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DEPARTMENT OF AGRICULTURE

Office of the Secretary

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7 CFR Part 5001

[Docket No. USDA–2024–0002]

RIN 0503–AA87

Removal of Unconstitutional Preferences Based on Race and Sex in Response to Court Ruling

AGENCY: Office of the Secretary, Federal Crop Insurance Corporation, Natural Resources Conservation Service, Farm Service Agency, Commodity Credit Corporation, Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service, USDA.

ACTION: Final rule.

SUMMARY: The U.S. Department of Agriculture (USDA) has independently determined that it will no longer employ the race- and sex-based “socially disadvantaged” designation to provide increased benefits based on race and sex in the programs at issue in this regulation.

The USDA has faced a long history of litigation stemming from allegations of discrimination in the administration of its farm loan and benefit programs. However, over the past several decades, USDA has undertaken substantial efforts to redress past injustices, culminating in comprehensive settlements, institutional reforms, and compensatory frameworks. These actions collectively support the conclusion that past discrimination has been sufficiently addressed and that further race- and sex-based remedies are no longer necessary or legally justified under current circumstances.

DATES: Effective July 10, 2025.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Poe, Office of the General Counsel, USDA, 1400 Independence Avenue SW, Washington, DC 20250–1400, (202) 769–8247.

SUPPLEMENTARY INFORMATION: Over the years, USDA has acknowledged and confronted its history of discrimination in the administration of federal farm loan and benefit programs through a series of lawsuits brought by minority and female farmers. Courts and Congress have examined claims of disparate treatment and unequal access to credit and services. These proceedings have resulted in landmark settlements, meaningful reforms, and the disbursement of substantial compensatory relief.

Litigation addressing discrimination by USDA-affiliated entities dates to the early 1970s. In *Strain v. Philippot*, 331 F. Supp. 836 (M.D. Ala. 1971) a federal court entered a consent decree to address claims of racially discriminatory employment and service delivery practices within the Alabama Cooperative Extension Service (ACES). The plaintiffs, all black citizens of Alabama, included an employee of ACES and other rural residents who were beneficiaries or potential beneficiaries of extension services in Alabama.

The court determined that racial discrimination had influenced the employment practices and service

distribution of the defendants, necessitating a detailed and specific decree. This decree not only prohibited discriminatory practices but also established procedures to prevent future discrimination and address the effects of past inequities. The case set a precedent for judicial intervention in USDA-related civil rights matters and underscored USDA’s willingness to engage in meaningful reforms to ensure equitable access and treatment for all.

In the mid-1990s, lawsuits such as *Williams v. Glickman*, 936 F. Supp. 1 (D.D.C. 1996) raised serious allegations of racial bias in USDA loan programs. The plaintiffs in this case alleged racial and national origin discrimination by the Farmers Home Administration (FmHA), a credit agency within USDA, in its administration of farm loans. They sought damages and equitable relief under the Equal Credit Opportunity Act and the Fifth Amendment and filed a motion for class certification, seeking to represent a broader group of individuals allegedly affected by discriminatory practices. However, after reviewing the arguments, evidence, and legal standards, the court denied the motion for class certification.

Although these early claims were dismissed for procedural reasons, they laid the foundation for the class-action case *Pigford v. Glickman*, 182 FRD. 341 (D.D.C. 1998) filed on behalf of black farmers who had been systematically excluded from USDA credit programs between 1981 and 1996. The *Pigford* settlement, approved by the court in 1999, provided over \$1 billion in payments and debt relief. It also imposed institutional reforms within USDA, including strengthened civil rights oversight and improved loan processing procedures with a consent decree establishing a system for notice, claims submission, consideration, and review that involved a facilitator, arbitrator, adjudicator, and monitor, all with assigned responsibilities.

In 2004, the Black Farmers and Agriculturalists Association (BFAA) filed a \$20.5 billion class action lawsuit against the USDA for the same practices, alleging racially discriminatory practices between 1997 and 2004. The lawsuit was dismissed when the BFAA failed to show it had standing to bring the suit.

Recognizing that many eligible claimants were excluded from the

original *Pigford* settlement due to missed deadlines, Congress enacted legislation authorizing the *Pigford II* settlement in 2010. This legislation appropriated an additional \$1.25 billion to allow late filers to seek relief under a non-judicial claims process. These efforts underscored a bipartisan consensus that the legacy of discrimination required not only financial redress but also structural reform.

