(2) of the Act<sup>8</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the *Federal Register* on September 5, 2024. March 4, 2025 is 180 days from that date, and May 3, 2025 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change, as modified by Amendment No. 1, so that it has sufficient time to consider the proposed rule change, as modified by Amendment No. 1. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> designates May 3, 2025 as the date by which the Commission shall either approve or disapprove the proposed rule change, as modified by Amendment No. 1 (File No. SR-NYSEARCA-2024-70).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025-03077 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35474; File No. 812-15587]

### iDirect Private Markets Fund, et al.

February 21, 2025.

**AGENCY:** Securities and Exchange Commission (“Commission” or “SEC”).

**ACTION:** Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 18(a)(2), 18(c), and 18(i), under sections 6(c) and 23(c) of the Act for an

exemption from rule 23c-3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares and to impose asset-based distribution and/or service fees and early withdrawal charges.

**APPLICANTS:** iDirect Private Markets Fund, iCapital Registered Fund Adviser LLC, and iCapital Markets LLC.

**FILING DATE:** The application was filed on June 11, 2024, and amended on October 2, 2024.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC’s Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on March 13, 2025, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission’s Secretary.

**ADDRESSES:** The Commission: *Secretarys-Office@sec.gov*. The Applicants: Stephen Jacobs, General Counsel, *sjacobs@icapitalnetwork.com*; Richard Horowitz, Esq., *richard.horowitz@dechert.com*; and Alexander Karampatsos, Esq., *alexander.karampatsos@dechert.com*.

**FOR FURTHER INFORMATION CONTACT:** Stephan N. Packs, Senior Counsel, or Terri G. Jordan, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel’s Office).

**SUPPLEMENTARY INFORMATION:** For Applicants’ representations, legal analysis, and conditions, please refer to Applicants’ First Amended and Restated Application, dated October 2, 2024, which may be obtained via the Commission’s website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the

SEC’s EDGAR system. The SEC’s EDGAR system may be searched at <https://www.sec.gov/edgar/searchedgar/legacy/companysearch.html>. You may also call the SEC’s Office of Investor Education and Advocacy at (202) 551-8090.

For the Commission, by the Division of Investment Management, under delegated authority.

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025-03122 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35465A; 812-15689]

### HarbourVest Private Investments Fund and HarbourVest Registered Advisers L.P.

February 21, 2025.

**AGENCY:** Securities and Exchange Commission (“Commission” or “SEC”).

**ACTION:** Notice.

Notice of application for an order under section 6(c) of the Investment Company Act of 1940 (the “Act”) granting an exemption from section 23(a)(1) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain registered closed-end management investment companies and business development companies (as defined under section 2(a)(48) of the Act) to pay investment advisory fees (as described in the application) in shares of their common stock.<sup>1</sup>

**APPLICANTS:** HarbourVest Private Investments Fund and HarbourVest Registered Advisers L.P.

**FILING DATES:** The application was filed on January 10, 2025.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC’s Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests

<sup>1</sup> The Commission issued a notice of application on February 6, 2025, Release No. IC-35465 (“Notice”). Due to a clerical error, the Notice was not published in the *Federal Register* and, therefore, the Commission is now publishing this notice in the *Federal Register*.

<sup>7</sup> See Securities Exchange Act Release No. 101806, 89 FR 97678 (Dec. 9, 2024).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> *Id.*

<sup>10</sup> 17 CFR 200.30-3(a)(57).

should be received by the Commission by 5:30 p.m. on March 14, 2025, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission’s Secretary.

**ADDRESSES:** The Commission: *Secretaries-Office@sec.gov*. Applicants: Monique Austin, HarbourVest Private Investments Fund, *maustin@harbourvest.com*, Daniel Chisholm, HarbourVest Private Investments Fund, *dchisholm@harbourvest.com*, and HarbourVest Private Investments Fund, *legal@harbourvest.com*, with copies to Rajib Chanda, Esq., Simpson Thacher & Bartlett LLP, *rajib.chanda@stblaw.com*, Ryan P. Brizek, Esq., Simpson Thacher & Bartlett LLP, *ryan.brizek@stblaw.com*, and Matthew C. Micklavzina, Esq., Simpson Thacher & Bartlett LLP, *matthew.micklavzina@stblaw.com*.

**FOR FURTHER INFORMATION CONTACT:** Trace W. Rakestraw, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel’s Office).

**SUPPLEMENTARY INFORMATION:** For Applicants’ representations, legal analysis, and conditions, please refer to Applicants’ application, dated January 10, 2025, which may be obtained via the Commission’s website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC’s EDGAR system. The SEC’s EDGAR system may be searched at <https://www.sec.gov/edgar/searchedgar/companysearch>. You may also call the SEC’s Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025–03121 Filed 2–25–25; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102465; File No. SR–ISE–2025–08]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing of Proposed Rule Change To Amend Options 4, Section 3, Criteria for Underlying Securities

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 7, 2025, Nasdaq ISE, LLC (“ISE” or “Exchange”) 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 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 Options 4, Section 3, Criteria for Underlying Securities to permit options on Commodity-Based Trust Shares.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings>, at the principal office of the Exchange, 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 its listing rules at ISE Options 4, Section 3, Criteria for Underlying Securities.

Specifically, the Exchange proposes to amend the criteria for listing options on Exchange-Traded Fund Shares (“ETFs”) at Options 4, Section 3(h).

The Exchange proposes to allow the listing and trading of options on units that represent interests in a trust that in a Commodity-Based Trust. A Commodity-Based Trust is defined at The Nasdaq Stock Market LLC Rule 5711(d)(iv), NYSE Arca, Inc. Rule 8.201(c), and Cboe BZX Exchange, Inc. 14.11(e)(4) as a security that is issued by a trust that holds (i) a specified commodity deposited with the Trust, or (ii) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash (“Commodity-Based Trust Share”).

At this time the Exchange proposes to amend its listing criteria at Options 4, Section 3(h)(iv) to provide that

(h) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS” stock under Rule 600 of Regulation NMS, and that . . . or (iv) represent interests in (a) a security issued by a trust that holds (1) a specified commodity deposited with the trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash (“Commodity-Based Trust Share”).

ISE proposes to insert this rule text and remove references to the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Physical Gold Trust, the iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF which are all Commodity-Based Trust Shares. As a result of this amendment, the listing criteria would permit any Exchange-Traded Fund that is approved to list on the primary market as a Commodity-Based Trust Share to qualify for the listing of options on that Commodity-

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

Based Trust Share, provided other listing criteria have been met.

The Exchange's initial listing standards as set forth in Options 4, Section 3(a), on which options may be listed and traded on the Exchange, will continue to apply in addition to Options 3, Section 3(h). Pursuant to Options 4, Section 3(a), a security (which includes an ETF) on which options may be listed and traded on the Exchange must be a security registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act, and the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded.

Options 4, Section 3(h)(1) requires that ETFs must either meet the criteria and guidelines set forth in Options 4, Section 3(a) and (b)<sup>3</sup> or the ETFs are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue ETFs in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the ETFs, all as described in the ETFs' prospectus.

Additionally, a Commodity-Based Trust Share will also be subject to the Exchange's continued listing standards for options on ETFs set forth in Options 4, Section 4(g) for ETFs deemed appropriate for options trading pursuant to Options 4, Section 3(h). Specifically, options approved for trading pursuant to Options 4, Section 3(h) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such ETFs if the ETFs are delisted from trading as provided in subparagraph (b)(5) of Options 4, Section 4<sup>4</sup> or the ETFs are halted or

suspended from trading on their primary market.<sup>5</sup> Additionally, options on ETFs may be subject to the suspension of opening transactions in any series of options of the class covering ETFs in any of the following circumstances:

(1) in the case of options covering Exchange-Traded Fund Shares approved pursuant to Options 4, Section 3(h)(A)(i), in accordance with the terms of subparagraphs (b)(1), (2), (3) and (4) of Options 4, Section 4;<sup>6</sup>

(2) in the case of options covering Fund Shares approved pursuant to Options 4, Section 3(h)(A)(ii),<sup>7</sup> following the initial twelve-month period beginning upon the commencement of trading in the Exchange-Traded Fund Shares on a national securities exchange and are defined as an "NMS stock" under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Exchange-Traded Fund Shares for 30 or more consecutive trading days;

(3) the value of the index or portfolio of securities or non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities and/or Financial Instruments and Money Market Instruments, on which the Exchange-Traded Fund Shares are based is no longer calculated or available; or

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

Consistent with current Options 4, Section 5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange would open at least one expiration month<sup>8</sup> for options on a Commodity-

determining whether the trading volume requirement of (3) of this paragraph (b) is satisfied.

<sup>5</sup> See Options 4, Section 4(g).

<sup>6</sup> Options 4, Section 4(b)(5)(1) through (4) provides, if: (1) there are fewer than 6,300,000 shares of the underlying security held by persons other than those who are required to report their security holdings under Section 16(a) of the Act, (2) there are fewer than 1,600 holders of the underlying security, (3) the trading volume (in all markets in which the underlying security is traded) has been less than 1,800,000 shares in the preceding twelve (12) months, or (4) the underlying security ceases to be an 'NMS stock' as defined in Rule 600 of Regulation NMS under the Exchange Act. Options 4, Section 3(h)(i) refers to Financial Instruments and Money Market Instruments. In addition, the Exchange proposes to amend the citation to "Options 4, Section 3(h)(A)(i)" herein to "Options 4, Section 3(h)(i)."

<sup>7</sup> Options 4, Section 3(h)(ii) refers to Currency Trust Shares. In addition, the Exchange proposes to amend the citation to "Options 4, Section 3(h)(A)(ii)" herein to "Options 4, Section 3(h)(ii)."

<sup>8</sup> See Options 4, Section 5(b). At the commencement of trading on the Exchange of a particular class of options, the Exchange will open a minimum of one (1) series of options in that class. The exercise price of that series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that

Based Trust Share and may also list series of options on Commodity-Based Trust Share for trading on a weekly<sup>9</sup> or quarterly<sup>10</sup> basis. The Exchange may also list long-term equity option series ("LEAPS") that expire from twelve to thirty-nine months from the time they are listed.<sup>11</sup>

Pursuant to Options 4, Section 5(d), which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on a Commodity-Based Trust Share would be \$1 or greater when the strike price is \$200 or less and \$5 or greater when the strike price is greater than \$200.<sup>12</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>13</sup> the \$0.50 Strike Program,<sup>14</sup> the \$2.50 Strike Price Program,<sup>15</sup> and the \$5 Strike Program.<sup>16</sup> Pursuant to Options 3, Section 3, where the price of a series of options on a Commodity-Based Trust

class of options is first opened for trading on the Exchange. The monthly expirations are subject to certain listing criteria for underlying securities described within Options 4, Section 5. Monthly listings expire the third Friday of the month. The term "expiration date" (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Options 4, Section 5(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the second business day prior to expiration.

<sup>9</sup> See Supplementary .03 to Options 4, Section 5.

<sup>10</sup> See Supplementary .04 to Options 4, Section 5.

<sup>11</sup> See Options 4, Section 8.

<sup>12</sup> See Options 4, Section 5(h). The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Quarterly Options Series Program, and the Monthly Options Series Program, Supplementary Material .03, .04 and .08 to Options 4, Section 5 specifically sets forth intervals between strike prices on Short Term Option Series, Quarterly Options Series, and Monthly Options Series, respectively.

<sup>13</sup> See Supplementary Material .01 to Options 4, Section 5.

<sup>14</sup> See Supplementary Material .05 to Options 4, Section 5.

<sup>15</sup> See Supplementary Material .02 to Options 4, Section 5.

<sup>16</sup> See Supplementary Material .06 to Options 4, Section 5.

<sup>3</sup> Options 4, Section 3(h)(1) provides criteria and guidelines when evaluating potential underlying securities for the listing of options.

<sup>4</sup> Options 4, Section 4(b)(5) provides, if an underlying security is approved for options listing and trading under the provisions of Options 4, Section 3(c), the trading volume of the Original Security (as therein defined) prior to but not after the commencement of trading in the Restructure Security (as therein defined), including 'when-issued' trading, may be taken into account in

Share is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10.<sup>17</sup> Any and all new series of options on a Commodity-Based Trust Share that the Exchange lists would be consistent and comply with the expirations, strike prices, and minimum increments set forth in Options 4, Section 5 and Options 3, Section 3, as applicable.

Options on a Commodity-Based Trust Share will trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading of all options on ETFs on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures would apply to the listing and trading of options on a Commodity-Based Trust Share on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange.

Position and exercise limits for options on a Commodity-Based Trust Share would be determined pursuant to Options 9, Sections 13 and 15, respectively. Position and exercise limits for ETFs options vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market. Further, Options 6C, Section 3, which governs margin requirements applicable to the trading of all options on the Exchange including options on ETFs, will also apply to the trading of options on a Commodity-Based Trust Share.

The Exchange represents that the same surveillance procedures applicable to all other options on other ETFs currently listed and traded on the Exchange will apply to options on a Commodity-Based Trust Share, and that

<sup>17</sup> If options on a Commodity-Based Trust Share are eligible to participate in the Penny Interval Program, the minimum increment would be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Supplementary Material .01 to Options 3, Section 3 (which describes the requirements for the Penny Interval Program).

it has the necessary systems capacity to support the new option series. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on ETFs, including any options on a Commodity-Based Trust Share. Also, the Exchange may obtain information from CME Group Inc.'s designated contract markets that are members of the Intermarket Surveillance Group ("ISG") related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a commodity, as applicable.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority or "OPRA" have the necessary systems capacity to handle the additional traffic associated with the listing of new series of ETFs, including options on a Commodity-Based Trust Share, up to the number of expirations currently permissible under the Exchange Rules.

The ETFs that hold financial instruments, money market instruments, or precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as options on a Commodity-Based Trust Share and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (*i.e.*, precious metals) that it currently lists and trades on the Exchange.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>18</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>19</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with

<sup>18</sup> 15 U.S.C. 78f(b).

<sup>19</sup> 15 U.S.C. 78f(b)(5).

the Section (6)(b)(5)<sup>20</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposal to amend the listing criteria at Options 4, Section 3(h), with respect to ETFs, to permit the listing and trading of any option on a Commodity-Based Trust Share, without the need for additional approvals, will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it would allow the Exchange to immediately list and trade options on any Commodity-Based Trust Share, provided the initial listing criteria has been met, without any additional approvals from the Commission. Commodity-Based Trust Shares are securities approved for trading with the Commission. The Exchange believes that with this proposal it will be able to offer options on a Commodity-Based Trust Share soon after the listing of such underlying security in the primary market, provided the initial listing criteria has been met, thereby availing market participants of the opportunity to hedge their positions in the ETF in a timely manner. This proposal would permit options on Commodity-Based Trust Shares to be listed on the Exchange in the same manner as all other securities that are subject to the current listing criteria in Options 4, Section 3. The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on a Commodity-Based Trust Share to likewise list and trade options once the initial listing criteria have been met without the need for additional approvals.

Offering options on Commodity-Based Trust Shares provides investors with the ability to hedge exposure to the underlying security similar to options on any other securities. Options on Commodity-Based Trust Shares benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool, to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a commodity. Additionally, options on a Commodity-Based Trust Share provide investors with the ability to transact in such options in a listed market environment as opposed to in the

<sup>20</sup> 15 U.S.C. 78(f)(b)(5).

unregulated OTC options market, which increases market transparency and enhances the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors. The Exchange also notes that it already lists options on other commodity-based ETFs,<sup>21</sup> which, as described above, are trusts structured as Commodity-Based Trust Shares. The Exchange has not identified any issues with the continued listing and trading of options on Commodity-Based Trust Shares it currently lists for trading.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules, previously filed with the Commission. Options on a Commodity-Based Trust Share must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all ETFs, including ETFs that hold other commodities already deemed appropriate for options trading on the Exchange. Options on a Commodity-Based Trust Share would trade in the same manner as any other ETF options—the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on a Commodity-Based Trust Share in the same manner.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on Commodity-Based Trust Shares as the Exchange lists these products today, expect that it requires additional approvals prior to listing. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these ETF options.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposal to amend the listing criteria at Options 4, Section 3(h), with respect to ETFs, to permit the listing

and trading of any option on a Commodity-Based Trust Share, without the need for additional approvals, will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as options on Commodity-Based Trust Shares would need to satisfy the initial listing standards set forth in the Exchange Rules in the same manner as any other ETF before the Exchange could list options on them. Additionally, options on Commodity-Based Trust Shares will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on ETFs on the Exchange will apply in the same manner to the listing and trading of all options on Commodity-Based Trust Shares.

Additionally, the Exchange notes that listing and trading options on a Commodity-Based Trust Share on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios in a timely manner.

The Exchange does not believe that the proposal to amend the listing criteria at Options 4, Section 3(h), with respect to ETFs, to permit the listing and trading of any option on a Commodity-Based Trust Share, without the need for additional approvals, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on a Commodity-Based Trust Share.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or received.

#### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to

90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-ISE-2025-08 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-ISE-2025-08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All

<sup>21</sup> See Options 4, Section 3(h)(iv).

submissions should refer to file number SR–ISE–2025–08 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025–03074 Filed 2–25–25; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–135, OMB Control No. 3235–0175]

### Submission for OMB Review; Comment Request; Extension: Form N–8A

*Upon Written Request, Copies Available*

*From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

The Investment Company Act of 1940 (“Investment Company Act”) (15 U.S.C. 80a–1 *et seq.*) requires investment companies to register with the Commission before they conduct any business in interstate commerce. Section 8(a) of the Investment Company Act provides that an investment company shall be deemed to be registered upon receipt by the Commission of a notification of registration in such form as the Commission prescribes. Form N–8A (17 CFR 274.10) is the form for notification of registration that the Commission has adopted under section 8(a). The purpose of such notification of registration provided on Form N–8A is to notify the Commission of the existence of investment companies required to be registered under the Investment Company Act and to enable the Commission to administer the provisions of the Investment Company Act with respect to those companies. After an investment company has filed its notification of registration under section 8(a), the company is then subject to the provisions of the Investment Company Act which govern certain aspects of its organization and activities,

such as the composition of its board of directors and the issuance of senior securities. Form N–8A requires an investment company to provide its name, state of organization, form of organization, classification, the name and address of each investment adviser of the investment company, the current value of its total assets, and certain other information readily available to the investment company. If the investment company is filing a registration statement as required by Section 8(b) of the Investment Company Act concurrently with its notification of registration, Form N–8A requires only that the registrant file the cover page (giving its name, address, and agent for service of process) and sign the form in order to effect registration.

Based on recent filings of notifications of registration on Form N–8A, we estimate that about 99 investment companies file such notifications each year. An investment company must only file a notification of registration on Form N–8A once. The currently approved average hour burden per investment company of preparing and filing a notification of registration on Form N–8A is one hour. Based on the Commission staff’s experience with the requirements of Form N–8A and with disclosure documents generally—and considering that investment companies that are filing notifications of registration on Form N–8A simultaneously with the registration statement under the Investment Company Act are only required by Form N–8A to file a signed cover page—we continue to believe that this estimate is appropriate. Therefore, we estimate that the total annual hour burden to prepare and file notifications of registration on Form N–8A is 99 hours. The currently approved cost burden of Form N–8A is \$496. We are updating the estimated costs burden to \$562 to account for the effects of inflation. Therefore, we estimate that the total annual cost burden associated with preparing and filing notifications of registration on Form N–8A is about \$55,638.

Estimates of average burden hours and costs are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms. Compliance with the collection of information requirements of Form N–8A is mandatory. Responses to the collection of information will not be kept confidential. 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.

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.

*Written comments are invited on:* (a) whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden imposed by 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.

The public may view and comment on this information collection request at: [https://www.reginfo.gov/public/do/PRAViewICR?ref\\_nbr=202411-3235-008](https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202411-3235-008) or send an email comment to [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) within 30 days of the day after publication of this notice by March 31, 2025.

Dated: February 20, 2025.

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025–03078 Filed 2–25–25; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102460; File No. SR–CboeBZX–2025–028]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt Fees for Cboe Timestamping Service Reports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 13, 2025, Cboe BZX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 200.30–3(a)(12).