Similar allegations were addressed in *Keepseagle v. Vilsack*, No. 1:99-cv-03119 (D.D.C. filed Nov. 24, 1999) (settled), brought by Native American farmers who faced comparable disparities in USDA credit services. The 2010 settlement in that case provided up to \$760 million in relief and further commitments to reform agency outreach and support for Native communities. Although other lawsuits, including *Garcia v. Vilsack* (filed by Hispanic farmers) and *Love v. Vilsack* (filed by

female farmers), did not achieve class certification, they nonetheless spurred USDA to create additional administrative processes for reviewing and compensating individual claims. These responses collectively reflected a broad institutional effort to correct past practices and ensure equitable access moving forward.

These actions collectively demonstrate USDA's substantial and sustained efforts to identify, acknowledge, and correct historical discrimination in its programs. The Department has implemented billions of dollars in settlement compensation, restructured its civil rights offices, and improved transparency, access, and service delivery. Courts have consistently affirmed that targeted relief, rather than open-ended racial or sex-based preferences, are the appropriate remedy for past discrimination.

In *Strickland v. USDA*, white farmers challenged USDA disaster and

pandemic relief programs that targeted socially disadvantaged groups. The plaintiffs argued that the use of race and sex as criteria violated the Equal Protection Clause. Emphasizing an emerging judicial scrutiny of remedial race-based classifications, particularly considering Supreme Court precedent clarifying constitutional limits on affirmative action, the Court preliminarily enjoined the relief programs that included race- and sex-based preferences. *Strickland v. United States Dep't of Agric.*, 736 F. Supp. 3d 469 (N.D. Tex. 2024).

In alignment with the *Strickland* court's June 7, 2024, decision, USDA has concluded that the use of discretionary policy choices, made under the rubric of the statutory authorities for the programs identified in the table below, is inconsistent with constitutional principles and the administration's policy objectives.

Program title	Description	CFR citation
Pandemic Assistance Programs.	7 CFR Part 9 outlines the Pandemic Assistance Programs, specifically the Coronavirus Food Assistance Program (CFAP) and the Pandemic Assistance Revenue Program (PARP), designed to support agricultural producers impacted by the COVID-19 pandemic. These programs aim to compensate for revenue losses incurred during 2020 due to pandemic-related disruptions.	7 CFR Part 9.
General Administrative Regulations.	7 CFR Part 400 contains the general administrative regulations for the Federal Crop Insurance Corporation (FCIC). These regulations cover various aspects of the crop insurance program, including eligibility, policy submissions, production reporting, and appeals processes. The part is divided into several subparts, each addressing specific areas of the program.	7 CFR Part 400.
Wildlife Habitat Incentive Program.	The Wildlife Habitat Incentives Program, governed by 7 CFR Part 636, is a program designed to encourage private landowners to develop and improve fish and wildlife habitat on their land. This voluntary program offers financial and technical assistance for conservation practices on eligible lands, including agricultural land, nonindustrial private forest land, and Indian land.	7 CFR Part 636.
Indemnity Payment Programs.	Indemnity Payment Programs administered by the Farm Service Agency provide financial assistance to producers who have suffered losses due to natural disasters or other qualifying events.	7 CFR Part 760.
Farm Loan Programs; General Program Administration.	7 CFR Part 761 outlines the general program administration for Farm Loan Programs offered by the Farm Service Agency. This section covers both direct and guaranteed loan programs, detailing policies and procedures for loan making, servicing, and debt settlement. It also addresses issues relevant to both types of loans, such as farm operating plans, progression lending, and fund allocations.	7 CFR Part 761.
Guaranteed Farm Loans	This subpart contains regulations governing Operating loans, Farm Ownership loans, and Conservation loans guaranteed by the Agency. This subpart applies to lenders, holders, borrowers, Agency personnel, and other parties involved in making, guaranteeing, holding, servicing, or liquidating such loans.	7 CFR Part 762.
Inventory Property Management.	7 CFR Part 767 outlines the regulations governing the management, lease, and sale of inventory property acquired by the Farm Service Agency, usually because of loan issues with borrowers. This acquisition can happen either by foreclosure or deed in lieu of foreclosure. The core policy is to manage and sell inventory property to protect the Agency's financial interest, although the Agency may opt to lease acquired property in specific situations.	7 CFR Part 767.
Conservation Reserve Program.	The goals of the Conservation Reserve Program include cost-effectively reducing water and wind erosion, and protecting the Nation's long-term capability to produce food and fiber by establishing contracts with eligible producers to convert eligible land to an approved cover during the contract period in return for financial and technical assistance.	7 CFR Part 1410.
Agricultural Management Assistance.	Agricultural Management Assistance provides financial assistance funds annually to producers in 16 statutorily designated States to improve water management and quality, plant trees, and mitigate risk through production diversification, conservation practices, pest management, or the transition to organic farming.	7 CFR Part 1465.
Wetlands Reserve Program.	The Wetlands Reserve Program aims to provide technical and financial assistance to eligible landowners for the restoration, protection, and enhancement of wetlands on eligible private and Tribal lands.	7 CFR Part 1467.
Agricultural Conservation Easement Program.	ACEP is a voluntary program administered by the USDA's Natural Resources Conservation Service aimed at assisting farmers, ranchers, and other eligible entities in preserving agricultural lands and restoring, protecting, and enhancing wetlands on eligible lands.	7 CFR Part 1468.