19b-4(f) thereunder.<sup>4</sup> 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 its fee schedule to adopt fees for Cboe Timestamping Service reports. The text of the proposed rule change is provided in Exhibit 5.

The proposed rule change, including the Exchange's statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange's website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/), and on the Commission's website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-028](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-028).

### II. 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.<sup>5</sup> Comments may be submitted electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-028](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-028)) or by sending an email to [rule-comments@cboe.gov](mailto:rule-comments@cboe.gov). Please include file number SR-CboeBZX-2025-028 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should

<sup>4</sup> 17 CFR 240.19b-4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

refer to file number SR-CboeBZX-2025-028. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-028](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-028)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-028 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood**,  
Assistant Secretary.

[FR Doc. 2025-03069 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-566, OMB Control No. 3235-0627]

#### Submission for OMB Review; Comment Request; Extension: Rule 17g-4

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit an extension for this current collection of information to the Office of Management and Budget for approval.

Rule 17g-4 (17 CFR 240.17g-4) requires each nationally recognized statistical rating organization ("NRSROs") to establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent the following: (1) the inappropriate dissemination of material nonpublic information obtained in connection with the performance of credit rating services; (2) a person within the NRSRO

from trading or otherwise benefiting on material nonpublic information; and (3) the inappropriate dissemination of a pending credit rating action.<sup>1</sup>

Currently, there are 10 credit rating agencies registered as NRSROs with the Commission. Based on Commission staff's experience, it is estimated that an NRSRO will spend an average of approximately 10 hours per year reviewing policies and procedures required by Rule 17g-4, updating the policies and procedures (if necessary), and enforcing them, for a total industry-wide annual hour burden of approximately 100 hours.<sup>2</sup>

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.

The public may view and comment on this information collection at the following website: [https://www.reginfo.gov/public/do/PRAViewICR?ref\\_nbr=202411-3235-004](https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202411-3235-004) or send an email comment to [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) within 30 days of publication of this notice by March 28, 2025.

Dated: February 20, 2025.

**Sherry R. Haywood**,  
Assistant Secretary.

[FR Doc. 2025-03079 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102461; File No. SR-CboeEDGX-2025-008]

#### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Options on the Grayscale Ethereum Trust ETF, the Grayscale Ethereum Mini Trust ETF, and the Bitwise Ethereum ETF

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 5, 2025, Cboe EDGX Exchange, Inc. ("EDGX Options") 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 EDGX Options. On

<sup>1</sup> See 17 CFR 240.17g-4.

<sup>2</sup> 10 hours × 10 NRSROs = 100 hours.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

February 6, 2025, EDGX Options filed Amendment No. 1 to the proposal. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX Options") proposes to amend Rule 19.3, to allow the Exchange to list and trade options on the Grayscale Ethereum Trust ETF, the Grayscale Ethereum Mini Trust ETF, and the Bitwise Ethereum ETF. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/)), at the Exchange's Office of the Secretary, 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 Rule 19.3 regarding the criteria for underlying securities. Specifically, the Exchange proposes to amend Rule 19.3(i)(4) to allow the Exchange to list and trade options on shares or other securities ("Fund Shares") that are principally traded on a national securities exchange and are defined as an "NMS stock" under Rule 600 of Regulation NMS and that represent interests in the Grayscale Ethereum Trust ETF (the "Grayscale Fund"), the Grayscale Ethereum Mini Trust ETF (the "Grayscale Mini Fund"), and the Bitwise Ethereum ETF (the "Bitwise Fund" and, collectively, the "Ethereum

Funds").<sup>3</sup> This is a competitive filing based on a similar proposal submitted by NYSE American, LLC ("NYSE American"), which is currently pending with the Securities and Exchange Commission (the "Commission").<sup>4</sup> Current Rule 19.3(i) provides that, subject to certain other criteria set forth in that Rule, securities deemed appropriate for options trading include Fund Shares that represent certain types of interests,<sup>5</sup> including interests in

<sup>3</sup> See Securities Exchange Act Release Nos. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (SR-NYSEArca-2023-70; SR-NYSEArca-2024-31; SR-NASDAQ-2023-045; SR-CboeBZX-2023-069; SR-CboeBZX-2023-070; SR-CboeBZX-2023-087; SR-CboeBZX-2023-095; and SR-CboeBZX-2024-018) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Shares of Ether-Based Exchange-Traded Products) ("Ethereum ETP Approval Order"); and 100541 (July 17, 2024), 89 FR 59786 (July 23, 2024) (SR-NYSEArca-2024-44; and SR-NYSEArca-2024-53) (Order Granting Approval of Proposed Rule Changes To List and Trade Shares of the Grayscale Ethereum Mini Trust and ProShares Ethereum ETF).

<sup>4</sup> See Securities Exchange Act Release Nos. 99306 (August 7, 2024), 89 FR 65957 (August 13, 2024) (SR-NYSEAMER-2024-45), as amended by Amendment No. 1 (February 5, 2025) ("NYSE American Proposal").

<sup>5</sup> See Rule 19.3(i), which permits options trading on Fund Shares that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) ("Funds") and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the "Money Market Instruments") constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency ("Commodity Pool ETFs") or (3) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust ("Currency Trust Shares"), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the

certain specific trusts that hold financial instruments, money market instruments, precious metals (which are deemed commodities), or Bitcoin (which is another crypto currency and deemed a commodity). In addition, Rule 19.3(i) requires that Fund Shares meet the criteria and standards set forth in Rule 19.3(a) and (b),<sup>6</sup> or (2) be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue Fund Shares in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus.

The Ethereum Funds are Ethereum-backed commodity ETFs structured as trusts. Similar to any Fund Share currently deemed appropriate for options trading under Rule 19.3(i), the investment objective of each Ethereum Fund is for its shares to reflect the performance of Ethereum (less the expenses of the trust's operations), offering investors an opportunity to gain exposure to Ethereum without the complexities of Ethereum delivery. As is the case for Fund Shares currently deemed appropriate for options trading, a Ethereum Fund's shares represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of Ethereum and are designed to track Ethereum or the performance of the price of Ethereum and offer access to the Ethereum market.<sup>7</sup> The Ethereum Funds provide investors with cost-efficient alternatives that allow a level of participation in the Ethereum market through the securities market. The Ethereum Funds are similar to the Bitcoin Funds, except that those funds hold Bitcoin (another cryptocurrency) rather than Ethereum, which are already eligible for options trading on the Exchange (*i.e.*, the Fidelity Wise Origin Bitcoin Fund, the

Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF, or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>6</sup> Rule 19.3(a) and (b) sets forth the criteria that underlying securities must satisfy for option contracts on those underlying securities to be eligible for listing and trading on the Exchange.

<sup>7</sup> The trust may include minimal cash.

ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF).

The Exchange’s initial listing standards for Fund Shares on which options may be listed and traded on the Exchange will apply to the Ethereum Funds. Pursuant to Rule 19.3(a), a security (which includes a Fund Share) on which options may be listed and traded on the Exchange must be registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934, as amended (the “Act”)), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>8</sup> Additionally, Rule 19.3(i)(1) requires that Fund Shares either (1) meet the criteria and standards set forth in Rule 19.3(a) and (b),<sup>9</sup> or (2) are available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a

price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the Fund, all as described in the Fund’s or unit trust’s prospectus. Each Ethereum Fund satisfies Rule 19.3(i)(1)(B), as each is subject to this creation and redemption process.

While not required by the Rules for purposes of options listings, the Exchange believes the Ethereum Funds satisfies [sic] the criteria and guidelines set forth in Rule 19.3(a) and (b). Pursuant to Rule 19.3(a), a security (which includes a Fund Share) on

which options may be listed and traded on the Exchange must be duly registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act, and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>10</sup> Each of the Ethereum Funds is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.<sup>11</sup> Further, the Exchange believes each Ethereum Fund is characterized by a substantial number of outstanding shares that are widely held and actively traded.

With respect to the Grayscale Fund, the Grayscale Mini Fund, and the Bitwise Fund, the Exchange reviewed the data presented by NYSE American in its filing with respect to shares outstanding (and corresponding market capitalization), number of beneficial holders, and trading volume. As of November 29, 2024, the Ethereum Funds had the following number of shares outstanding (and corresponding market capitalization):

| Ethereum Fund             | Shares outstanding | Market value (11/29/24) |
|---------------------------|--------------------|-------------------------|
| Grayscale Fund .....      | 177,838,500        | \$5,425,852,635         |
| Grayscale Mini Fund ..... | 45,220,787         | 1,547,003,157           |
| Bitwise Fund .....        | 16,600,000         | 430,886,200             |

As shown above, each of the Ethereum Funds had significantly more than 7,000,000 shares outstanding, which is the minimum number of shares of a corporate stock that the Exchange

generally requires to list options on that stock pursuant to Rule 19.3(b).<sup>12</sup> The Exchange believes this demonstrates that each Ethereum Fund is characterized by a substantial number of

outstanding shares. Further, the below table contains information regarding the number of beneficial holders of the Ethereum Funds as of December 31, 2024.

| Ethereum Fund             | Beneficial holders (as of 12/31/24) |
|---------------------------|-------------------------------------|
| Grayscale Fund .....      | 112,320                             |
| Grayscale Mini Fund ..... | 17,396                              |
| Bitwise Fund .....        | 5,992                               |

As this table shows, each Ethereum Fund has significantly more than 2,000 beneficial holders (approximately 56, 9, and 3 times more, respectively), which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Rule 19.3(b).<sup>13</sup> Therefore, the Exchange

believes the shares of each Ethereum Fund are widely held.

The Exchange also believes that, based on trading volume since the Ethereum Funds began trading on July 23, 2024, shares of the Ethereum Funds are actively traded. In particular, the table below sets forth the total trading volume (by shares and notional) from the inception of trading through either

November 29, 2024 (for the Grayscale Fund and the Grayscale Mini Fund) or December 31, 2024 (for the Bitwise Fund). In addition, the below table illustrates the average daily volume (“ADV”) over the 30-day period of either October 29, 2024–through November 29, 2024 (for the Grayscale Fund and the Grayscale Mini Fund) or

<sup>8</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Rule 19.3(b), subject to exceptions.

<sup>9</sup> Rule 19.3(a) and (b) sets forth the criteria an underlying security must meet for the Exchange to be able to list options on the underlying.

<sup>10</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Rule 19.3(b), subject to exceptions.

<sup>11</sup> An “NMS stock” means any NMS security other than an option, and an “NMS security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan (or an effective national market system plan for reporting transaction in listed options). See 17 CFR 242.600(b)(64) (definition of “NMS security”) and (65) (definition of “NMS stock”).

<sup>12</sup> The Exchange notes that on November 19, 2024, the Grayscale Mini Fund underwent a reverse stock split, reducing the number of shares outstanding—and increasing the share price—tenfold.

<sup>13</sup> The number of beneficial holders of the Grayscale Mini Fund may have been impacted by the 10:1 reverse stock split, as investors with fewer than 10 shares would have received a cash payout. See *id.*

November 29, 2024–through December 31, 2024 (for the Bitwise Fund).<sup>14</sup>

| Ethereum Fund             | Trading volume (shares) | Trading volume (notional \$) | ADV (shares) |
|---------------------------|-------------------------|------------------------------|--------------|
| Grayscale Fund .....      | 427,312,540             | \$10,289,781,199             | 4,237,811    |
| Grayscale Mini Fund ..... | 172,400,020             | 4,614,428,230                | 3,065,796    |
| Bitwise Fund .....        | 44,477,060              | 959,491,343                  | 291,627      |

As demonstrated above, even though the Ethereum Funds have been trading for less than one year, the trading volume for each Ethereum Fund is substantially higher than 2,400,000 shares (roughly 178, 72, and 16 times that amount), which is the minimum 12-month volume the Exchange generally requires for a security in order to list options on that security as set forth in Rule 19.3(b). The Exchange believes this data demonstrates each Ethereum Fund is characterized by a substantial number of outstanding shares that are actively traded.

Options on the Ethereum Funds will be subject to the Exchange's continued listing standards set forth in Rule 19.4(g) for Fund Shares deemed appropriate for options trading pursuant to Rule 19.3(i). Specifically, 19.4(g) provides that Fund Shares that were initially approved for options trading pursuant to Rule 19.3 will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Fund Shares if the security ceases to be an NMS stock (see Rule 19.4(b)(4)). Additionally, the Exchange will not open for trading any additional series of option contracts of the class covering Fund Shares in any of the following circumstances: (1) in the case of options covering Fund Shares approved for trading under Rule 19.3(i)(4)(A), in accordance with the terms of Rule 19.4(b)(1), (2) and (3); (2) in the case of

options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(B), following the initial 12-month period beginning upon the commencement of trading in the Fund Shares on a national securities exchange and are defined as NMS stock under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Fund Shares for 30 consecutive days; (3) the value of the index, non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or Financial Instruments or Money Market Instruments, or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

Options on each Ethereum Fund will be physically settled contracts with American-style exercise.<sup>15</sup> Consistent with current Rule 19.6, which governs the opening of options series on a specific underlying security (including Fund Shares), the Exchange will open at least one expiration month for options on Ethereum Funds<sup>16</sup> at the commencement of trading on the Exchange and may also list series of options on a Ethereum Fund for trading on a weekly,<sup>17</sup> monthly,<sup>18</sup> or quarterly<sup>19</sup> basis. The Exchange may also list long-term equity option series ("LEAPS")

that expire from 12 to 39 months from the time they are listed.<sup>20</sup>

Pursuant to Rule 19.6, Interpretation and Policy .01, which governs strike prices of series of options on Fund Shares, the interval of strikes prices for series of options on Ethereum Funds will be \$1 or greater when the strike price is \$200 or less and \$5 or greater where the strike price is over \$200.<sup>21</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>22</sup> the \$0.50 Strike Program,<sup>23</sup> the \$2.50 Strike Price Program,<sup>24</sup> and the \$5 Strike Program.<sup>25</sup> Pursuant to Rule 21.5, where the price of a series of an Ethereum Fund option is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10.<sup>26</sup> Any and all new series of Ethereum Fund options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 19.6 and 21.5, as applicable.

Ethereum Fund options will trade in the same manner as any other Fund Share options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds

<sup>14</sup> See FactSet, 11/29/2024 and 12/31/24, <https://www.factset.com/data-attribution>.

<sup>15</sup> See Rule 19.2, which provides that the rights and obligations of holders and writers are set forth in the Rules of the Options Clearing Corporation ("OCC"); and Equity Options Product Specifications January 3, 2024), available at Equity Options Specifications ([cboe.com](https://www.cboe.com)); see also OCC Rules, Chapters VIII (which governs exercise and assignment) and Chapter IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

<sup>16</sup> See Rule 19.6(b). The monthly expirations are subject to certain listing criteria for underlying securities described within Rule 19.3. Monthly listings expire the third Friday of the month. The term "expiration date" (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such

Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Rule 19.6(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

<sup>17</sup> See Rule 19.6, Interpretation and Policy .05.

<sup>18</sup> See Rule 19.6, Interpretation and Policy .08.

<sup>19</sup> See Rule 19.6, Interpretation and Policy .04.

<sup>20</sup> See Rule 19.8.

<sup>21</sup> The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Monthly Options Series Program, and the Quarterly Options Series Program, Rule 19.6, Interpretations and Policies .05, .08, and .04 specifically sets forth intervals between strike prices on Quarterly Options Series, Short Term Option Series, and Monthly Options Series, respectively.

<sup>22</sup> See Rule 19.6, Interpretation and Policy .02.

<sup>23</sup> See Rule 19.6, Interpretation and Policy .06.

<sup>24</sup> See Rule 19.6, Interpretation and Policy .03.

<sup>25</sup> See Rule 19.6(d)(5).

<sup>26</sup> If options on an Ethereum Fund are eligible to participate in the Penny Interval Program, the minimum increment will be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Rule 21.5(e) (which describes the requirements for the Penny Interval Program).

options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange, including the precious-metal backed commodity Fund Shares and the Bitcoin Funds already deemed appropriate for options trading on the Exchange pursuant to current Rule 19.3(i).<sup>27</sup> Position and exercise limits for options on ETFs, including options on Ethereum Funds, are determined pursuant to Rules 18.7 and 18.9.<sup>28</sup>

Pursuant to Rules 18.7 and 18.9, the position and exercise limits, respectively, for Ethereum Fund options will be 25,000 same side option contracts.<sup>29</sup> The Exchange believes these proposed position and exercise limits are reasonable and appropriate. In

considering the appropriate position and exercise limits for the Ethereum Funds, the Exchange reviewed the data presented by NYSE American in its filing with respect to the Bitwise Fund, the Grayscale Fund and the Grayscale Mini Fund.<sup>30</sup> NYSE American aggregated market capitalization, volume, and shares outstanding data of the Ethereum Funds and compared that data to those of other ETFs, and compared the proposed position limit of the Ethereum Funds to the position limits of the options overlying those other ETFs. The Exchange reviewed NYSE American's data that demonstrated that each of these three Bitcoin [sic] Funds would easily qualify for much higher position limits

available to other ETFs and ETPs pursuant to the criterion in Cboe Options Rule 8.30, Interpretation and Policy .02 (which governs position limits on the Exchange pursuant to Rule 18.7).<sup>31</sup>

Cboe Options Rule 8.30, Interpretation and Policy .02 sets forth position (and exercise) limits for options, which vary according to the number of shares outstanding and the amount of trading in underlying during the most recent six-month period.<sup>32</sup> Although the Ethereum Funds have been trading for less than six months [sic], the trading volume in each Fund is sufficient to qualify the Funds for position limits in excess of the proposed 25,000-contract limit, as shown below.<sup>33</sup>

| Ethereum Fund             | Total volume                    |
|---------------------------|---------------------------------|
| Grayscale Fund .....      | 427,312,540 (7/23/24–11/29/24). |
| Grayscale Mini Fund ..... | 172,400,020 (7/23/24–11/29/24). |
| Bitwise Fund .....        | 44,477,060 (7/23/24–12/31/24).  |

Based on this trading volume, the most-recent trading volume in the Grayscale Fund and the Grayscale Mini Fund well exceeds the requisite minimum of 100,000,000 shares necessary to qualify for the 250,000-contract position and exercise limits.<sup>34</sup> By comparison, the underlying of other options with six-month trading volume less than the volumes in the table above are eligible for position and exercise limits of at least 250,000.<sup>35</sup> Further, the most-recent trading volume for the Bitwise Fund well exceeded the

requisite minimum of 40,000,000 shares necessary to qualify for the 75,000-contract position (and exercise) limit, which is three times the proposed 25,000-contract limit.<sup>36</sup> Finally, the proposed 25,000-contract position limit is the default for options that do not otherwise qualify for a higher limit and is therefore an adequate limit for each Ethereum Fund.<sup>37</sup>

Second, with respect to the outstanding shares of these three Ethereum Funds, the Exchange reviewed NYSE American's data

regarding the outstanding shares of each of these Ethereum Funds. NYSE American performed an exercise to demonstrate that if a market participant held the maximum number of contracts possible pursuant to the proposed position and exercise limits (25,000 contracts), the equivalent shares represented by the proposed position and exercise limits (2,500,000 shares) would represent the following approximate percentage of outstanding shares as of November 29, 2024:

<sup>27</sup> See, e.g., SPDR Gold Trust, iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>28</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. ("Cboe Options"). See also Cboe Options Rules 8.30 and 8.42.

<sup>29</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options

Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. ("Cboe Options"). Cboe Options currently has a nearly identical rule filing pending with the Commission to amend Cboe Options Rule 8.30, Interpretation and Policy .10 (and Cboe Options Rule 8.42) to establish a position and exercise limit for Ethereum Fund options of 25,000. See SR-CBOE-2025-008, as amended by Amendment No. 1 ("Cboe Ethereum Fund Proposal"). If the Commission approves the Cboe Ethereum Fund Proposal, the position and exercise limits in that filing would then apply to the Exchange.

<sup>30</sup> See NYSE American Proposal.

<sup>31</sup> See Cboe Options Rule 8.30, Interpretation and Policy .02; Exchange Rule 18.7.

<sup>32</sup> See Cboe Options Rule 8.30, Interpretation and Policy .02; Exchange Rule 18.7.

<sup>33</sup> See FactSet, 11/29/2024 and 12/31/24, <https://www.factset.com/data-attribution>.

<sup>34</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(e) states that to be eligible for the 250,000 option contract limit, either the most recent six-

month trading volume of the underlying security must have totaled at least 100,000,000 shares; or the most recent six-month trading volume of the underlying security must have totaled at least 75,000,000 shares and the underlying security must have at least 300,000,000 currently outstanding.

<sup>35</sup> See <https://www.theocc.com/Market-Data/Market-Data-Reports/Series-and-Trading-Data/Series-Search> (including the following symbols that have a position limit of 250,000: GLD, IAU, SLV, SIVR, SGOL).

<sup>36</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(c) states that to be eligible for the 75,000 option contract limit, either the most recent six-month trading volume of the underlying security must have totaled at least 40,000,000 shares; or the most recent six-month trading volume of the underlying security must have totaled at least 30,000,000 shares and the underlying security must have at least 120,000,000 currently outstanding.

<sup>37</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(a) states that the 25,000 option contract limit applies to those options having an underlying security that does not meet the requirements for a higher option contract limit.

| Ethereum Fund             | Proposed position/exercise limits in equivalent shares | Outstanding shares | Percentage of outstanding shares |
|---------------------------|--|--------------------|----------------------------------|
| Grayscale Fund .....      | 2,500,000  | 177,838,500        | 1.4                              |
| Grayscale Mini Fund ..... | 2,500,000  | 45,220,787         | 5.5                              |
| Bitwise Fund .....        | 2,500,000  | 16,600,000         | 15.1                             |

As this table demonstrates, if a market participant held the maximum permissible options positions in one of the Ethereum Fund options and exercised all of them at the same time, that market participant would control a small percentage of the outstanding shares of the underlying Ethereum Fund. For example, as noted above, a

position limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the applicable Ethereum Fund (if that market participant exercised all its options). NYSE American used the number of shares outstanding for each Ethereum

Fund as of November 29, 2024, and calculated the approximate number of market participants that could hold the maximum of 25,000 same side positions in each Ethereum Fund that would equate to the number of shares outstanding of that Ethereum Fund:

| Bitcoin [sic] Fund        | Outstanding shares | Number of market participants with 25,000 same side positions |
|---------------------------|--------------------|---|
| Grayscale Fund .....      | 177,838,500        | 71  |
| Grayscale Mini Fund ..... | 45,220,787         | 18  |
| Bitwise Fund .....        | 16,600,000         | 7   |

This means if 71 market participants had 25,000 same side positions in options on the Grayscale Fund, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. Similarly, this means if 18 market participants had 25,000 same side positions in options on the Grayscale Mini Fund, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. Finally, this means if 7 market participants had 25,000 same side positions in options on the Bitwise Fund, each of them would have to simultaneously exercise all of those options to create a scenario

that may put the underlying security under stress. The Exchange believes it is highly unlikely for this to occur; however, even if such event did occur, the Exchange would not expect any of the Ethereum Fund [sic] to be under stress because such an event would merely induce the creation of more shares through the trust's creation and redemption process.

NYSE American also performed an exercise to compare the size of the proposed position limit to the market capitalization of the Ethereum market given that the issuer of each of these three Ethereum Funds may create and redeem shares that represent an interest in Ethereum. NYSE American took the global supply of Ethereum, which was

120.44 million and the price of one Ethereum, which was approximately \$3,593.49,<sup>38</sup> which equates to a market capitalization of approximately \$439.78 billion. Consider the proposed position and exercise limit of 25,000 option contracts for each Ethereum Fund option. A position and exercise limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the Grayscale Fund, Grayscale Mini Fund, and Bitwise Fund, as applicable (if that market participant exercised all its options). NYSE American considered the share price of each Bitcoin [sic] Fund on November 29, 2024 and calculated the value of

<sup>38</sup> See <https://finance.yahoo.com/quote/ETH-USD/history>.

2,500,000 shares of the Ethereum Fund at that price, and the approximate percentage of that value of the size of the Ethereum market:

| Bitcoin [sic] Fund        | Share price (\$) | Value of 2,500,000 shares | Percentage of Bitcoin [sic] market |
|---------------------------|------------------|---------------------------|------------------------------------|
| Grayscale Fund .....      | 30.15            | 75,250,000                | 0.017                              |
| Grayscale Mini Fund ..... | 33.84            | 84,600,000                | 0.020                              |
| Bitwise Fund .....        | 25.80            | 64,500,000                | 0.015                              |

Therefore, if a market participant with the maximum 25,000 same side contracts in options on the Grayscale Fund, the Grayscale Mini Fund, or the Bitwise Fund exercised all positions at

one time, such an event would have no practical impact on the Ethereum market.

The Exchange also reviewed NYSE American's data regarding the market

capitalization of each of these three Ethereum Funds relative to the market capitalization of the entire Ethereum market, as of November 29, 2024:

|                             | Ethereum/shares outstanding | Market value (\$) | % of Total bitcoin market |
|-----------------------------|-----------------------------|-------------------|---------------------------|
| Total Ethereum Market ..... | 120,440,000                 | 432,799,935,600   | 100                       |
| Grayscale Fund .....        | 177,838,500                 | 5,425,852,635     | 1.25                      |
| Grayscale Mini Fund .....   | 45,220,787                  | 1,547,003,157     | 0.36                      |
| Bitwise Fund .....          | 16,600,000                  | 430,886,200       | 0.10                      |

As this data gathered by NYSE American demonstrates, the Ethereum Funds collectively represent approximately 1.71% of the global supply of Ethereum (120,440,000).<sup>39</sup> Based on the \$30.15 price of a Grayscale Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 119 Grayscale Fund shares. Another 14,354,890,070 Grayscale Fund shares could be created before the supply of Ethereum was exhausted. As a result, 5,742 market participants would have to simultaneously exercise 25,000 same side positions in Grayscale Fund options to receive shares of the Grayscale Fund holding the entire global supply of Ethereum. Similarly, based on the \$33.84 price of a Grayscale Mini Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 106 Grayscale Mini Fund shares. Another 12,789,596,206 Grayscale Mini Fund shares could be created before the supply of Ethereum was exhausted. As a result, 5,116 market

participants would have to simultaneously exercise 25,000 same side positions in Grayscale Mini Fund options to receive shares of Grayscale Mini Fund holding the entire global supply of Ethereum. Similarly, based on the \$25.80 price of a Bitwise Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 139 Bitwise Fund shares. Another 16,775,191,302 Bitwise Fund shares could be created before the supply of Ethereum was exhausted. As a result, 6,710 market participants would have to simultaneously exercise 25,000 same side positions in Bitwise Fund options to receive shares of Bitwise Fund holding the entire global supply of Ethereum. Unlike the Ethereum Funds, the number of shares that corporations may issue is limited. However, like corporations, which authorize additional shares, repurchase shares, or split their shares, the Ethereum Funds may create, redeem, or split shares in response to demand. The supply of Ethereum is larger than the available

supply of most securities.<sup>40</sup> Given the significant unlikelihood of any of these events ever occurring, the Exchange does not believe options on the Ethereum Funds should be subject to position and exercise limits even lower than those proposed (which are already equal to the lowest available limit for equity options in the industry) to protect the supply of Ethereum.

NYSE American compared the proposed position limits to the position limit of CME Ethereum futures. The Chicago Mercantile Exchange ("CME") imposes a position limit of 8,000 futures (for the initial spot month) on its ethereum futures contract.<sup>41</sup> On November 29, 2024, CME Jan 25 Ethereum Futures settled at \$3,629.69. A position of 8,000 CME Ethereum futures, therefore, would have a notional value of \$1,451,876,000. The following table shows the share price of each Ethereum Fund on November 29, 2024, and the approximate number of option contracts that equates to that notional value:

| Ethereum Fund             | Share price (\$) | Number of option contracts |
|---------------------------|------------------|----------------------------|
| Grayscale Fund .....      | 30.15            | 481,551                    |
| Grayscale Mini Fund ..... | 33.84            | 429,041                    |
| Bitwise Fund .....        | 25.80            | 562,743                    |

<sup>39</sup> See *id.*

<sup>40</sup> The market capitalization of ethereum would rank in the top 20 among securities. See <https://companiesmarketcap.com/usa/largest-companies-in-the-usa-by-market-cap/>.

<sup>41</sup> See CME Rulebook Chapter 349 (description of CME ether futures) and Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices. Each CME ether futures contract is valued at fifty ethers as

defined by the CME CF Ether Reference Rate ("ERR"). See CME Rulebook Chapter 349.

The approximate number of option contracts for each Ethereum Fund that would equate to the notional value of CME Ethereum futures is significantly higher than the proposed limit of 25,000 options contract for each Ethereum Fund option. The fact that many options ultimately expire out-of-the-money and thus are not exercised for shares of the underlying, while the delta of an Ethereum future is 1, further demonstrates how conservative the proposed limits of 25,000 options contracts are for the Ethereum Fund options.

The Exchange notes, again, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).<sup>42</sup> Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.<sup>43</sup> If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on futures for Ethereum, the Exchange believes that that the proposed same side position limits are more than appropriate for the Ethereum options.

Consistent with its position regarding the irrelevance of bitcoin supply to position limits for options on bitcoin ETPs, the Exchange likewise believes the available supply of Ethereum is not relevant to the determination of position and exercise limits for Ethereum Fund options.<sup>44</sup> Position and exercise limits

<sup>42</sup> See CME Rulebook Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices.

<sup>43</sup> *Id.*

<sup>44</sup> The Exchange is unaware of any proposed rule change related to position and exercise limits for any equity option (including commodity ETF options) for which the Commission required consideration of whether the available supply of an underlying (whether it be a corporate stock or an ETF) or the contents of an ETF (commodity or otherwise) should be considered when an exchange

are not a tool that should be used to address a potential limited supply of the underlying of an underlying. Position and exercise limits do not limit the total number of options that may be held, but rather they limit the number of positions a single customer may hold or exercise at one time.<sup>45</sup> "Since the inception of standardized options trading, the options exchanges have had rules imposing limits on the aggregate number of options contracts that a member or customer could hold or exercise."<sup>46</sup> Position and exercise limit rules are intended "to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position. In particular, position and exercise limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market. In addition, such limits serve to reduce the possibility for disruption of the options market itself, especially in illiquid options classes."<sup>47</sup>

The Exchange notes that a Registration Statement on Form S-1 was filed with the Commission for each Ethereum Fund, each of which described the supply of Ethereum as being unlimited.<sup>48</sup> Each Registration

proposed to establish those limits. *See, e.g.,* Securities Exchange Act Release No. 57894 (May 30, 2008), 73 FR 32061 (June 5, 2008) (SR-CBOE-2005-11) (approval order in which the Commission stated that the "listing and trading of Gold Trust Options will be subject to the exchanges' rules pertaining to position and exercise limits and margin"). The Exchange notes when the Commission approved this filing, the position limits in Rule 8.30 were the same as they are today. For reference, the current position and exercise limits for options on SPDR Gold Shares ETF ("GLD") and options on iShares Silver Trust ("SLV") are 250,000 contracts, or 10 times that proposed position and exercise limit for the Bitcoin [sic] Fund options.

<sup>45</sup> For example, suppose an option has a position limit of 25,000 option contracts and there are a total of 10 investors trading that option. If all 10 investors max out their positions, that would result in 250,000 option contracts outstanding at that time. However, suppose 10 more investors decide to begin trading that option and also max out their positions. This would result in 500,000 option contracts outstanding at that time. An increase in the number of investors could cause an increase in outstanding options even if position limits remain unchanged.

<sup>46</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

<sup>47</sup> *Id.*

<sup>48</sup> See, e.g., Grayscale Fund Form S-1 Registration Statement, at p. 77, <https://www.sec.gov/Archives/edgar/data/2020455/000119312524106957/d756153ds1.htm>; Grayscale Mini Fund Amendment No. 5 to Form S-1 Registration Statement, at p. 79, <https://www.sec.gov/Archives/edgar/data/2020455/000119312524181081/d756153ds1a.htm>; and Bitwise Fund Form S-1 Registration Statement 1, at p. 17, [https://www.sec.gov/Archives/edgar/data/2013744/000199937124007581/bitwise-s1a\\_061824.htm](https://www.sec.gov/Archives/edgar/data/2013744/000199937124007581/bitwise-s1a_061824.htm) ("Ethereum Funds Reg. Stmts.").

Statement permits an unlimited number of shares of the applicable Ethereum Fund to be created. Further, the Commission approved proposed rule changes that permitted the listing and trading of shares of each Ethereum Fund, which approval did not comment on the sufficient supply of Ethereum or address whether there was a risk that permitting an unlimited number of shares for a Ethereum Fund would impact the supply of ether.<sup>49</sup> Therefore, the Exchange believes the Commission had ample time and opportunity to consider whether the supply of ether was sufficient to permit the creation of unlimited Ethereum Fund shares, and does not believe considering this supply with respect to the establishment of position and exercise limits is appropriate given its lack of relevance to the purpose of position and exercise limits. However, given the significant size of the Ethereum supply, the proposed positions limits are more than sufficient to protect investors and the market.

All of the above information demonstrates that the proposed position and exercise limits for the Ethereum Fund options are more than reasonable and appropriate. The trading volume, ADV, and outstanding shares of each Ethereum Fund demonstrate that these funds are actively traded and widely held, and proposed position and exercise limits are well below those of other ETFs with similar market characteristics. The proposed position and exercise limits are the lowest position and exercise limits available for equity options in the industry, are extremely conservative, and are more than appropriate given each Ethereum Fund's market capitalization and ADV. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying Ethereum Funds as well as the Ethereum market.<sup>50</sup>

Today, the Exchange has an adequate surveillance program in place for options. The Exchange intends to apply those same program procedures to options on the Ethereum Funds that it applies to the Exchange's other options products, including options on the

<sup>49</sup> See Ethereum ETP Approval Order.

<sup>50</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

Bitcoin Funds.<sup>51</sup> The Exchange's market surveillance staff would have access to the surveillances conducted by Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe Exchange, Inc.<sup>52</sup> with respect to the Ethereum Funds and would review activity in the underlying Ethereum Funds when conducting surveillances for market abuse or manipulation in the options on the Ethereum Funds. Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to obtaining information from its affiliated markets, the Exchange would be able to obtain information regarding trading in shares of the Ethereum Funds from their primary listing markets and from other markets that trade shares of the Ethereum Funds through ISG. In addition, the Exchange has a Regulatory Services Agreement with the Financial Industry Regulatory Authority ("FINRA") for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.<sup>53</sup>

The underlying shares of spot Ethereum exchange traded products ("ETPs"), including the Ethereum Funds, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission

<sup>51</sup> The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

<sup>52</sup> Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe Exchange, Inc. are affiliated markets of the Exchange.

<sup>53</sup> Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("SRO") registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO ("common members"). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

stated in its order approving proposals of several exchanges to list and trade shares of spot Ethereum-based ETPs, "[e]ach Exchange has a comprehensive surveillance-sharing agreement with the [CME] via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME ethereum futures market."<sup>54</sup> The Exchange states that, given the consistently high correlation between the CME Ethereum futures market and the spot bitcoin [sic] market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be "expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the [Ethereum ETPs]."<sup>55</sup> In light of surveillance measures related to both options and futures as well as the underlying Ethereum Funds,<sup>56</sup> the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the Ethereum Funds. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Ethereum ETPs.

Finally, quotation and last sale information for ETFs is available via the Consolidated Tape Association ("CTA") high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Ethereum Funds will be available via OPRA and major market data vendors.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and OPRA have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on Ethereum Funds up to the number of expirations currently permissible under the Rules.

Ethereum Fund options will trade in the same manner as any other Fund Share options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for

<sup>54</sup> See Ethereum ETP Approval Order, at 46938 (footnotes excluded).

<sup>55</sup> See *id.*

<sup>56</sup> See *id.*

example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange, including the precious-metal backed commodity Fund Shares and the Bitcoin Funds already deemed appropriate for options trading on the Exchange pursuant to current Rule 19.3(i).<sup>57</sup> Position and exercise limits for options on ETFs, including options on Ethereum Funds, are determined pursuant to Rules 18.7 and 18.9.<sup>58</sup>

The Exchange believes that offering options on Ethereum Funds will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of Ethereum and hedging vehicle to meet their investment needs in connection with Ethereum-related products and positions. The Exchange expects investors will transact in options on Ethereum Funds in the unregulated over-the-counter ("OTC") options market,<sup>59</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency in initiating and closing out positions; (2) increased market transparency; and (3) heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of all listed options. The Exchange believes that listing Ethereum Fund options may cause investors to bring this liquidity to the Exchange, would increase market transparency and enhance the process of price discovery

<sup>57</sup> See, e.g., SPDR Gold Trust, iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>58</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. ("Cboe Options"). See also Cboe Options Rules 8.30 and 8.42.

<sup>59</sup> The Exchange understands from customers that investors have historically transacted in options on Fund Shares in the OTC options market if such options were not available for trading in a listed environment.

conducted on the Exchange through increased order flow. The Fund Shares that hold financial instruments, money market instruments, or precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as Ethereum Funds and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any Fund Share options, including Fund Shares that hold commodities (*i.e.*, precious metals and Bitcoin) that it currently lists and trades on the Exchange.

Finally, the Exchange notes that applicable Exchange rules will require that customers receive appropriate disclosure before trading options in Ethereum Funds.<sup>60</sup> Further, brokers opening accounts and recommending options transactions must comply with relevant customer suitability standards.<sup>61</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>62</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>63</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>64</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposal to list and trade options on the Ethereum Funds will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in

general, protect investors because offering options on the Ethereum Funds will provide investors with a greater opportunity to realize the benefits of utilizing options on an ETF based on spot Ethereum, including cost efficiencies and increased hedging strategies.

The Exchange believes that offering options on a competitively priced ETF based on spot Ethereum will benefit investors by providing them with an additional, relatively lower-cost risk management tool, allowing them to manage, more easily, their positions and associated risks in their portfolios in connection with exposure to spot Ethereum. Today, the Exchange lists options on other commodity (including Ethereum [sic]) ETFs structured as a trust, which essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of options on those ETFs.

The Exchange also believes the proposal to permit options on the Ethereum Funds will remove impediments to and perfect the mechanism of a free and open market and a national market system, because options on the Ethereum Funds will comply with current Exchange Rules as discussed herein. Options on the Ethereum Funds must satisfy the initial listing standards and continued listing standards currently in the Rules, applicable to options on all ETFs, including options on other commodity ETFs already deemed appropriate for options trading on the Exchange pursuant to Rule 19.3(i). Additionally, as demonstrated above, the Ethereum Funds are characterized by a substantial number of shares that are widely held and actively traded. Further, Rules that currently govern the listing and trading of options on ETFs, including permissible expirations, strike prices, minimum increments, position and exercise limits, and margin requirements, will govern the listing and trading of options on Ethereum Funds.

The Exchange believes the proposed position and exercise limits are designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade, as they are designed to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. The proposed position and exercise limits for options on each of the Ethereum Funds is 25,000 contracts. These position and exercise limits are

the lowest position and exercise limits available in the options industry, are extremely conservative and more than appropriate given each Ethereum Fund's market capitalization, ADV, and high number of outstanding shares. The proposed position limit, and exercise limit, is consistent with the Act as it addresses concerns related to manipulation and protection of investors because, as demonstrated above, the position limit (and exercise limit) is extremely conservative and more than appropriate given the Ethereum Funds are actively traded. In support of the proposed position and exercise limits for options on the Ethereum Funds are 25,000 contracts, the Exchange is citing the in depth analysis NYSE American did in their filing. As noted above, in NYSE American Proposal, NYSE American considered the: (1) applicable Ethereum Fund's market capitalization and ADV, and proposed position limit in relation to other securities; (2) market capitalization of the entire Ethereum market in terms of exercise risk and availability of deliverables; (3) proposed position limit by comparing it to position limits for derivative products regulated by the CFTC; and (4) supply of Ethereum. Based on the Exchange's review of these analyses, the Exchange believes that the [sic] setting position and exercise limits for options on each of the Ethereum Funds is [sic] 25,000 contracts is more than appropriate. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the Ethereum market.<sup>65</sup>

The Exchange represents that it has the necessary systems capacity to support the new Ethereum Fund options. As discussed above, the Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading Fund Share options [sic], including Ethereum Fund options. The Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading options on ETFs and ETPs, such as (existing)

<sup>65</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

<sup>60</sup> See Rules 26.2(b) and (e).