Program title	Description	CFR citation
Loans and Grants	These programs aim to support rural communities through financial assistance for economic development, energy projects, and small businesses. They include the Rural Economic Development Loan and Grant Program, the Rural Energy for America Program, the Rural Microentrepreneur Assistance Program, and Rural Business Development Grants.	7 CFR Part 4280.
Guaranteed Loans	The Guaranteed Loan Programs provide loan guarantees to lenders, enabling them to extend credit to rural businesses, agricultural producers, and communities for various projects. The regulations cover eligibility for projects, borrowers, and lenders, as well as loan origination, servicing, and guarantee provisions.	7 CFR Part 5001.

Moving forward, USDA will no longer apply race- or sex-based criteria in its decision-making processes, ensuring that its programs are administered in a manner that upholds the principles of meritocracy, fairness, and equal opportunity for all *participants*.

This decision aligns with recent federal directives emphasizing the importance of equal protection under the law and merit-based opportunity. On January 20, 2025, President Trump issued Executive Order 14148, “Initial Recissions of Harmful Executive Orders and Actions,” which revoked prior executive orders that advanced racial equity and support for underserved communities through race- and sex-based preferences. The following day, Executive Order 14173, “Ending Illegal Discrimination and Restoring Merit-Based Opportunity,” was issued, declaring that it is the policy of the United States to protect civil rights, promote individual initiative, and eliminate all discriminatory and illegal preferences, mandates, policies, programs, and activities. This order directed all executive departments and agencies to terminate mandates and programs that rely on criteria such as “diversity,” “equity,” “advancing equity,” or similar frameworks.

On February 5, 2025, Attorney General Bondi issued a memorandum titled “Eliminating Internal Discriminatory Practices,” which reinforced the commitment to ensuring equal protection under the law. The memorandum emphasized that eliminating racial discrimination requires eliminating all forms of it and directed federal agencies to evaluate their practices and policies to ensure alignment with the principles of equal dignity and respect.

Accordingly, with respect to the programs at issue in this rulemaking, USDA has transitioned to race- and sex-neutral frameworks to ensure compliance with constitutional principles and the equal protection of all farmers and ranchers under the law. This regulatory action reflects that transition. It affirms that USDA, going forward, lacks a compelling interest in redressing instances of historical

discrimination because of the progress achieved through USDA’s extensive settlement processes and structural reforms. Future programmatic relief will be administered without regard to race or sex, in accordance with the law and the principles of fairness.

Procedural Matters

Pursuant to 5 U.S.C. 553(a)(2), the provisions of the Administrative Procedure Act requiring notice of proposed rulemaking and the opportunity for public participation are inapplicable to this final rule because this rule relates to “personnel or public property, loans, grants, benefits, or contracts.” In addition, the *Strickland* decision catalyzed the changes USDA is making in this rule to comport with the Constitution. Therefore, this final rule is being issued without notice and comment.

Executive Order 12866

Analyzing the economic impact of this rule involves comparing the proposed change with an analytic baseline. Since the court ruling in *Strickland v. USDA*, USDA has not provided special consideration based on race or gender. Therefore, this rule results in no economic effect relative to a baseline in which current practice is extended into the future.

This rule has been determined to be significant for the purposes of Executive Order 12866 and was submitted to the Office of Information and Regulatory Affairs for review.

Congressional Review Act

This final rule is not major under the Congressional Review Act (5 U.S.C. 801 *et seq.*).

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule because USDA was not required to publish notice of proposed rulemaking under 5 U.S.C. 553 or any other law.

Paperwork Reduction Act

The purpose of the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. 3501 *et seq.*, includes minimizing the paperwork burden on affected entities. The PRA requires certain actions before an agency can adopt or revise a collection of information, including publishing for public comment a summary of the collection of information and a brief description of the need for and proposed use of the information.