<sup>61</sup> See Rule 26.4.

<sup>62</sup> 15 U.S.C. 78f(b).

<sup>63</sup> 15 U.S.C. 78f(b)(5).

<sup>64</sup> *Id.*

precious metal-commodity backed ETP options as well as the proposed options on Ethereum Funds. The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of options on Ethereum Funds in all trading sessions and to deter and detect violations of Exchange rules. Specifically, the Exchange's market surveillance staff will have access to surveillances that it conducts, and that FINRA conducts on its behalf, with respect to the Ethereum Funds and, as appropriate, would review activity in the underlying Funds when conducting surveillances for market abuse or manipulation in the options on the Ethereum Funds. Additionally, the Exchange is a member of the ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition, the Exchange has a Regulatory Services Agreement with the FINRA and as noted herein, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the Ethereum Funds.

The underlying shares of spot Ethereum ETPs, including the Ethereum Funds, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission stated in its order approving proposals of several exchanges to list and trade shares of spot Ethereum-based ETPs, "[e]ach Exchange has a comprehensive surveillance-sharing agreement with the CME via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME ether futures market."<sup>66</sup> The Exchange states that, given the consistently high correlation between the CME ethereum futures market and the spot ethereum market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be "expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the

[Ether ETPs]."<sup>67</sup> In light of the foregoing, the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the Ethereum Funds. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Ethereum ETPs.

Finally, the Exchange notes that this proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because applicable Exchange rules will require that customers receive appropriate disclosure before trading options in Ethereum Funds<sup>68</sup> and will require that brokers opening accounts and recommending options transactions must comply with relevant customer suitability standards.<sup>69</sup>

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the Ethereum Fund options will be equally available to all market participants who wish to trade such options and will trade generally in the same manner as other options. The Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange. Also, and as stated above, the Exchange already lists options on other commodity-based Fund Shares (including Bitcoin-based).<sup>70</sup> Further, the Ethereum Funds would need to satisfy the maintenance listing standards set forth in the Exchange Rules in the same manner as

any other Fund Share for the Exchange to continue listing options on them.

The Exchange does not believe that the proposal to list and trade options on Ethereum Funds will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent that the advent of Ethereum Fund options trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. The Exchange notes that listing and trading Ethereum Fund options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition, as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering Ethereum Fund options for trading on the Exchange will promote competition by providing investors with an additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with Ethereum prices and Ethereum-related products and positions on a listed options exchange.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

<sup>67</sup> See Ethereum ETP Approval Order, 89 FR at 46941.

<sup>68</sup> See Rules 26.2(b) and (e).

<sup>69</sup> See Rule 26.4.

<sup>70</sup> See Rule 19.3(i)(4).

<sup>66</sup> See Ethereum ETP Approval Order, 89 FR, at 46938.

A. by order approve or disapprove such proposed rule change, or  
 B. institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeEDGX-2025-008 on the subject line.

##### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-CboeEDGX-2025-008. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeEDGX-2025-008 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>71</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025-03070 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102458; File No. SR-CboeBYX-2025-003]

### Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Monthly Fee for 10 Gb Physical Ports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 14, 2025, Cboe BYX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f) thereunder.<sup>4</sup> 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 increase the monthly fee for 10 Gb physical ports.

The proposed rule change, including the Exchange's statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange's website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/BYX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BYX/) and on the Commission's website at <https://www.sec.gov/rules-regulations/self->

<sup>71</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

[regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBYX-2025-003](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBYX-2025-003).

#### II. 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.<sup>5</sup> Comments may be submitted electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBYX-2025-003](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBYX-2025-003)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeBYX-2025-003 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeBYX-2025-003. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBYX-2025-003](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBYX-2025-003)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeBYX-2025-003 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025-03067 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102459; File No. SR–CboeBZX–2025–029]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Monthly Fee for 10 Gb Physical Ports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 14, 2025, Cboe BZX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(f) thereunder.<sup>4</sup> 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 increase the monthly fee for 10 Gb physical ports.

The proposed rule change, including the Exchange’s statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange’s website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/) and on the Commission’s website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-029](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-029).

#### II. 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.<sup>5</sup> Comments may be submitted electronically by using the Commission’s internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-029](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-029)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR–CboeBZX–2025–029 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090. All submissions should refer to file number SR–CboeBZX–2025–029. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-029](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-029)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeBZX–2025–029 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025–03068 Filed 2–25–25; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

Release No. 34–102467; File No. SR–CboeEDGX–2025–011]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Monthly Fee for 10 Gb Physical Ports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 14, 2025, Cboe EDGX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(f) thereunder.<sup>4</sup> 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 increase the monthly fee for 10 Gb physical ports.

The proposed rule change, including the Exchange’s statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange’s website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/equities/regulation/rule_filings/edgx/) and on the Commission’s website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-011](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-011).

#### II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b–4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

<sup>6</sup> 17 CFR 200.30–3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b–4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

change is consistent with the Act.<sup>5</sup> Comments may be submitted electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-011](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-011)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeEDGX-2025-011 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeEDGX-2025-011. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGX-2025-011](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGX-2025-011)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeEDGX-2025-011 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025-03076 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102466; File No. SR-CboeEDGA-2025-004]

### Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Monthly Fee for 10 Gb Physical Ports

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 14, 2025, Cboe EDGA Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f) thereunder.<sup>4</sup> 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 increase the monthly fee for 10 Gb physical ports.

The proposed rule change, including the Exchange's statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange's website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/edga/](http://markets.cboe.com/us/equities/regulation/rule_filings/edga/) and on the Commission's website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGA-2025-004](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGA-2025-004).

#### II. 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.<sup>5</sup> Comments may be submitted electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGA-2025-004](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGA-2025-004)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeEDGA-2025-004 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeEDGA-2025-004. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeEDGA-2025-004](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeEDGA-2025-004)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeEDGA-2025-004 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025-03075 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

<sup>5</sup> 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102456; File No. SR–CboeBZX–2025–018]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Options on the Grayscale Ethereum Trust ETF, the Grayscale Ethereum Mini Trust ETF, and the Bitwise Ethereum ETF

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 5, 2025, Cboe BZX Exchange, Inc. (“Exchange”) 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 Exchange. On February 6, 2025, the Exchange filed Amendment No. 1 to the proposal. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX Options”) proposes to amend Rule 19.3, to allow the Exchange to list and trade options on the Grayscale Ethereum Trust ETF, the Grayscale Ethereum Mini Trust ETF, and the Bitwise Ethereum ETF. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/bzx/](http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/)), at the Exchange’s Office of the Secretary, 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 Rule 19.3 regarding the criteria for underlying securities. Specifically, the Exchange proposes to amend Rule 19.3(i)(4) to allow the Exchange to list and trade options on shares or other securities (“Fund Shares”) that are principally traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS and that represent interests in the Grayscale Ethereum Trust ETF (the “Grayscale Fund”), the Grayscale Ethereum Mini Trust ETF (the “Grayscale Mini Fund”), and the Bitwise Ethereum ETF (the “Bitwise Fund” and, collectively, the “Ethereum Funds”).<sup>3</sup> This is a competitive filing based on a similar proposal submitted by NYSE American, LLC (“NYSE American”), which is currently pending with the Securities and Exchange Commission (the “Commission”).<sup>4</sup> Current Rule 19.3(i) provides that, subject to certain other criteria set forth in that Rule, securities deemed appropriate for options trading include Fund Shares that represent certain types of interests,<sup>5</sup> including interests in

<sup>3</sup> See Securities Exchange Act Release Nos. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (SR–NYSEArca–2023–70; SR–NYSEArca–2024–31; SR–NASDAQ–2023–045; SR–CboeBZX–2023–069; SR–CboeBZX–2023–070; SR–CboeBZX–2023–087; SR–CboeBZX–2023–095; and SR–CboeBZX–2024–018) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Shares of Ether-Based Exchange-Traded Products) (“Ethereum ETP Approval Order”); and 100541 (July 17, 2024), 89 FR 59786 (July 23, 2024) (SR–NYSEArca–2024–44; and SR–NYSEArca–2024–53) (Order Granting Approval of Proposed Rule Changes To List and Trade Shares of the Grayscale Ethereum Mini Trust and ProShares Ethereum ETF).

<sup>4</sup> See Securities Exchange Act Release Nos. 99306 (August 7, 2024), 89 FR 65957 (August 13, 2024) (SR–NYSEAMER–2024–45), as amended by Amendment No. 1 (February 5, 2025) (“NYSE American Proposal”).

<sup>5</sup> See Rule 19.3(i), which permits options trading on Fund Shares that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) (“Funds”) and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts,

certain specific trusts that hold financial instruments, money market instruments, precious metals (which are deemed commodities), or Bitcoin (which is another crypto currency and deemed a commodity). In addition, Rule 19.3(i) requires that Fund Shares meet the criteria and standards set forth in Rule 19.3(a) and (b),<sup>6</sup> or (2) be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue Fund Shares in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus.

The Ethereum Funds are Ethereum-backed commodity ETFs structured as trusts. Similar to any Fund Share currently deemed appropriate for options trading under Rule 19.3(i), the investment objective of each Ethereum Fund is for its shares to reflect the

repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”) or (3) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF, or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>6</sup> Rule 19.3(a) and (b) sets forth the criteria that underlying securities must satisfy for option contracts on those underlying securities to be eligible for listing and trading on the Exchange.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

performance of Ethereum (less the expenses of the trust’s operations), offering investors an opportunity to gain exposure to Ethereum without the complexities of Ethereum delivery. As is the case for Fund Shares currently deemed appropriate for options trading, a Ethereum Fund’s shares represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of Ethereum and are designed to track Ethereum or the performance of the price of Ethereum and offer access to the Ethereum market.<sup>7</sup> The Ethereum Funds provide investors with cost-efficient alternatives that allow a level of participation in the Ethereum market through the securities market. The Ethereum Funds are similar to the Bitcoin Funds, except that those funds hold Bitcoin (another cryptocurrency) rather than Ethereum, which are already eligible for options trading on the Exchange (*i.e.*, the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF).

The Exchange’s initial listing standards for Fund Shares on which options may be listed and traded on the Exchange will apply to the Ethereum Funds. Pursuant to Rule 19.3(a), a security (which includes a Fund Share) on which options may be listed and

traded on the Exchange must be registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934, as amended (the “Act”)), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>8</sup> Additionally, Rule 19.3(i)(1) requires that Fund Shares either (1) meet the criteria and standards set forth in Rule 19.3(a) and (b),<sup>9</sup> or (2) are available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the Fund, all as described in the Fund’s or unit trust’s prospectus. Each Ethereum Fund satisfies Rule 19.3(i)(1)(B), as each is subject to this creation and redemption process.

While not required by the Rules for purposes of options listings, the Exchange believes the Ethereum Funds satisfy the criteria and guidelines set forth in Rule 19.3(a) and (b). Pursuant to Rule 19.3(a), a security (which includes a Fund Share) on which options may be listed and traded on the Exchange must be duly registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act, and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>10</sup> Each of the Ethereum Funds is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.<sup>11</sup> Further, the Exchange believes each Ethereum Fund is characterized by a substantial number of outstanding shares that are widely held and actively traded.

With respect to the Grayscale Fund, the Grayscale Mini Fund, and the Bitwise Fund, the Exchange reviewed the data presented by NYSE American in its filing with respect to shares outstanding (and corresponding market capitalization), number of beneficial holders, and trading volume. As of November 29, 2024, the Ethereum Funds had the following number of shares outstanding (and corresponding market capitalization):

| Ethereum Fund             | Shares outstanding | Market value (11/29/24) |
|---------------------------|--------------------|-------------------------|
| Grayscale Fund .....      | 177,838,500        | \$5,425,852,635         |
| Grayscale Mini Fund ..... | 45,220,787         | 1,547,003,157           |
| Bitwise Fund .....        | 16,600,000         | 430,886,200             |

As shown above, each of the Ethereum Funds had significantly more than 7,000,000 shares outstanding, which is the minimum number of shares of a corporate stock that the Exchange

generally requires to list options on that stock pursuant to Rule 19.3(b).<sup>12</sup> The Exchange believes this demonstrates that each Ethereum Fund is characterized by a substantial number of

outstanding shares. Further, the below table contains information regarding the number of beneficial holders of the Ethereum Funds as of December 31, 2024.

| Ethereum Fund             | Beneficial holders (as of 12/31/24) |
|---------------------------|-------------------------------------|
| Grayscale Fund .....      | 112,320                             |
| Grayscale Mini Fund ..... | 17,396                              |
| Bitwise Fund .....        | 5,992                               |

<sup>7</sup> The trust may include minimal cash.

<sup>8</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Rule 19.3(b), subject to exceptions.

<sup>9</sup> Rule 19.3(a) and (b) sets forth the criteria an underlying security must meet for the Exchange to be able to list options on the underlying.

<sup>10</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Rule 19.3(b), subject to exceptions.

<sup>11</sup> An “NMS stock” means any NMS security other than an option, and an “NMS security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan (or an effective national market

system plan for reporting transaction in listed options). See 17 CFR 242.600(b)(64) (definition of “NMS security”) and (65) (definition of “NMS stock”).

<sup>12</sup> The Exchange notes that on November 19, 2024, the Grayscale Mini Fund underwent a reverse stock split, reducing the number of shares outstanding—and increasing the share price—tenfold.

As this table shows, each Ethereum Fund has significantly more than 2,000 beneficial holders (approximately 56, 9, and 3 times more, respectively), which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Rule 19.3(b).<sup>13</sup> Therefore, the Exchange

believes the shares of each Ethereum Fund are widely held.

The Exchange also believes that, based on trading volume since the Ethereum Funds began trading on July 23, 2024, shares of the Ethereum Funds are actively traded. In particular, the table below sets forth the total trading volume (by shares and notional) from the inception of trading through either November 29, 2024 (for the Grayscale

Fund and the Grayscale Mini Fund) or December 31, 2024 (for the Bitwise Fund). In addition, the below table illustrates the average daily volume (“ADV”) over the 30-day period of either October 29, 2024–through November 29, 2024 (for the Grayscale Fund and the Grayscale Mini Fund) or November 29, 2024–through December 31, 2024 (for the Bitwise Fund).<sup>14</sup>

| Ethereum Fund             | Trading volume (shares) | Trading volume (notional \$) | ADV (shares) |
|---------------------------|-------------------------|------------------------------|--------------|
| Grayscale Fund .....      | 427,312,540             | \$10,289,781,199             | 4,237,811    |
| Grayscale Mini Fund ..... | 172,400,020             | 4,614,428,230                | 3,065,796    |
| Bitwise Fund .....        | 44,477,060              | 959,491,343                  | 291,627      |

As demonstrated above, even though the Ethereum Funds have been trading for less than one year, the trading volume for each Ethereum Fund is substantially higher than 2,400,000 shares (roughly 178, 72, and 16 times that amount), which is the minimum 12-month volume the Exchange generally requires for a security in order to list options on that security as set forth in Rule 19.3(b). The Exchange believes this data demonstrates each Ethereum Fund is characterized by a substantial number of outstanding shares that are actively traded.

Options on the Ethereum Funds will be subject to the Exchange’s continued listing standards set forth in Rule 19.4(g) for Fund Shares deemed appropriate for options trading pursuant to Rule 19.3(i). Specifically, 19.4(g) provides that Fund Shares that were initially approved for options trading pursuant to Rule 19.3 will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Fund Shares if the security ceases to be an NMS stock (see Rule 19.4(b)(4)). Additionally, the Exchange will not

open for trading any additional series of option contracts of the class covering Fund Shares in any of the following circumstances: (1) in the case of options covering Fund Shares approved for trading under Rule 19.3(i)(4)(A), in accordance with the terms of Rule 19.4(b)(1), (2) and (3); (2) in the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(B), following the initial 12-month period beginning upon the commencement of trading in the Fund Shares on a national securities exchange and are defined as NMS stock under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Fund Shares for 30 consecutive days; (3) the value of the index, non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or Financial Instruments or Money Market Instruments, or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the

Exchange makes further dealing in such options on the Exchange inadvisable.

Options on each Ethereum Fund will be physically settled contracts with American-style exercise.<sup>15</sup> Consistent with current Rule 19.6, which governs the opening of options series on a specific underlying security (including Fund Shares), the Exchange will open at least one expiration month for options on Ethereum Funds<sup>16</sup> at the commencement of trading on the Exchange and may also list series of options on a Ethereum Fund for trading on a weekly,<sup>17</sup> monthly,<sup>18</sup> or quarterly<sup>19</sup> basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from 12 to 39 months from the time they are listed.<sup>20</sup>

Pursuant to Rule 19.6, Interpretation and Policy .01, which governs strike prices of series of options on Fund Shares, the interval of strikes prices for series of options on Ethereum Funds will be \$1 or greater when the strike price is \$200 or less and \$5 or greater where the strike price is over \$200.<sup>21</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>22</sup> the \$0.50 Strike Program,<sup>23</sup> the \$2.50 Strike

<sup>13</sup> The number of beneficial holders of the Grayscale Mini Fund may have been impacted by the 10:1 reverse stock split, as investors with fewer than 10 shares would have received a cash payout. See *id.*

<sup>14</sup> See FactSet, 11/29/2024 and 12/31/24, <https://www.factset.com/data-attribution>.

<sup>15</sup> See Rule 19.2, which provides that the rights and obligations of holders and writers are set forth in the Rules of the Options Clearing Corporation (“OCC”); and Equity Options Product Specifications January 3, 2024), available at Equity Options Specifications ([cboe.com](http://cboe.com)); see also OCC Rules, Chapters VIII (which governs exercise and assignment) and Chapter IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

<sup>16</sup> See Rule 19.6(b). The monthly expirations are subject to certain listing criteria for underlying

securities described within Rule 19.3. Monthly listings expire the third Friday of the month. The term “expiration date” (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Rule 19.6(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market

conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

<sup>17</sup> See Rule 19.6, Interpretation and Policy .05.

<sup>18</sup> See Rule 19.6, Interpretation and Policy .08.

<sup>19</sup> See Rule 19.6, Interpretation and Policy .04.

<sup>20</sup> See Rule 19.8.

<sup>21</sup> The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Monthly Options Series Program, and the Quarterly Options Series Program, Rule 19.6, Interpretations and Policies .05, .08, and .04 specifically sets forth intervals between strike prices on Quarterly Options Series, Short Term Option Series, and Monthly Options Series, respectively.

<sup>22</sup> See Rule 19.6, Interpretation and Policy .02.

<sup>23</sup> See Rule 19.6, Interpretation and Policy .06.

Price Program,<sup>24</sup> and the \$5 Strike Program.<sup>25</sup> Pursuant to Rule 21.5, where the price of a series of an Ethereum Fund option is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10.<sup>26</sup> Any and all new series of Ethereum Fund options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 19.6 and 21.5, as applicable.

Ethereum Fund options will trade in the same manner as any other Fund Share options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed

and traded on the Exchange, including the precious-metal backed commodity Fund Shares and the Bitcoin Funds already deemed appropriate for options trading on the Exchange pursuant to current Rule 19.3(i).<sup>27</sup> Position and exercise limits for options on ETFs, including options on Ethereum Funds, are determined pursuant to Rules 18.7 and 18.9.<sup>28</sup>

Pursuant to Rules 18.7 and 18.9, the position and exercise limits, respectively, for Ethereum Fund options will be 25,000 same side option contracts.<sup>29</sup> The Exchange believes these proposed position and exercise limits are reasonable and appropriate. In considering the appropriate position and exercise limits for the Ethereum Funds, the Exchange reviewed the data presented by NYSE American in its filing with respect to the Bitwise Fund, the Grayscale Fund and the Grayscale Mini Fund.<sup>30</sup> NYSE American aggregated market capitalization, volume, and shares outstanding data of the Ethereum Funds and compared that data to those of other ETFs, and

compared the proposed position limit of the Ethereum Funds to the position limits of the options overlying those other ETFs. The Exchange reviewed NYSE American's data that demonstrated that each of these three Bitcoin [sic] Funds would easily qualify for much higher position limits available to other ETFs and ETPs pursuant to the criterion in Cboe Options Rule 8.30, Interpretation and Policy .02 (which governs position limits on the Exchange pursuant to Rule 18.7).<sup>31</sup>

Cboe Options Rule 8.30, Interpretation and Policy .02 sets forth position (and exercise) limits for options, which vary according to the number of shares outstanding and the amount of trading in underlying during the most recent six-month period.<sup>32</sup> Although the Ethereum Funds have been trading for less than six months [sic], the trading volume in each Fund is sufficient to qualify the Funds for position limits in excess of the proposed 25,000-contract limit, as shown below.<sup>33</sup>

| Ethereum Fund             | Total volume                    |
|---------------------------|---------------------------------|
| Grayscale Fund .....      | 427,312,540 (7/23/24–11/29/24). |
| Grayscale Mini Fund ..... | 172,400,020 (7/23/24–11/29/24). |
| Bitwise Fund .....        | 44,477,060 (7/23/24–12/31/24).  |

Based on this trading volume, the most-recent trading volume in the Grayscale Fund and the Grayscale Mini Fund well exceeds the requisite minimum of 100,000,000 shares necessary to qualify for the 250,000-contract position and exercise limits.<sup>34</sup> By comparison, the underlying of other

options with six-month trading volume less than the volumes in the table above are eligible for position and exercise limits of at least 250,000.<sup>35</sup> Further, the most-recent trading volume for the Bitwise Fund well exceeded the requisite minimum of 40,000,000 shares necessary to qualify for the 75,000-

contract position (and exercise) limit, which is three times the proposed 25,000-contract limit.<sup>36</sup> Finally, the proposed 25,000-contract position limit is the default for options that do not otherwise qualify for a higher limit and is therefore an adequate limit for each Ethereum Fund.<sup>37</sup>

<sup>24</sup> See Rule 19.6, Interpretation and Policy .03.

<sup>25</sup> See Rule 19.6(d)(5).

<sup>26</sup> If options on an Ethereum Fund are eligible to participate in the Penny Interval Program, the minimum increment will be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Rule 21.5(e) (which describes the requirements for the Penny Interval Program).

<sup>27</sup> See, e.g., SPDR Gold Trust, iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>28</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. ("Cboe

Options"). See also Cboe Options Rules 8.30 and 8.42.

<sup>29</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. ("Cboe Options"). Cboe Options currently has a nearly identical rule filing pending with the Commission to amend Cboe Options Rule 8.30, Interpretation and Policy .10 (and Cboe Options Rule 8.42) to establish a position and exercise limit for Ethereum Fund options of 25,000. See SR-CBOE-2025-008, as amended by Amendment No. 1 ("Cboe Ethereum Fund Proposal"). If the Commission approves the Cboe Ethereum Fund Proposal, the position and exercise limits in that filing would then apply to the Exchange.

<sup>30</sup> See NYSE American Proposal.

<sup>31</sup> See Cboe Options Rule 8.30, Interpretation and Policy .02; Exchange Rule 18.7.

<sup>32</sup> See Cboe Options Rule 8.30, Interpretation and Policy .02; Exchange Rule 18.7.

<sup>33</sup> See FactSet, 11/29/2024 and 12/31/24, <https://www.factset.com/data-attribution>.

<sup>34</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(e) states that to be eligible for the 250,000 option contract limit, either the most recent six-month trading volume of the underlying security must have totaled at least 100,000,000 shares; or the most recent six-month trading volume of the underlying security must have totaled at least 75,000,000 shares and the underlying security must have at least 300,000,000 currently outstanding.

<sup>35</sup> See <https://www.theocc.com/Market-Data/Market-Data-Reports/Series-and-Trading-Data/Series-Search> (including the following symbols that have a position limit of 250,000: GLD, IAU, SLV, SIVR, SGOL).

<sup>36</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(c) states that to be eligible for the 75,000 option contract limit, either the most recent six-month trading volume of the underlying security must have totaled at least 40,000,000 shares; or the most recent six-month trading volume of the underlying security must have totaled at least 30,000,000 shares and the underlying security must have at least 120,000,000 currently outstanding.

<sup>37</sup> Cboe Options Rule 8.30, Interpretation and Policy .02(a) states that the 25,000 option contract limit applies to those options having an underlying security that does not meet the requirements for a higher option contract limit.

Second, with respect to the outstanding shares of these three Ethereum Funds, the Exchange reviewed NYSE American's data regarding the outstanding shares of each of these Ethereum Funds. NYSE

American performed an exercise to demonstrate that if a market participant held the maximum number of contracts possible pursuant to the proposed position and exercise limits (25,000 contracts), the equivalent shares

represented by the proposed position and exercise limits (2,500,000 shares) would represent the following approximate percentage of outstanding shares as of November 29, 2024:

| Ethereum Fund             | Proposed position/exercise limits in equivalent shares | Outstanding shares | Percentage of outstanding shares |
|---------------------------|--|--------------------|----------------------------------|
| Grayscale Fund .....      | 2,500,000  | 177,838,500        | 1.4                              |
| Grayscale Mini Fund ..... | 2,500,000  | 45,220,787         | 5.5                              |
| Bitwise Fund .....        | 2,500,000  | 16,600,000         | 15.1                             |

As this table demonstrates, if a market participant held the maximum permissible options positions in one of the Ethereum Fund options and exercised all of them at the same time, that market participant would control a small percentage of the outstanding shares of the underlying Ethereum Fund. For example, as noted above, a

position limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the applicable Ethereum Fund (if that market participant exercised all its options). NYSE American used the number of shares outstanding for each Ethereum

Fund as of November 29, 2024, and calculated the approximate number of market participants that could hold the maximum of 25,000 same side positions in each Ethereum Fund that would equate to the number of shares outstanding of that Ethereum Fund:

| Bitcoin [sic] Fund        | Outstanding shares | Number of market participants with 25,000 same side positions |
|---------------------------|--------------------|---|
| Grayscale Fund .....      | 177,838,500        | 71  |
| Grayscale Mini Fund ..... | 45,220,787         | 18  |
| Bitwise Fund .....        | 16,600,000         | 7   |

This means if 71 market participants had 25,000 same side positions in options on the Grayscale Fund, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. Similarly, this means if 18 market participants had 25,000 same side positions in options on the Grayscale Mini Fund, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. Finally, this means if 7 market participants had 25,000 same side positions in options on the Bitwise Fund, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security

under stress. The Exchange believes it is highly unlikely for this to occur; however, even if such event did occur, the Exchange would not expect any of the Ethereum Fund [sic] to be under stress because such an event would merely induce the creation of more shares through the trust's creation and redemption process.

NYSE American also performed an exercise to compare the size of the proposed position limit to the market capitalization of the Ethereum market given that the issuer of each of these three Ethereum Funds may create and redeem shares that represent an interest in Ethereum. NYSE American took the global supply of Ethereum, which was 120.44 million and the price of one Ethereum, which was approximately \$3,593.49,<sup>38</sup> which equates to a market

capitalization of approximately \$439.78 billion. Consider the proposed position and exercise limit of 25,000 option contracts for each Ethereum Fund option. A position and exercise limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the Grayscale Fund, Grayscale Mini Fund, and Bitwise Fund, as applicable (if that market participant exercised all its options). NYSE American considered the share price of each Bitcoin [sic] Fund on November 29, 2024 and calculated the value of 2,500,000 shares of the Ethereum Fund at that price, and the approximate percentage of that value of the size of the Ethereum market:

| Bitcoin [sic] Fund        | Share price (\$) | Value of 2,500,000 shares | Percentage of Bitcoin [sic] Market |
|---------------------------|------------------|---------------------------|------------------------------------|
| Grayscale Fund .....      | 30.15            | 75,250,000                | 0.017                              |
| Grayscale Mini Fund ..... | 33.84            | 84,600,000                | 0.020                              |
| Bitwise Fund .....        | 25.80            | 64,500,000                | 0.015                              |

<sup>38</sup> See <https://finance.yahoo.com/quote/ETH-USD/history>.

Therefore, if a market participant with the maximum 25,000 same side contracts in options on the Grayscale Fund, the Grayscale Mini Fund, or the Bitwise Fund exercised all positions at

one time, such an event would have no practical impact on the Ethereum market.

The Exchange also reviewed NYSE American’s data regarding the market

capitalization of each of these three Ethereum Funds relative to the market capitalization of the entire Ethereum market, as of November 29, 2024:

|                             | Ethereum/shares outstanding | Market value (\$) | % of Total Bitcoin Market |
|-----------------------------|-----------------------------|-------------------|---------------------------|
| Total Ethereum Market ..... | 120,440,000                 | 432,799,935,600   | 100                       |
| Grayscale Fund .....        | 177,838,500                 | 5,425,852,635     | 1.25                      |
| Grayscale Mini Fund .....   | 45,220,787                  | 1,547,003,157     | 0.36                      |
| Bitwise Fund .....          | 16,600,000                  | 430,886,200       | 0.10                      |

As this data gathered by NYSE American demonstrates, the Ethereum Funds collectively represent approximately 1.71% of the global supply of Ethereum (120,440,000).<sup>39</sup> Based on the \$30.15 price of a Grayscale Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 119 Grayscale Fund shares. Another 14,354,890,070 Grayscale Fund shares could be created before the supply of Ethereum was exhausted. As a result, 5,742 market participants would have to simultaneously exercise 25,000 same side positions in Grayscale Fund options to receive shares of the Grayscale Fund holding the entire global supply of Ethereum. Similarly, based on the \$33.84 price of a Grayscale Mini Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 106 Grayscale Mini Fund shares. Another 12,789,596,206 Grayscale Mini Fund shares could be created before the supply of Ethereum was exhausted. As a result, 5,116 market

participants would have to simultaneously exercise 25,000 same side positions in Grayscale Mini Fund options to receive shares of Grayscale Mini Fund holding the entire global supply of Ethereum. Similarly, based on the \$25.80 price of a Bitwise Fund share on November 29, 2024, a market participant could have redeemed one Ethereum for approximately 139 Bitwise Fund shares. Another 16,775,191,302 Bitwise Fund shares could be created before the supply of Ethereum was exhausted. As a result, 6,710 market participants would have to simultaneously exercise 25,000 same side positions in Bitwise Fund options to receive shares of Bitwise Fund holding the entire global supply of Ethereum. Unlike the Ethereum Funds, the number of shares that corporations may issue is limited. However, like corporations, which authorize additional shares, repurchase shares, or split their shares, the Ethereum Funds may create, redeem, or split shares in response to demand. The supply of Ethereum is larger than the available

supply of most securities.<sup>40</sup> Given the significant unlikelihood of any of these events ever occurring, the Exchange does not believe options on the Ethereum Funds should be subject to position and exercise limits even lower than those proposed (which are already equal to the lowest available limit for equity options in the industry) to protect the supply of Ethereum.

NYSE American compared the proposed position limits to the position limit of CME Ethereum futures. The Chicago Mercantile Exchange (“CME”) imposes a position limit of 8,000 futures (for the initial spot month) on its ethereum futures contract.<sup>41</sup> On November 29, 2024, CME Jan 25 Ethereum Futures settled at \$3,629.69. A position of 8,000 CME Ethereum futures, therefore, would have a notional value of \$1,451,876,000. The following table shows the share price of each Ethereum Fund on November 29, 2024, and the approximate number of option contracts that equates to that notional value:

| Ethereum Fund             | Share price (\$) | Number of option contracts |
|---------------------------|------------------|----------------------------|
| Grayscale Fund .....      | 30.15            | 481,551                    |
| Grayscale Mini Fund ..... | 33.84            | 429,041                    |
| Bitwise Fund .....        | 25.80            | 562,743                    |

The approximate number of option contracts for each Ethereum Fund that would equate to the notional value of CME Ethereum futures is significantly higher than the proposed limit of 25,000 options contract for each Ethereum Fund option. The fact that many options ultimately expire out-of-the-money and thus are not exercised for shares of the underlying, while the delta of an Ethereum future is 1, further

demonstrates how conservative the proposed limits of 25,000 options contracts are for the Ethereum Fund options.

The Exchange notes, again, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).<sup>42</sup> Therefore, if a

portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.<sup>43</sup> If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the

<sup>39</sup> See *id.*

<sup>40</sup> The market capitalization of ethereum would rank in the top 20 among securities. See <https://companiesmarketcap.com/usa/largest-companies-in-the-usa-by-market-cap/>.

<sup>41</sup> See CME Rulebook Chapter 349 (description of CME ether futures) and Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices. Each CME ether futures contract is valued at fifty ethers as

defined by the CME CF Ether Reference Rate (“ERR”). See CME Rulebook Chapter 349.

<sup>42</sup> See CME Rulebook Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices.

<sup>43</sup> *Id.*

excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on futures for Ethereum, the Exchange believes that that the proposed same side position limits are more than appropriate for the Ethereum options.

Consistent with its position regarding the irrelevance of bitcoin supply to position limits for options on bitcoin ETPs, the Exchange likewise believes the available supply of Ethereum is not relevant to the determination of position and exercise limits for Ethereum Fund options.<sup>44</sup> Position and exercise limits are not a tool that should be used to address a potential limited supply of the underlying of an underlying. Position and exercise limits do not limit the total number of options that may be held, but rather they limit the number of positions a single customer may hold or exercise at one time.<sup>45</sup> "Since the inception of standardized options trading, the options exchanges have had rules imposing limits on the aggregate number of options contracts that a member or customer could hold or

exercise."<sup>46</sup> Position and exercise limit rules are intended "to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position. In particular, position and exercise limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market. In addition, such limits serve to reduce the possibility for disruption of the options market itself, especially in illiquid options classes."<sup>47</sup>

The Exchange notes that a Registration Statement on Form S-1 was filed with the Commission for each Ethereum Fund, each of which described the supply of Ethereum as being unlimited.<sup>48</sup> Each Registration Statement permits an unlimited number of shares of the applicable Ethereum Fund to be created. Further, the Commission approved proposed rule changes that permitted the listing and trading of shares of each Ethereum Fund, which approval did not comment on the sufficient supply of Ethereum or address whether there was a risk that permitting an unlimited number of shares for a Ethereum Fund would impact the supply of ether.<sup>49</sup> Therefore, the Exchange believes the Commission had ample time and opportunity to consider whether the supply of ether was sufficient to permit the creation of unlimited Ethereum Fund shares, and does not believe considering this supply with respect to the establishment of position and exercise limits is appropriate given its lack of relevance to the purpose of position and exercise limits. However, given the significant size of the Ethereum supply, the proposed positions limits are more than sufficient to protect investors and the market.

All of the above information demonstrates that the proposed position and exercise limits for the Ethereum Fund options are more than reasonable and appropriate. The trading volume, ADV, and outstanding shares of each Ethereum Fund demonstrate that these

funds are actively traded and widely held, and proposed position and exercise limits are well below those of other ETFs with similar market characteristics. The proposed position and exercise limits are the lowest position and exercise limits available for equity options in the industry, are extremely conservative, and are more than appropriate given each Ethereum Fund's market capitalization and ADV. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying Ethereum Funds as well as the Ethereum market.<sup>50</sup>

Today, the Exchange has an adequate surveillance program in place for options. The Exchange intends to apply those same program procedures to options on the Ethereum Funds that it applies to the Exchange's other options products, including options on the Bitcoin Funds.<sup>51</sup> The Exchange's market surveillance staff would have access to the surveillances conducted by Cboe BYX Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe Exchange, Inc.<sup>52</sup> with respect to the Ethereum Funds and would review activity in the underlying Ethereum Funds when conducting surveillances for market abuse or manipulation in the options on the Ethereum Funds. Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to obtaining information from its affiliated markets, the Exchange would be able to obtain information regarding trading in shares of the Ethereum Funds from their primary listing markets and from other markets that trade shares of the Ethereum Funds through ISG. In addition, the Exchange has a Regulatory Services Agreement with the Financial Industry Regulatory

<sup>44</sup> The Exchange is unaware of any proposed rule change related to position and exercise limits for any equity option (including commodity ETF options) for which the Commission required consideration of whether the available supply of an underlying (whether it be a corporate stock or an ETF) or the contents of an ETF (commodity or otherwise) should be considered when an exchange proposed to establish those limits. *See, e.g.*, Securities Exchange Act Release No. 57894 (May 30, 2008), 73 FR 32061 (June 5, 2008) (SR-CBOE-2005-11) (approval order in which the Commission stated that the "listing and trading of Gold Trust Options will be subject to the exchanges' rules pertaining to position and exercise limits and margin"). The Exchange notes when the Commission approved this filing, the position limits in Rule 8.30 were the same as they are today. For reference, the current position and exercise limits for options on SPDR Gold Shares ETF ("GLD") and options on iShares Silver Trust ("SLV") are 250,000 contracts, or 10 times that proposed position and exercise limit for the Bitcoin [sic] Fund options.

<sup>45</sup> For example, suppose an option has a position limit of 25,000 option contracts and there are a total of 10 investors trading that option. If all 10 investors max out their positions, that would result in 250,000 option contracts outstanding at that time. However, suppose 10 more investors decide to begin trading that option and also max out their positions. This would result in 500,000 option contracts outstanding at that time. An increase in the number of investors could cause an increase in outstanding options even if position limits remain unchanged.

<sup>46</sup> *See* Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

<sup>47</sup> *Id.*

<sup>48</sup> *See, e.g.*, Grayscale Fund Form S-1 Registration Statement, at p. 77, <https://www.sec.gov/Archives/edgar/data/2020455/000119312524106957/d756153ds1.htm>; Grayscale Mini Fund Amendment No. 5 to Form S-1 Registration Statement, at p. 79, <https://www.sec.gov/Archives/edgar/data/2020455/000119312524181081/d756153ds1a.htm>; and Bitwise Fund Form S-1 Registration Statement 1, at p. 17, [https://www.sec.gov/Archives/edgar/data/2013744/000199937124007581/bitwise-s1a\\_061824.htm](https://www.sec.gov/Archives/edgar/data/2013744/000199937124007581/bitwise-s1a_061824.htm) ("Ethereum Funds Reg. Stmts.").

<sup>49</sup> *See* Ethereum ETP Approval Order.

<sup>50</sup> *See* Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

<sup>51</sup> The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (*e.g.*, spoofing and marking the close).

<sup>52</sup> Cboe BYX Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe Exchange, Inc. are affiliated markets of the Exchange.

Authority (“FINRA”) for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.<sup>53</sup>

The underlying shares of spot Ethereum exchange traded products (“ETPs”), including the Ethereum Funds, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission stated in its order approving proposals of several exchanges to list and trade shares of spot Ethereum-based ETPs, “[e]ach Exchange has a comprehensive surveillance-sharing agreement with the [CME] via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME ethereum futures market.”<sup>54</sup> The Exchange states that, given the consistently high correlation between the CME Ethereum futures market and the spot bitcoin [sic] market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be “expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the [Ethereum ETPs].”<sup>55</sup> In light of surveillance measures related to both options and futures as well as the underlying Ethereum Funds,<sup>56</sup> the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from

listing and trading the proposed options on the Ethereum Funds. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Ethereum ETPs.

Finally, quotation and last sale information for ETFs is available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Ethereum Funds will be available via OPRA and major market data vendors.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and OPRA have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on Ethereum Funds up to the number of expirations currently permissible under the Rules.

Ethereum Fund options will trade in the same manner as any other Fund Share options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange, including the precious-metal backed commodity Fund Shares and the Bitcoin Funds already deemed appropriate for options trading on the Exchange pursuant to current Rule 19.3(i).<sup>57</sup> Position and exercise limits for options on ETFs, including options on Ethereum Funds, are determined pursuant to Rules 18.7 and 18.9.<sup>58</sup>

The Exchange believes that offering options on Ethereum Funds will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of Ethereum and hedging vehicle to meet their investment needs in connection with Ethereum-related products and positions. The Exchange expects investors will transact in options on Ethereum Funds in the unregulated over-the-counter (“OTC”) options market,<sup>59</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency in initiating and closing out positions; (2) increased market transparency; and (3) heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of all listed options. The Exchange believes that listing Ethereum Fund options may cause investors to bring this liquidity to the Exchange, would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow. The Fund Shares that hold financial instruments, money market instruments, or precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as Ethereum Funds and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any Fund Share options, including Fund Shares that hold commodities (*i.e.*, precious metals and Bitcoin) that it currently lists and trades on the Exchange.

Finally, the Exchange notes that applicable Exchange rules will require that customers receive appropriate disclosure before trading options in Ethereum Funds.<sup>60</sup> Further, brokers opening accounts and recommending options transactions must comply with relevant customer suitability standards.<sup>61</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange

Options”). See also Cboe Options Rules 8.30 and 8.42.

<sup>59</sup>The Exchange understands from customers that investors have historically transacted in options on Fund Shares in the OTC options market if such options were not available for trading in a listed environment.

<sup>60</sup>See Rules 26.2(b) and (e).

<sup>61</sup>See Rule 26.4.

<sup>53</sup> Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization (“SRO”) registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO (“common members”). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

<sup>54</sup> See Ethereum ETP Approval Order, at 46938 (footnotes excluded).

<sup>55</sup> See *id.*

<sup>56</sup> See *id.*

<sup>57</sup> See, e.g., SPDR Gold Trust, iShares COMEX Gold Trust or iShares Silver Trust, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF or the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

<sup>58</sup> Rule 18.7(a)(1) provides that no Options Member shall make, for any account in which it has any interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly, exceed the applicable position limit fixed by Cboe Exchange, Inc. (“Cboe

and, in particular, the requirements of Section 6(b) of the Act.<sup>62</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>63</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>64</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposal to list and trade options on the Ethereum Funds will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because offering options on the Ethereum Funds will provide investors with a greater opportunity to realize the benefits of utilizing options on an ETF based on spot Ethereum, including cost efficiencies and increased hedging strategies.

The Exchange believes that offering options on a competitively priced ETF based on spot Ethereum will benefit investors by providing them with an additional, relatively lower-cost risk management tool, allowing them to manage, more easily, their positions and associated risks in their portfolios in connection with exposure to spot Ethereum. Today, the Exchange lists options on other commodity (including Ethereum [sic]) ETFs structured as a trust, which essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of options on those ETFs.

The Exchange also believes the proposal to permit options on the Ethereum Funds will remove impediments to and perfect the mechanism of a free and open market and a national market system, because options on the Ethereum Funds will comply with current Exchange Rules as discussed herein. Options on the

Ethereum Funds must satisfy the initial listing standards and continued listing standards currently in the Rules, applicable to options on all ETFs, including options on other commodity ETFs already deemed appropriate for options trading on the Exchange pursuant to Rule 19.3(i). Additionally, as demonstrated above, the Ethereum Funds are characterized by a substantial number of shares that are widely held and actively traded. Further, Rules that currently govern the listing and trading of options on ETFs, including permissible expirations, strike prices, minimum increments, position and exercise limits, and margin requirements, will govern the listing and trading of options on Ethereum Funds.

The Exchange believes the proposed position and exercise limits are designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade, as they are designed to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. The proposed position and exercise limits for options on each of the Ethereum Funds is 25,000 contracts. These position and exercise limits are the lowest position and exercise limits available in the options industry, are extremely conservative and more than appropriate given each Ethereum Fund's market capitalization, ADV, and high number of outstanding shares. The proposed position limit, and exercise limit, is consistent with the Act as it addresses concerns related to manipulation and protection of investors because, as demonstrated above, the position limit (and exercise limit) is extremely conservative and more than appropriate given the Ethereum Funds are actively traded. In support of the proposed position and exercise limits for options on the Ethereum Funds are 25,000 contracts, the Exchange is citing the in depth analysis NYSE American did in their filing. As noted above, in NYSE American Proposal, NYSE American considered the: (1) applicable Ethereum Fund's market capitalization and ADV, and proposed position limit in relation to other securities; (2) market capitalization of the entire Ethereum market in terms of exercise risk and availability of deliverables; (3) proposed position limit by comparing it to position limits for derivative products regulated by the CFTC; and (4) supply of Ethereum. Based on the Exchange's review of these analyses, the Exchange

believes that the [sic] setting position and exercise limits for options on each of the Ethereum Funds is [sic] 25,000 contracts is more than appropriate. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the Ethereum market.<sup>65</sup>

The Exchange represents that it has the necessary systems capacity to support the new Ethereum Fund options. As discussed above, the Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading Fund Share options, including Ethereum Fund options. The Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading options on ETFs and ETPs, such as (existing) precious metal-commodity backed ETP options as well as the proposed options on Ethereum Funds. The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of options on Ethereum Funds in all trading sessions and to deter and detect violations of Exchange rules. Specifically, the Exchange's market surveillance staff will have access to surveillances that it conducts, and that FINRA conducts on its behalf, with respect to the Ethereum Funds and, as appropriate, would review activity in the underlying Funds when conducting surveillances for market abuse or manipulation in the options on the Ethereum Funds. Additionally, the Exchange is a member of the ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition, the Exchange has a Regulatory Services Agreement with the FINRA and as noted herein, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances. Further, the Exchange will implement any new surveillance procedures it deems necessary to

<sup>62</sup> 15 U.S.C. 78f(b).

<sup>63</sup> 15 U.S.C. 78f(b)(5).

<sup>64</sup> *Id.*

<sup>65</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

effectively monitor the trading of options on the Ethereum Funds.

The underlying shares of spot Ethereum ETPs, including the Ethereum Funds, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission stated in its order approving proposals of several exchanges to list and trade shares of spot Ethereum-based ETPs, “[e]ach Exchange has a comprehensive surveillance-sharing agreement with the CME via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME ether futures market.”<sup>66</sup> The Exchange states that, given the consistently high correlation between the CME ethereum futures market and the spot ethereum market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be “expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the [Ether ETPs].”<sup>67</sup> In light of the foregoing, the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the Ethereum Funds. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Ethereum ETPs.

Finally, the Exchange notes that this proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because applicable Exchange rules will require that customers receive appropriate disclosure before trading options in Ethereum Funds<sup>68</sup> and will require that brokers opening accounts and recommending options transactions must comply with relevant customer suitability standards.<sup>69</sup>

#### *B. Self-Regulatory Organization’s Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The

Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the Ethereum Fund options will be equally available to all market participants who wish to trade such options and will trade generally in the same manner as other options. The Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of Ethereum Funds options on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange. Also, and as stated above, the Exchange already lists options on other commodity-based Fund Shares (including Bitcoin-based).<sup>70</sup> Further, the Ethereum Funds would need to satisfy the maintenance listing standards set forth in the Exchange Rules in the same manner as any other Fund Share for the Exchange to continue listing options on them.

The Exchange does not believe that the proposal to list and trade options on Ethereum Funds will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent that the advent of Ethereum Fund options trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. The Exchange notes that listing and trading Ethereum Fund options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition, as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the

Exchange believes that offering Ethereum Fund options for trading on the Exchange will promote competition by providing investors with an additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with Ethereum prices and Ethereum-related products and positions on a listed options exchange.

#### *C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR–CboeBZX–2025–018 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–CboeBZX–2025–018. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the

<sup>66</sup> See Ethereum ETP Approval Order, 89 FR 46938.

<sup>67</sup> See Ethereum ETP Approval Order, 89 FR 46941.

<sup>68</sup> See Rules 26.2(b) and (e).

<sup>69</sup> See Rule 26.4.

<sup>70</sup> See Rule 19.3(i)(4).

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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-018 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>71</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025-03065 Filed 2-25-25; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102457; File No. SR-CboeBZX-2025-024]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule by Modifying Footnote 14 To Include Fee Code AN and Make Continuous Book Executions That Occur in the Opening and Closing Auctions Free for Lead Market Makers

February 20, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 12, 2025, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Item I below, which Item has been substantially

prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") proposes to amend its Fee Schedule by modifying footnote 14 to include fee code AN and make continuous book executions that occur in the Opening and Closing Auctions free for Lead Market Makers.

The proposed rule change, including the Exchange's statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange's website at [http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/), and on the Commission's website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-024](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-024).

#### II. 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 electronically by using the Commission's internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-024](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-024)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeBZX-2025-024 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeBZX-2025-024. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f). At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

on the Commission's internet website ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-CboeBZX-2025-024](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-CboeBZX-2025-024)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeBZX-2025-024 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

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BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102445; File No. SR-CboeBZX-2025-019]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To List and Trade Shares of the WisdomTree XRP Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares

February 19, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 6, 2025, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change to list and trade shares of the WisdomTree XRP Fund (the

<sup>5</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>71</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

“Trust”),<sup>3</sup> under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/bzx/](http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/)), at the Exchange’s Office of the Secretary, 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 the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to list and trade the Shares under BZX Rule 14.11(e)(4),<sup>4</sup> which governs the listing and trading of Commodity-Based Trust Shares on the Exchange.<sup>5</sup> WisdomTree Digital Commodity Services, LLC is the sponsor of the Trust (the “Sponsor”). The Shares will be registered with the Commission by means of the Trust’s registration statement on Form S–1 (the “Registration Statement”).<sup>6</sup> According to the Registration Statement, the Trust is neither an investment company

<sup>3</sup> The Trust was formed as a Delaware statutory trust on November 25, 2024, and is operated as a grantor trust for U.S. federal tax purposes. The Trust has no fixed termination date.

<sup>4</sup> The Commission approved BZX Rule 14.11(e)(4) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR–BATS–2011–018).

<sup>5</sup> Any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values, or the applicability of Exchange listing rules specified in this filing to list a series of Other Securities (collectively, “Continued Listing Representations”) shall constitute continued listing requirements for the Shares listed on the Exchange.

<sup>6</sup> See the Registration Statement on Form S–1, dated December 2, 2024, submitted by the Sponsor on behalf of the Trust. The descriptions of the Trust, the Shares, and the Pricing Benchmark (as defined below) contained herein are based, in part, on information in the Registration Statement. The Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

registered under the Investment Company Act of 1940, as amended,<sup>7</sup> nor a commodity pool for purposes of the Commodity Exchange Act (“CEA”), and neither the Trust nor the Sponsor is subject to regulation as a commodity pool operator or a commodity trading adviser in connection with the Shares.

Since 2017, the Commission has approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot-based Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance sharing agreement with a regulated market of significant size related to the underlying commodity to be held (the “Winklevoss Test”).<sup>8</sup> The Commission has also consistently recognized that this is not the *exclusive* means by which an ETP listing exchange can meet this statutory obligation.<sup>9</sup> A listing exchange could, alternatively, demonstrate that “other means to prevent fraudulent and manipulative acts and practices will be sufficient” to justify dispensing with a surveillance-sharing agreement with a regulated market of significant size.<sup>10</sup>

<sup>7</sup> 15 U.S.C. 80a–1.

<sup>8</sup> See Securities Exchange Act Release Nos. 78262 (July 8, 2016), 81 FR 78262 (July 14, 2016) (the “Winklevoss Proposal”). The Winklevoss Proposal was the first exchange rule filing proposing to list and trade shares of an ETP that would hold spot bitcoin (a “Spot Bitcoin ETP”). It was subsequently disapproved by the Commission. See Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (the “Winklevoss Order”); 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (Self-Regulatory Organizations; NYSE Arca, Inc.; The Nasdaq Stock Market LLC; Cboe BZX Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units) (the “Spot Bitcoin ETP Approval Order”); 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (Self-Regulatory Organizations; NYSE Arca, Inc.; The Nasdaq Stock Market LLC; Cboe BZX Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Shares of Ether-Based Exchange-Traded Products) (the “Spot ETH ETP Approval Order”).

<sup>9</sup> See Winklevoss Order, 83 FR at 37580; see Spot Bitcoin ETP Approval Order, 89 FR at 3009; see Spot ETH ETP Approval Order 89 FR at 46938.

<sup>10</sup> The Exchange notes that that the Winklevoss Test was first applied in 2017 in the Winklevoss Order, which was the first disapproval order related to an exchange proposal to list and trade a Spot Bitcoin ETP. All prior approval orders issued by the Commission approving the listing and trading of series of Trust Issued Receipts included no specific analysis related to a “regulated market of significant size.” In the Winklevoss Order and the Commission’s prior orders approving the listing and trading of series of Trust Issued Receipts have noted that the spot commodities and currency markets for which it has previously approved spot ETPs are generally unregulated and that the Commission relied on the underlying futures market as the regulated market of significant size that formed the

The Commission recently issued orders granting approval for proposals to list bitcoin- and ether-based commodity trust shares and bitcoin-based, ether-based, and a combination of bitcoin- and ether-based trust issued receipts (these proposed funds are nearly identical to the Trust, but proposed to hold bitcoin and/or ether, respectively, instead of XRP) (“Spot Bitcoin ETPs” and “Spot ETH ETPs”). In both the Spot Bitcoin ETP Approval Order and Spot ETH ETP Approval Order, the Commission found that sufficient “other means” of preventing fraud and manipulation had been demonstrated that justified dispensing with a surveillance-sharing agreement of significant size. Specifically, the Commission found that while the Chicago Mercantile Exchange (“CME”) futures market for both bitcoin and ether were not of “significant size” related to the spot market, the Exchange demonstrated that other means could be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the proposals.

As further discussed below, both the Exchange and the Sponsor believe that this proposal and the included analysis are sufficient to establish that the proposal is consistent with the Act itself and, additionally, that there are sufficient “other means” of preventing fraud and manipulation that warrant dispensing of the surveillance-sharing agreement with a regulated market of significant size, as was done with both Spot Bitcoin ETPs and Spot ETH ETPs, and that this proposal should be approved.

#### Background

XRP is a digital asset that is created and transmitted through the operations of the XRP Ledger, a decentralized ledger upon which XRP transactions are

basis for approving the series of Currency and Commodity-Based Trust Shares, including gold, silver, platinum, palladium, copper, and other commodities and currencies. The Commission specifically noted in the Winklevoss Order that the approval order issued related to the first spot gold ETP “was based on an assumption that the currency market and the spot gold market were largely unregulated.” See Winklevoss Order at 37592. As such, the regulated market of significant size test does not require that the spot market be regulated in order for the Commission to approve this proposal, and precedent makes clear that an underlying market for a spot commodity or currency being a regulated market would actually be an exception to the norm. These largely unregulated currency and commodity markets do not provide the same protections as the markets that are subject to the Commission’s oversight, but the Commission has consistently looked to surveillance sharing agreements with the underlying futures market in order to determine whether such products were consistent with the Act.

processed and settled. XRP can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar. The XRP Ledger is based on a shared public ledger similar to the Bitcoin network. However, the XRP Ledger differentiates itself from other digital asset networks in that its stated primary function is transactional utility, not store of value. The XRP Ledger is designed to be a global real-time payment and settlement system. As a result, the XRP Ledger and XRP aim to improve the speed at which parties on the network may transfer value while also reducing the fees and delays associated with the traditional methods of interbank payments.

Unlike a centralized system, no single entity controls the XRP Ledger. Instead, a network of independent nodes validates transactions pursuant to a consensus-based algorithm. It is this mechanism, as opposed to the proof-of-work mechanism utilized by the Bitcoin blockchain, that allows the XRP Ledger to be fast, energy-efficient and scalable, and therefore suitable for its most prominent use case, the facilitation of cross-border financial transactions. Unlike proof-of-work systems, which require massive computational power to secure the network, the consensus-based algorithm utilized by the XRP Ledger is extremely lightweight in terms of energy usage, as it relies on trusted validators rather than mining. The XRP Ledger can handle up to 1,500 transactions per second, far more than the Bitcoin or Ethereum blockchain. This makes the XRP Ledger suitable for high-volume use cases, such as cross-border payments. Lastly, because validators do not need to spend resources on mining, transaction fees are extremely low (typically a fraction of a cent per transaction).

Transactions are validated on the XRP Ledger by a network of independent validator nodes. These nodes do not mine new blocks but participate in a consensus process to ensure that transactions are valid and correctly ordered on the ledger. Any node can be a validator, but for practical purposes, the XRP Ledger depends on a list of trusted validators known as the Unique Node List or “UNL.” Validators are entities (which can be individuals, institutions or other organizations) that run nodes to participate in the consensus process. These validators ensure the integrity and accuracy of the ledger. Each node in the network maintains a Unique Node List—a list of other validators that the node trusts to reliably validate transactions. The XRP Ledger’s decentralized architecture means that different nodes may

maintain different UNLs, but there needs to be some overlap in the UNLs for consensus to work effectively.

Unlike other digital assets such as bitcoin or ether, XRP was not and is not mined gradually over time. Instead, all 100 billion XRP tokens were created at the time of the XRP Ledger’s launch in 2012. This means that every XRP token that exists today was generated from the outset, without the need for a mining process. Of the 100 billion XRP generated by the XRP Ledger’s code, the founders of Ripple Labs retained 20 billion XRP and the rest, nearly 80 billion XRP, was provided to Ripple Labs Inc. (“Ripple Labs”).

As noted above, this proposal is to list and trade shares of the Trust that would hold spot XRP. Neither the Trust nor the Sponsor or any of their affiliates are affiliates of Ripple Labs or any of its affiliates.

In light of these factors and consistent with applicable legal precedent, particularly as applied in *SEC v. Ripple Labs*, the Sponsor believes that it is applying the proper legal standards in making a good faith determination that it believes that XRP is not under these circumstances a security under federal law in light of the uncertainties inherent in applying the *Howey* and *Reves* tests.<sup>11</sup>

#### Section 6(b)(5) and the Applicable Standards

The Commission has approved numerous series of Trust Issued Receipts,<sup>12</sup> including Commodity-Based Trust Shares,<sup>13</sup> to be listed on U.S.

<sup>11</sup> See *SEC v. Ripple Labs*, 2023 WL 4507900 at 15, (S.D.N.Y. July 13, 2023) (“(XRP, as a digital token, is not in and of itself a ‘contract, transaction[,] or scheme’ that embodies the Howey requirements of an investment contract.”) and 23 “Ripple’s Programmatic Sales were blind bid/ask transactions, and Programmatic Buyers could not have known if their payments of money went to Ripple, or any other seller of XRP. Since 2017, Ripple’s Programmatic Sales represented less than 1% of the global XRP trading volume. Therefore, the vast majority of individuals who purchased XRP from digital asset exchanges did not invest their money in Ripple at all. An Institutional Buyer knowingly purchased XRP directly from Ripple pursuant to a contract, but the economic reality is that a Programmatic Buyer stood in the same shoes as a secondary market purchaser who did not know to whom or what it was paying its money.” The Court specifically notes that the question of whether secondary market sales of XRP constitute offers and sales of investment contracts because it was not before the Court and therefore was not addressed. However, the general logic applied above in the Court’s finding that an investment contract did not exist seems to similarly indicate that purchases and sales on the secondary market where the purchaser “did not know to whom or what it was paying its money” would also not constitute an investment contract.

<sup>12</sup> See Exchange Rule 14.11(f).

<sup>13</sup> Commodity-Based Trust Shares, as described in Exchange Rule 14.11(e)(4), are a type of Trust Issued Receipt.

national securities exchanges. In order for any proposed rule change from an exchange to be approved, the Commission must determine that, among other things, the proposal is consistent with the requirements of Section 6(b)(5) of the Act, specifically including: (i) the requirement that a national securities exchange’s rules are designed to prevent fraudulent and manipulative acts and practices;<sup>14</sup> and (ii) the requirement that an exchange proposal be designed, in general, to protect investors and the public interest. The Exchange believes that this proposal is consistent with the requirements of Section 6(b)(5) of the Act and that this filing sufficiently demonstrates that potential policy concerns under the Act are sufficiently mitigated to the point that they are outweighed by quantifiable investor protection issues that would be resolved by approving this proposal.

More recently, the Commission has applied the Winklevoss Test while also recognizing that the “regulated market of significant size” standard is not the only means for satisfying Section 6(b)(5) of the Act. In the specifically providing that a listing exchange could demonstrate that “other means to prevent fraudulent and manipulative acts and practices” are sufficient to justify dispensing with the requisite

<sup>14</sup> Much like bitcoin and ETH, the Exchange believes that XRP is resistant to price manipulation and that “other means to prevent fraudulent and manipulative acts and practices” exist to justify dispensing with the requisite surveillance sharing agreement. The geographically diverse and continuous nature of XRP trading render it difficult and prohibitively costly to manipulate the price of SOL. The fragmentation across platforms and the capital necessary to maintain a significant presence on each trading platform make manipulation of XRP prices through continuous trading activity challenging. To the extent that there are trading platforms engaged in or allowing wash trading or other activity intended to manipulate the price of XRP on other markets, such pricing does not normally impact prices on other trading platforms because participants will generally ignore markets with quotes that they deem non-executable. Moreover, the linkage between XRP markets and the presence of arbitrageurs in those markets means that the manipulation of the price of XRP on any single venue would require manipulation of the global XRP price in order to be effective. Arbitrageurs must have funds distributed across multiple trading platforms in order to take advantage of temporary price dislocations, thereby making it unlikely that there will be strong concentration of funds on any particular trading platforms or OTC platform. Further, the speed and relatively inexpensive nature of transactions on the Solana network allow arbitrageurs to quickly move capital between trading platforms where price dislocations may occur. As a result, the potential for manipulation on a trading platform would require overcoming the liquidity supply of such arbitrageurs who are effectively eliminating any cross-market pricing differences.

surveillance-sharing agreement.<sup>15</sup> While there is currently no futures market for XRP, in the Spot Bitcoin ETF Approval Order and Spot ETH ETF Approval Order the Commission determined that the CME bitcoin futures market and CME ETH futures market, respectively, were not of “significant size” related to the spot market. Instead, the Commission found that sufficient “other means” of preventing fraud and manipulation had been demonstrated that justified dispensing with a surveillance-sharing agreement of significant size. The Exchange and Sponsor believe that this proposal provides for other means of preventing fraud and manipulation justify dispensing with a surveillance-sharing agreement of significant size.

Over the past several years, U.S. investor exposure to XRP, through OTC XRP Funds and digital asset trading platforms, has grown into billions of dollars with a fully diluted market cap of greater than \$300 billion. The Exchange believes that approving this proposal (and comparable proposals) provides the Commission with the opportunity to allow U.S. investors with access to XRP in a regulated and transparent exchange-traded vehicle that would act to limit risk to U.S. investors by: (i) reducing premium and discount volatility; (ii) reducing management fees through meaningful competition; and (iii) providing an alternative to custodying spot XRP.

The policy concerns that the Exchange Act is designed to address are also otherwise mitigated by the fact that the size of the market for the underlying reference asset (\$300+ billion fully diluted value) and the nature of the XRP ecosystem reduces its susceptibility to manipulation. The geographically diverse and continuous nature of XRP trading makes it difficult and prohibitively costly to manipulate the price of XRP and, in many instances, the XRP market can be less susceptible to manipulation than the equity, fixed income, and commodity futures markets. There are a number of reasons this is the case, including that there is not inside information about revenue, earnings, corporate activities, or sources of supply; manipulation of the price on any single venue would require manipulation of the global XRP price in

order to be effective; a substantial over-the-counter market provides liquidity and shock-absorbing capacity; XRP’s 24/7/365 nature provides constant arbitrage opportunities across all trading venues; and it is unlikely that any one actor could obtain a dominant market share.

Further, XRP is arguably less susceptible to manipulation than other commodities that underlie ETPs; there may be inside information relating to the supply of the physical commodity such as the discovery of new sources of supply or significant disruptions at mining facilities that supply the commodity that simply are inapplicable as it relates to certain cryptoassets, including XRP. Further, the Exchange believes that the fragmentation across XRP trading platforms and increased adoption of XRP, as displayed through increased user engagement and trading volumes, and the XRP network make manipulation of XRP prices through continuous trading activity more difficult. Moreover, the linkage between the XRP markets and the presence of arbitrageurs in those markets means that the manipulation of the price of XRP price on any single venue would require manipulation of the global XRP price in order to be effective. Arbitrageurs must have funds distributed across multiple XRP trading platforms in order to take advantage of temporary price dislocations, thereby making it unlikely that there will be strong concentration of funds on any particular XRP trading platform. As a result, the potential for manipulation on a particular XRP trading platform would require overcoming the liquidity supply of such arbitrageurs who are effectively eliminating any cross-market pricing differences. For all of these reasons, XRP is not particularly susceptible to manipulation, especially as compared to other approved ETP reference assets.

#### WisdomTree XRP Fund

Delaware Trust Company is the trustee (“Trustee”). A third party will be the administrator (“Administrator”) and transfer agent (“Transfer Agent”) and will be responsible for the custody of the Trust’s cash and cash equivalents<sup>16</sup> (the “Cash Custodian”). A third-party custodian (the “Custodian”) will be responsible for custody of the Trust’s XRP.

According to the Registration Statement, each Share will represent a fractional undivided beneficial interest in and ownership of the Trust. The Trust’s assets will only consist of XRP, cash, or cash and cash equivalents.

<sup>16</sup> Cash equivalents are short-term instruments with maturities of less than 3 months.

According to the Registration Statement, the Trust will be neither an investment company registered under the Investment Company Act of 1940, as amended,<sup>17</sup> nor a commodity pool for purposes of the CEA, and neither the Trust nor the Sponsor is subject to regulation as a commodity pool operator or a commodity trading adviser in connection with the Shares.

The Trust will not acquire and will disclaim any incidental right (“IR”) or IR asset received, for example as a result of forks or airdrops, and such assets will not be taken into account for purposes of determining NAV.

When the Trust sells or redeems its Shares, it will do so in cash transactions in blocks of 5,000 Shares (a “Creation Basket”) at the Trust’s net asset value (“NAV”). For creations, authorized participants will deliver cash to the Trust’s account with the Cash Custodian in exchange for Shares. Upon receipt of an approved creation order, the Sponsor, on behalf of the Trust, will submit an order to buy the amount of XRP represented by a Creation Basket. Based off XRP executions, the Cash Custodian will request the required cash from the authorized participant; the Transfer Agent will only issue Shares when the authorized participant has made delivery of the cash. Following receipt by the Cash Custodian of the cash from an authorized participant, the Sponsor, on behalf of the Trust, will approve an order with one or more previously onboarded trading partners to purchase the amount of XRP represented by the Creation Basket. This purchase of XRP will normally be cleared through an affiliate of the Custodian (although the purchase may also occur directly with the trading partner) and the XRP will settle directly into the Trust’s account at the Custodian.<sup>18</sup> Authorized participants may then offer Shares to the public at prices that depend on various factors, including the supply and demand for Shares, the value of the Trust’s assets, and market conditions at the time of a transaction. Shareholders who buy or sell Shares during the day from their broker may do so at a premium or discount relative to the NAV of the Shares of the Trust.

<sup>17</sup> 15 U.S.C. 80a–1.

<sup>18</sup> For redemptions, the process will occur in the reverse order. Upon receipt of an approved redemption order, the Sponsor, on behalf of the Trust, will submit an order to sell the amount of XRP represented by a Creation Basket and the cash proceeds will be remitted to the authorized participant when the 25,000 Shares are received by the Transfer Agent.

<sup>15</sup> See Winklevoss Order at 37580. The Commission has also specifically noted that it “is not applying a ‘cannot be manipulated’ standard; instead, the Commission is examining whether the proposal meets the requirements of the Exchange Act and, pursuant to its Rules of Practice, places the burden on the listing exchange to demonstrate the validity of its contentions and to establish that the requirements of the Exchange Act have been met.” *Id.* at 37582.

### Investment Objective

According to the Registration Statement and as further described below, the Trust's investment objective is to seek to track the performance of XRP, as measured by the Pricing Benchmark, adjusted for the Trust's expenses and other liabilities. In seeking to achieve its investment objective, the Trust will hold XRP and will value its Shares daily as of 4:00 p.m. ET using the same methodology used to calculate the Pricing Benchmark. All of the Trust's XRP will be held by the Custodian.

### The Pricing Benchmark

As described in the Registration Statement, The Trust plans to use the CME CF Ripple-Dollar Reference Rate—New York Variant (the "Pricing Benchmark") to calculate the Trust's NAV. The Trust will determine the XRP Pricing Benchmark price and value its Shares daily based on the value of XRP as reflected by the Pricing Benchmark. The Pricing Benchmark will be calculated daily and aggregates the notional value of XRP trading across major XRP spot trading platforms.

### Net Asset Value

NAV means the total assets of the Trust (which includes all XRP and cash and cash equivalents) less total liabilities of the Trust. The Administrator determines the NAV of the Trust on each day that the Exchange is open for regular trading, as promptly as practical after 4:00 p.m. ET based on the closing value of the Pricing Benchmark. The NAV of the Trust is the aggregate value of the Trust's assets less its estimated accrued but unpaid liabilities (which include accrued expenses). In determining the NAV, the Administrator values the XRP held by the Trust based on the closing value of the Pricing Benchmark as of 4:00 p.m. ET. The Administrator also determines the NAV per Share. The NAV for the Trust will be calculated by the Administrator once a day and will be disseminated daily to all market participants at the same time.

### Availability of Information

In addition to the price transparency of the Pricing Benchmark, the Trust will provide information regarding the Trust's XRP holdings as well as additional data regarding the Trust. The website for the Trust, which will be publicly accessible at no charge, will contain the following information: (a) the current NAV per Share daily and the prior business day's NAV per Share and the reported BZX Official Closing

Price;<sup>19</sup> (b) the BZX Official Closing Price in relation to the NAV per Share as of the time the NAV is calculated and a calculation of the premium or discount of such price against such NAV per Share; (c) data in chart form displaying the frequency distribution of discounts and premiums of the BZX Official Closing Price against the NAV per Share, within appropriate ranges for each of the four previous calendar quarters (or for the life of the Trust, if shorter); (d) the prospectus; and (e) other applicable quantitative information. The aforementioned information will be published as of the close of business and available on the Sponsor's website at [www.wisdomtree.com](http://www.wisdomtree.com), or any successor thereto. The NAV for the Trust will be calculated by the Administrator once a day and will be disseminated daily to all market participants at the same time. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association ("CTA"). The Trust will also disseminate its holdings on a daily basis on its website.

The Intraday Indicative Value ("IIV") will be updated during Regular Trading Hours to reflect changes in the value of the Trust's XRP holdings during the trading day. The IIV disseminated during Regular Trading Hours should not be viewed as an actual real-time update of the NAV, which will be calculated only once at the end of each trading day. The IIV may differ from the NAV because NAV is calculated, using the closing value of the Pricing Benchmark, once a day at 4 p.m. ET, whereas the IIV draws prices from the last trade on each constituent platform in an effort to produce a relevant, real-time price). The Trust will provide an IIV per Share updated every 15 seconds, as calculated by the Exchange or a third-party financial data provider during the Exchange's Regular Trading Hours (9:30 a.m. to 4:00 p.m. ET). The IIV will be widely disseminated on a per Share basis every 15 seconds during the Exchange's Regular Trading Hours through the facilities of the CTA and Consolidated Quotation System (CQS) high speed lines. In addition, the IIV will be available through on-line information services, such as Bloomberg and Reuters.

The price of XRP will be made available by one or more major market

<sup>19</sup> As defined in Rule 11.23(a)(3), the term "BZX Official Closing Price" shall mean the price disseminated to the consolidated tape as the market center closing trade.

data vendors, updated at least every 15 seconds during Regular Trading Hours.

As noted above, the Pricing Benchmark is calculated every 15 seconds and information about the Pricing Benchmark and Pricing Benchmark value, including index data and key elements of how the Pricing Benchmark is calculated, will be publicly available at <https://www.cfbenchmarks.com/data/indices/XRPUSD.NY>.

Quotation and last sale information for XRP is widely disseminated through a variety of major market data vendors, including Bloomberg and Reuters. Information relating to trading, including price and volume information, in XRP is available from major market data vendors and from the trading platforms on which XRP are traded. Depth of book information is also available from XRP trading platforms. The normal trading hours for XRP trading platforms are 24 hours per day, 365 days per year.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's BZX Official Closing Price and trading volume information for the Shares will be published daily in the financial section of newspapers. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA.

### The Custodian

The Custodian's services (i) allow XRP to be deposited from a public blockchain address to the Trust's XRP account and (ii) allow XRP to be withdrawn from the XRP account to a public blockchain address as instructed by the Trust. The custody agreement requires the Custodian to hold the Trust's XRP in cold storage, unless required to facilitate withdrawals as a temporary measure. The Custodian will use segregated cold storage XRP addresses for the Trust which are separate from the XRP addresses that the Custodian uses for its other customers and which are directly verifiable via the XRP blockchain. The Custodian will safeguard the private keys to the XRP associated with the Trust's XRP account. The Custodian will at all times record and identify in its books and records that such XRP constitutes the property of the Trust. The Custodian will not withdraw the Trust's XRP from the Trust's account with the Custodian, or loan, hypothecate, pledge or otherwise

encumber the Trust's XRP, without the Trust's instruction. If the custody agreement terminates, the Sponsor may appoint another custodian and the Trust may enter into a custodian agreement with such custodian.

#### Creation and Redemption of Shares

When the Trust sells or redeems its Shares, it will do so in cash transactions in 5,000 Share increments (a Creation Basket) that are based on the amount of XRP held by the Trust on a per Creation Basket basis. According to the Registration Statement, on any business day, an authorized participant may place an order to create one or more Creation Baskets. Purchase orders must be placed by 4:00 p.m. ET, or the close of regular trading on the Exchange, whichever is earlier. The day on which an order is received is considered the purchase order date. The total deposit of cash required is based on the combined NAV of the number of Shares included in the Creation Baskets being created determined as of 4:00 p.m. ET on the date the order to purchase is properly received. The Administrator determines the quantity of XRP associated with a Creation Basket for a given day by dividing the number of XRP held by the Trust as of the opening of business on that business day, adjusted for the amount of XRP constituting estimated accrued but unpaid fees and expenses of the Trust as of the opening of business on that business day, by the quotient of the number of Shares outstanding at the opening of business divided by the number of Shares in a Creation Basket.

The authorized participants will deliver only cash to create Shares and will receive only cash when redeeming Shares. Further, authorized participants will not directly or indirectly purchase, hold, deliver, or receive XRP as part of the creation or redemption process or otherwise direct the Trust or a third party with respect to purchasing, holding, delivering, or receiving XRP as part of the creation or redemption process.

The Trust will create Shares by receiving XRP from a third party that is not the authorized participant and the Trust—not the authorized participant—is responsible for selecting the third party to facilitate the delivery of XRP. Further, the third party will not be acting as an agent of the authorized participant with respect to the delivery of the XRP to the Trust or acting at the direction of the authorized participant with respect to the delivery of the XRP to the Trust. When fulfilling a redemption request, the Trust will redeem shares by delivering XRP to a third party that is not the authorized

participant and the Trust—not the authorized participant—is responsible for selecting such third party to receive the XRP. Further, the third party will not be acting as an agent of the authorized participant with respect to the receipt of the XRP from the Trust or acting at the direction of the authorized participant with respect to the receipt of the XRP from the Trust.

The procedures by which an authorized participant can redeem one or more Creation Baskets mirror the procedures for the creation of Creation Baskets.

The Sponsor will maintain ownership and control of XRP in a manner consistent with good delivery requirements for spot commodity transactions.

#### Rule 14.11(e)(4)—Commodity-Based Trust Shares

The Shares will be subject to BZX Rule 14.11(e)(4), which sets forth the initial and continued listing criteria applicable to Commodity-Based Trust Shares. The Exchange represents that, for initial and continued listing, the Trust must be in compliance with Rule 10A-3 under the Act. A minimum of 100,000 Shares will be outstanding at the commencement of listing on the Exchange. The Exchange will obtain a representation that the NAV will be calculated daily and that the NAV and information about the assets of the Trust will be made available to all market participants at the same time. The Exchange notes that, as defined in Rule 14.11(e)(4)(C)(i), the Shares will be: (a) issued by a trust that holds (1) a specified commodity<sup>20</sup> deposited with the trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash.

Upon termination of the Trust, the Shares will be removed from listing. The Trustee, Delaware Trust Company, is a trust company having substantial capital and surplus and the experience and facilities for handling corporate trust business, as required under Rule 14.11(e)(4)(E)(iv)(a) and that no change will be made to the trustee without prior notice to and approval of the Exchange.

<sup>20</sup>For purposes of Rule 14.11(e)(4), the term commodity takes on the definition of the term as provided in the Commodity Exchange Act.

The Exchange also notes that, pursuant to Rule 14.11(e)(4)(F), neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions or delays in calculating or disseminating any underlying commodity value, the current value of the underlying commodity required to be deposited to the Trust in connection with issuance of Commodity-Based Trust Shares; resulting from any negligent act or omission by the Exchange, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an underlying commodity. Finally, as required in Rule 14.11(e)(4)(G), the Exchange notes that any registered market maker ("Market Maker") in the Shares must file with the Exchange in a manner prescribed by the Exchange and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Exchange as required by this Rule. In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), the registered Market Maker in Commodity-Based Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by the Exchange.

The Exchange is able to obtain information regarding trading in the Shares and the underlying XRP or any

other XRP derivative through members acting as registered Market Makers, in connection with their proprietary or customer trades.

As a general matter, the Exchange has regulatory jurisdiction over its Members and their associated persons, which include any person or entity controlling a Member. To the extent the Exchange may be found to lack jurisdiction over a subsidiary or affiliate of a Member that does business only in commodities or futures contracts, the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations of which such subsidiary or affiliate is a member.

#### Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. The Exchange will halt trading in the Shares under the conditions specified in BZX Rule 11.18. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) the extent to which trading is not occurring in the XRP underlying the Shares; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in the Shares also will be subject to Rule 14.11(e)(4)(E)(ii), which sets forth circumstances under which trading in the Shares may be halted.

If the IIV or the value of the Pricing Benchmark is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the IIV or the value of the Pricing Benchmark occurs. If the interruption to the dissemination of the IIV or the value of the Pricing Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. BZX will allow trading in the Shares during all trading sessions

on the Exchange. The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in BZX Rule 11.11(a) the minimum price variation for quoting and entry of orders in securities traded on the Exchange is \$0.01 where the price is greater than \$1.00 per share or \$0.0001 where the price is less than \$1.00 per share. The Shares of the Trust will conform to the initial and continued listing criteria set forth in BZX Rule 14.11(e)(4).

#### Surveillance

The Exchange represents that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Commodity-Based Trust Shares. FINRA conducts certain cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares or any other XRP derivative with other markets and other entities that are members of the ISG, and the Exchange, or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares or any other XRP derivative from such markets and other entities.<sup>21</sup> The Exchange may obtain information regarding trading in the Shares or any other XRP derivative via ISG, from other exchanges who are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

The Sponsor has represented to the Exchange that it will advise the Exchange of any failure by the Trust or the Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Exchange Act, the Exchange will surveil for compliance with the continued listing requirements. If the Trust or the Shares are not in compliance with the applicable listing

<sup>21</sup> For a list of the current members and affiliate members of ISG, see [www.isgportal.com](http://www.isgportal.com).

requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

#### Information Circular

Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (i) the procedures for the creation and redemption of Creation Baskets (and that the Shares are not individually redeemable); (ii) BZX Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (iii) how information regarding the IIV and the Trust's NAV are disseminated; (iv) the risks involved in trading the Shares outside of Regular Trading Hours<sup>22</sup> when an updated IIV will not be calculated or publicly disseminated; (v) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (vi) trading information. The Information Circular will also reference the fact that there is no regulated source of last sale information regarding XRP, and that the Commission has no jurisdiction over the trading of XRP as a commodity.

In addition, the Information Circular will advise members, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Shares. Members purchasing the Shares for resale to investors will deliver a prospectus to such investors. The Information Circular will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

#### 2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act<sup>23</sup> in general and Section 6(b)(5) of the Act<sup>24</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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

<sup>22</sup> Regular Trading Hours is the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

<sup>23</sup> 15 U.S.C. 78f.

<sup>24</sup> 15 U.S.C. 78f(b)(5).

general, to protect investors and the public interest.

The Commission has approved numerous series of Trust Issued Receipts,<sup>25</sup> including Commodity-Based Trust Shares,<sup>26</sup> to be listed on U.S. national securities exchanges. In order for any proposed rule change from an exchange to be approved, the Commission must determine that, among other things, the proposal is consistent with the requirements of Section 6(b)(5) of the Act, specifically including: (i) the requirement that a national securities exchange's rules are designed to prevent fraudulent and manipulative acts and practices;<sup>27</sup> and (ii) the requirement that an exchange proposal be designed, in general, to protect investors and the public interest. The Exchange believes that this proposal is consistent with the requirements of Section 6(b)(5) of the Act and that this filing sufficiently demonstrates that potential policy concerns under the Act are sufficiently mitigated to the point that they are outweighed by quantifiable investor protection issues that would be resolved by approving this proposal.

More recently, the Commission has applied the Winklevoss Test while also recognizing that the "regulated market of significant size" standard is not the

only means for satisfying Section 6(b)(5) of the Act. In the specifically providing that a listing exchange could demonstrate that "other means to prevent fraudulent and manipulative acts and practices" are sufficient to justify dispensing with the requisite surveillance-sharing agreement.<sup>28</sup> While there is currently no futures market for XRP, in the Spot Bitcoin ETF Approval Order and Spot ETH ETF Approval Order the Commission determined that the CME bitcoin futures market and CME ETH futures market, respectively, were not of "significant size" related to the spot market. Instead, the Commission found that sufficient "other means" of preventing fraud and manipulation had been demonstrated that justified dispensing with a surveillance-sharing agreement of significant size. The Exchange and Sponsor believe that this proposal provides for other means of preventing fraud and manipulation justify dispensing with a surveillance-sharing agreement of significant size.

The Exchange believes that the proposal is designed to protect investors and the public interest. Over the past several years, U.S. investor exposure to XRP, through OTC XRP Funds and digital asset trading platforms, has grown into billions of dollars with a fully diluted market cap of greater than \$300 billion. The Exchange believes that approving this proposal (and comparable proposals) provides the Commission with the opportunity to allow U.S. investors with access to XRP in a regulated and transparent exchange-traded vehicle that would act to limit risk to U.S. investors by: (i) reducing premium and discount volatility; (ii) reducing management fees through meaningful competition; and (iii) providing an alternative to custodying spot XRP.

The Exchange believes that the policy concerns are mitigated by the fact that the size of the market for the underlying reference asset (\$300+ billion fully diluted value) and the nature of the XRP ecosystem reduces its susceptibility to manipulation. The geographically diverse and continuous nature of XRP trading makes it difficult and prohibitively costly to manipulate the price of XRP and, in many instances, the XRP market can be less susceptible to

manipulation than the equity, fixed income, and commodity futures markets. There are a number of reasons this is the case, including that there is not inside information about revenue, earnings, corporate activities, or sources of supply; manipulation of the price on any single venue would require manipulation of the global XRP price in order to be effective; a substantial over-the-counter market provides liquidity and shock-absorbing capacity; XRP's 24/7/365 nature provides constant arbitrage opportunities across all trading venues; and it is unlikely that any one actor could obtain a dominant market share.

Further, XRP is arguably less susceptible to manipulation than other commodities that underlie ETPs; there may be inside information relating to the supply of the physical commodity such as the discovery of new sources of supply or significant disruptions at mining facilities that supply the commodity that simply are inapplicable as it relates to certain cryptoassets, including XRP. Further, the Exchange believes that the fragmentation across XRP trading platforms and increased adoption of XRP, as displayed through increased user engagement and trading volumes, and the XRP network make manipulation of XRP prices through continuous trading activity more difficult. Moreover, the linkage between the XRP markets and the presence of arbitrageurs in those markets means that the manipulation of the price of XRP price on any single venue would require manipulation of the global XRP price in order to be effective. Arbitrageurs must have funds distributed across multiple XRP trading platforms in order to take advantage of temporary price dislocations, thereby making it unlikely that there will be strong concentration of funds on any particular XRP trading platform. As a result, the potential for manipulation on a particular XRP trading platform would require overcoming the liquidity supply of such arbitrageurs who are effectively eliminating any cross-market pricing differences. For all of these reasons, XRP is not particularly susceptible to manipulation, especially as compared to other approved ETP reference assets.

#### Commodity-Based Trust Shares

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed on the Exchange pursuant to the initial and continued listing criteria in Exchange Rule 14.11(e)(4). The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the

<sup>25</sup> See Exchange Rule 14.11(f).

<sup>26</sup> Commodity-Based Trust Shares, as described in Exchange Rule 14.11(e)(4), are a type of Trust Issued Receipt.

<sup>27</sup> Much like bitcoin and ETH, the Exchange believes that XRP is resistant to price manipulation and that "other means to prevent fraudulent and manipulative acts and practices" exist to justify dispensing with the requisite surveillance sharing agreement. The geographically diverse and continuous nature of XRP trading render it difficult and prohibitively costly to manipulate the price of SOL. The fragmentation across platforms and the capital necessary to maintain a significant presence on each trading platform make manipulation of XRP prices through continuous trading activity challenging. To the extent that there are trading platforms engaged in or allowing wash trading or other activity intended to manipulate the price of XRP on other markets, such pricing does not normally impact prices on other trading platforms because participants will generally ignore markets with quotes that they deem non-executable. Moreover, the linkage between XRP markets and the presence of arbitrageurs in those markets means that the manipulation of the price of XRP on any single venue would require manipulation of the global XRP price in order to be effective. Arbitrageurs must have funds distributed across multiple trading platforms in order to take advantage of temporary price dislocations, thereby making it unlikely that there will be strong concentration of funds on any particular trading platforms or OTC platform. Further, the speed and relatively inexpensive nature of transactions on the Solana network allow arbitrageurs to quickly move capital between trading platforms where price dislocations may occur. As a result, the potential for manipulation on a trading platform would require overcoming the liquidity supply of such arbitrageurs who are effectively eliminating any cross-market pricing differences.

<sup>28</sup> See Winklevoss Order at 37580. The Commission has also specifically noted that it "is not applying a 'cannot be manipulated' standard; instead, the Commission is examining whether the proposal meets the requirements of the Exchange Act and, pursuant to its Rules of Practice, places the burden on the listing exchange to demonstrate the validity of its contentions and to establish that the requirements of the Exchange Act have been met." *Id.* at 37582.

Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Commodity-Based Trust Shares. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Trust or the Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Exchange Act, the Exchange will surveil for compliance with the continued listing requirements. If the Trust or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12. The Exchange may obtain information regarding trading in the Shares and listed XRP derivatives via the ISG, from other exchanges who are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement.

#### Availability of Information

In addition to the price transparency of the Pricing Benchmark, the Trust will provide information regarding the Trust's XRP holdings as well as additional data regarding the Trust. The website for the Trust, which will be publicly accessible at no charge, will contain the following information: (a) the current NAV per Share daily and the prior business day's NAV per Share and the reported BZX Official Closing Price;<sup>29</sup> (b) the BZX Official Closing Price in relation to the NAV per Share as of the time the NAV is calculated and a calculation of the premium or discount of such price against such NAV per Share; (c) data in chart form displaying the frequency distribution of discounts and premiums of the BZX Official Closing Price against the NAV per Share, within appropriate ranges for each of the four previous calendar quarters (or for the life of the Trust, if shorter); (d) the prospectus; and (e) other applicable quantitative information. The aforementioned information will be published as of the close of business and available on the Sponsor's website at [www.wisdomtree.com](http://www.wisdomtree.com), or any successor thereto. The NAV for the Trust will be calculated by the Administrator once a day and will be disseminated daily to

all market participants at the same time. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The Trust will also disseminate its holdings on a daily basis on its website.

The Intraday Indicative Value ("IIV") will be updated during Regular Trading Hours to reflect changes in the value of the Trust's XRP holdings during the trading day. The IIV may differ from the NAV because NAV is calculated, using the closing value of the Pricing Benchmark, once a day at 4:00 p.m. Eastern time whereas the IIV draws prices from the last trade on each constituent platform to produce a relevant, real-time price. The IIV disseminated during Regular Trading Hours should not be viewed as an actual real-time update of the NAV, which will be calculated only once at the end of each trading day. The Trust will provide an IIV per Share updated every 15 seconds, as calculated by the Exchange or a third-party financial data provider during the Exchange's Regular Trading Hours (9:30 a.m. to 4:00 p.m. E.T.). The IIV will be widely disseminated on a per Share basis every 15 seconds during the Exchange's Regular Trading Hours through the facilities of the CTA and CQS high speed lines. In addition, the IIV will be available through on-line information services such as Bloomberg and Reuters.

The price of XRP will be made available by one or more major market data vendors, updated at least every 15 seconds during Regular Trading Hours.

As noted above, the Pricing Benchmark is calculated every 15 seconds and information about the Pricing Benchmark and Pricing Benchmark value, including index data and key elements of how the Pricing Benchmark is calculated, will be publicly available at [https://www.cfbenchmarks.com/data/indices/XRPUSD\\_NY](https://www.cfbenchmarks.com/data/indices/XRPUSD_NY).

Quotation and last sale information for XRP is widely disseminated through a variety of major market data vendors, including Bloomberg and Reuters.

Information relating to trading, including price and volume information, in XRP is available from major market data vendors and from the trading platforms on which XRP are traded. Depth of book information is also available from XRP trading platforms. The normal trading hours for XRP trading platforms are 24 hours per day, 365 days per year.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers'

computer screens and other electronic services. Information regarding the previous day's BZX Official Closing Price and trading volume information for the Shares will be published daily in the financial section of newspapers. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA.

In sum, the Exchange believes that this proposal is consistent with the requirements of Section 6(b)(5) of the Act, that on the whole the manipulation concerns previously articulated by the Commission are sufficiently mitigated to the point that they are outweighed by investor protection issues that would be resolved by approving this proposal.

The Exchange believes that the proposal is, in particular, designed to protect investors and the public interest. The investor protection issues for U.S. investors has grown significantly over the last several years, through premium/discount volatility and management fees for OTC XRP Funds. As discussed throughout, this growth investor protection concerns need to be re-evaluated and rebalanced with the prevention of fraudulent and manipulative acts and practices concerns that previous disapproval orders have relied upon.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change, rather will facilitate the listing and trading of an additional exchange-traded product that will enhance competition among both market participants and listing venues, to the benefit of investors and the marketplace.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may

<sup>29</sup> As defined in Rule 11.23(a)(3), the term "BZX Official Closing Price" shall mean the price disseminated to the consolidated tape as the market center closing trade.

designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, is consistent with the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeBZX-2025-019 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-CboeBZX-2025-019. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-019 and should be submitted on or before March 19, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>30</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-03025 Filed 2-25-25; 8:45 am]

**BILLING CODE 8011-01-P**

#### DEPARTMENT OF STATE

[Public Notice: 12674]

##### **Title: Office of Economic Sanctions Policy and Implementation's Publication of Individual Removed From the List of Specially Designated Nationals and Blocked Persons**

**SUMMARY:** The U.S. Department of State's Office of Economic Sanctions

Policy and Implementation (SPI) is publishing the name of one person who has been removed from the List of Specially Designated Nationals and Blocked Persons (SDN List) maintained by the Office of Foreign Assets Control (OFAC).

**DATES:** This removal is effective as of January 16, 2025.

**FOR FURTHER INFORMATION CONTACT:** Aaron P. Forsberg, Director, Office of Economic Sanctions Policy and Implementation, Bureau of Economic and Business Affairs, Department of State, Washington, DC 20520, tel.: (202) 647-7677, email: [ForsbergAP@state.gov](mailto:ForsbergAP@state.gov).

##### **SUPPLEMENTARY INFORMATION:**

##### **Electronic Availability**

The SDN List and additional information concerning OFAC sanctions programs are available from OFAC's website at <http://www.treasury.gov/ofac>.

##### **Notice of Department of State Action**

On January 16, 2025, pursuant to a decision by the Department of State, OFAC removed from the SDN List the person listed below, who was subject to prohibitions imposed pursuant to E.O. 14024. The individual is consequently no longer subject to the prohibitions imposed pursuant to Executive Order 14024 of April 15, 2021, "Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation."

#### Individual

1. SERDYUKOVA, Natalya Anatolevna (Cyrillic: СЕРДЮКОВА, Наталья Анатольевна), Russia; DOB 2003; nationality Russia; Gender Female; Secondary sanctions risk: See Section 11 of Executive Order 14024.; Tax ID No. 780161474499 (Russia) (individual) [RUSSIA-EO14024] (Linked To: SERDYUKOV, Anatoly Eduardovich).

<sup>30</sup> 17 CFR 200.30-3(a)(12).

Amy E. Holman,

Principal Deputy Assistant Secretary, Bureau of Economic and Business Affairs, Department of State.

[FR Doc. 2025–03096 Filed 2–25–25; 8:45 am]

BILLING CODE 4710–07–P

## DEPARTMENT OF STATE

[Public Notice 12676]

### 30-Day Notice of Proposed Information Collection: Overseas Schools Grant Status Report

**ACTION:** Notice of request for public comment and submission to OMB of proposed collection of information.

**SUMMARY:** The Department of State has submitted the information collection described below to the Office of Management and Budget (OMB) for approval. In accordance with the Paperwork Reduction Act of 1995 we are requesting comments on this collection from all interested individuals and organizations. The purpose of this Notice is to allow 30 days for public comment.

**DATES:** Submit comments up to March 28, 2025.

**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](http://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:** Direct requests for additional information regarding the collection listed in this notice, including requests for copies of the proposed collection instrument and supporting documents, to Mark Ulfers, Department of State, Office of Overseas Schools, A/OPR/OS, Room H328, SA–1, Washington, DC 20522–0132, who may be reached on 202–261–8200 or at [UlfersME@state.gov](mailto:UlfersME@state.gov).

#### SUPPLEMENTARY INFORMATION:

- *Title of Information Collection:* Overseas Schools Grant Applications.
- *OMB Control Number:* 1405–0036.
- *Type of Request:* Extension of a currently approved collection.
- *Originating Office:* Bureau of Administration, A/GO/PST/OS.
- *Form Number:* None; MyGrants application.
- *Respondents:* Overseas Schools applying for a grant from the Department of State.
- *Estimated Number of Respondents:* 193.

- *Estimated Number of Responses:* 193.

- *Average Time per Response:* 90 minutes.

- *Total Estimated Burden Time:* 4.8 hours.

- *Frequency:* Annually.
- *Obligation to Respond:* Required to Obtain or Retain a Benefit.

We are soliciting public comments to permit the Department to:

- Evaluate whether the proposed information collection is necessary for the proper functions of the Department.
- Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used.
- Enhance the quality, utility, and clarity of the information to be collected.
- Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Please note that comments submitted in response to this Notice are public record. Before including any detailed personal information, you should be aware that your comments as submitted, including your personal information, will be available for public review.

#### Abstract of Proposed Collection

The mission of Office of Overseas Schools of the Department of State (A/OPR/OS) is responsible for determining that adequate educational opportunities exist at the elementary and secondary level for dependents of American citizens carrying out the programs of the U.S. Government abroad, and for assisting American-sponsored overseas schools to embody the best educational practices employed in the United States, and promote mutual understanding among peoples through education.

The information submitted by assisted schools through the MyGrants application, enables the technical and professional staff of A/OPR/OS to monitor obligations, expenditures and reimbursements of the grant funds and ensure the grantee is in compliance with the terms of the grant. In addition, A/OPR/OS plans to use information collected via the MyGrants application to ensure accuracy of the information published on its website, namely the Fact Sheets and Special Needs Profiles.

Availability of adequate educational opportunities for dependents of Government personnel is essential to the task of recruiting, placing, and retaining Foreign Service personnel at overseas posts.

## Response to Public Comments

There were no public comments submitted in response to the 60-day Notice.

## Methodology

*Information is collected via electronic and paper submission.*

Mark J. Biedlingmaier,

Senior Bureau Official for the Bureau of Administration, Department of State.

[FR Doc. 2025–03092 Filed 2–25–25; 8:45 am]

BILLING CODE 4710–24–P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

[FAA–2024–1807]

#### Agency Information Collection Activities: Requests for Comments; Clearance of a Renewed Approval of Information Collection: Commercial Space Transportation Licensing Regulations

**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 information will determine if applicant proposals for conducting commercial space launches can be accomplished according to regulations issued by the Office of the Associate Administrator for Commercial Space Transportation. The **Federal Register** notice with a 60-day comment period soliciting comments on the following collection of information was published on June 24, 2024. The Commercial Space Launch Act of 1984, as recodified, requires certain data be provided in applying for a license to conduct commercial space launch activities. These data are required to demonstrate to the Federal Aviation Administration (FAA), Associate Administrator for Commercial Space Transportation (AST), that a license applicant’s proposed activities meet applicable public safety, national security, and foreign policy interests of the United States.

**DATES:** Written comments should be submitted by March 28, 2025.

**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](http://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.

**FOR FURTHER INFORMATION CONTACT:** Charles Huet by email at: [Charles.huet@faa.gov](mailto:Charles.huet@faa.gov); phone: 202-267-7427.

**SUPPLEMENTARY INFORMATION:**

*Public Comments Invited:* You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA’s performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information.

*OMB Control Number:* 2120-0608.

*Title:* Commercial Space

Transportation Licensing Regulations.

*Form Numbers:* FAA Form 8800-1.

*Type of Review:* Renewal of an information collection.

*Background:* The **Federal Register** notice with a 60-day comment period soliciting comments on the following collection of information was published on June 24, 2024 (89 FR 52532). (The Commercial Space Launch Act of 1984, 49 U.S.C. App. 2601-2623, as recodified at 49 U.S.C. subtitle IX, Ch. 701—Commercial Space Launch Activities, 49 U.S.C. 70101-70119 (1994), requires certain data be provided in applying for a license to conduct commercial space launch activities. These data are required to demonstrate to the Federal Aviation Administration (FAA), Associate Administrator for Commercial Space Transportation (AST), that a license applicant’s proposed activities meet applicable public safety, national security, and foreign policy interests of the United States.

*Respondents:* Approximately 17 space launch applicants.

*Frequency:* Information is collected on occasion.

*Estimated Average Burden per Response:* 163 hours.

*Estimated Total Annual Burden:* 2,779 hours.

Issued in Washington, DC.

**James A. Hatt,**

*Space Policy Division Manager, Commercial Space Transportation, Federal Aviation Administration.*

[FR Doc. 2025-02978 Filed 2-25-25; 8:45 am]

**BILLING CODE 4910-13-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**Proposed Collection; Requesting Comments on Form 8850**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. The IRS is soliciting comments concerning Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit.

**DATES:** Written comments should be received on or before April 28, 2025 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Andres Garcia, Internal Revenue Service, room 6526, 1111 Constitution Avenue NW, Washington, DC 20224, or to [omb.unit@irs.gov](mailto:omb.unit@irs.gov). Please include, “OMB Number: 1545-1500. Public Comment Request Notice” in the Subject line.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the form and instructions should be directed to LaNita Van Dyke, (202) 317-6009, at Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW, Washington, DC 20224, or through the internet at [Lanita.VanDyke@gov](mailto:Lanita.VanDyke@gov).

**SUPPLEMENTARY INFORMATION:** The IRS is currently seeking comments concerning the following information collection tools, reporting, and record-keeping requirements:

*Title:* Pre-Screening Notice and Certification Request for the Work Opportunity Credit.

*OMB Number:* 1545-1500.

*Form Number:* Form 8850.

*Abstract:* Employers use Form 8850 as part of a written request to a state employment security agency to certify an employee as a member of a targeted group for purposes of qualifying for the work opportunity credit. The work opportunity credit covers certain employees who begin work for the employer after December 31, 2020.

*Current Actions:* There is no change to the existing collection.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Responses:* 440,000.

*Estimated Time per Respondent:* 7 hours, 24 minutes.

*Estimated Total Annual Burden Hours:* 3,242,800.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: February 19, 2025.

**Molly J. Stasko,**

*Senior Tax Analyst.*

[FR Doc. 2025-03082 Filed 2-25-25; 8:45 am]

**BILLING CODE 4830-01-P**

# Reader Aids

Federal Register

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Wednesday, February 26, 2025

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