A Federal agency may not conduct or sponsor a collection of information unless it is approved by the Office of Management and Budget (OMB) under the PRA and it displays a currently valid OMB control number. The public is also not required to respond to a collection of information unless it displays a currently valid OMB control number. In addition, notwithstanding any other provisions of law, no person will be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number (44 U.S.C. 3512).

This rulemaking potentially affects existing information collections related to the grant and loan programs listed in the table included in the preamble. USDA will obtain OMB approval for any changes to these collections prior to their adoption.

Severability

While many provisions of this final rule reinforce each other, USDA intends for each provision to stand on its own merit and be severable. If any part of this final rule is declared invalid or stayed, USDA intends for the remaining provisions to remain valid and enforceable. USDA would separately adopt all of the provisions contained in this final rule.

List of Subjects

7 CFR Part 9

Agricultural commodities, Agriculture, Disaster assistance, Indemnity payments.

7 CFR Part 400

Administrative practice and procedure, Crop insurance.

7 CFR Part 636

Administrative practice and procedure, Agriculture, Conservation, Endangered and threatened species, Natural resources, Soil conservation, Wildlife.

7 CFR Part 760

Acreage allotments, Dairy products, Indemnity payments, Pesticides and pests, Reporting and recordkeeping requirements.

7 CFR Part 761

Loan programs—Agriculture.

7 CFR Part 762

Agriculture, Credit, Loan programs—Agriculture.

7 CFR Part 767

Agriculture, Credit, Loan programs—Agriculture.

7 CFR Part 1410

Acreage allotments, Agriculture, Environmental protection, Natural resources, Reporting and recordkeeping requirements, Soil conservation, Technical assistance, Water resources, Wildlife.

7 CFR Part 1465

Conservation contract, Conservation plan, Conservation practices, Soil and water conservation.

7 CFR Part 1467

Administrative practice and procedure, Agriculture, Soil conservation, Wetlands.

7 CFR Part 1468

Agricultural, Flood Plains, Grazing lands, Natural resources, Soil conservation, Wildlife.

7 CFR Part 4280

Business and industry, Community development, Economic development, Grant programs—housing and community development, Loan programs—housing and community development, Reporting and recordkeeping requirements, Rural areas.

7 CFR Part 5001

Business and industry, Community facilities, Energy efficiency improvement, Loan programs, Renewable energy, Rural areas, Rural development, Water and waste disposal.

Accordingly, for the reasons stated in the preamble, USDA amends 7 CFR parts 9, 400, 636, 760, 761, 762, 767,

1410, 1465, 1467, 1468, 4280, and 5001 as follows:

PART 9—PANDEMIC ASSISTANCE PROGRAMS

- 1. The authority citation for part 9 continues to read as follows:

Authority: 15 U.S.C. 714b and 714c; Division B, Title I, Pub. L. 116–136, 134 Stat. 505; and Division N, Title VII, Subtitle B, Chapter 1, Pub. L. 116–260.

- 2. Amend § 9.203 by revising paragraph (p) to read as follows:

§ 9.203 Calculation of payments.

* * * * *

(p) An additional payment equal to 15 percent of a producer's CFAP 2 payment calculated according to paragraphs (a) through (k) of this section will be issued to producers who have certified their status as a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher applicable to the 2020 program year on CCC–860.

- 3. Amend § 9.306 by revising paragraphs (a)(1)(iii)(A) and (b)(1)(iii)(A) to read as follows:

§ 9.306 Payment calculation.

(a) * * *

(1) * * *

(iii) * * *

(A) Ninety (90) percent for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher, who has submitted form CCC–860 certifying they meet the definition for at least one of the applicable groups; or

* * * * *

(b) * * *

(1) * * *

(iii) * * *

(A) 90 percent for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher, who has submitted form CCC–860 certifying they meet the definition for at least one of the applicable groups; or

* * * * *

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

- 4. The authority citation for part 400 continues to read as follows:

Authority: 7 U.S.C. 1506(1), 1506(o).

- 5. Amend § 400.705 by revising paragraph (c)(3) to read as follows:

§ 400.705 Contents for new and changed 508(h) submissions, concept proposals, and index-based weather plans of insurance.

* * * * *

(c) * * *

(3) A detailed description of the coverage provided by the 508(h) submission and its applicability to all producers, including those who are considered small, beginning and limited resource or other specific aspects designated by FCIC for review.

* * * * *

PART 636—WILDLIFE HABITAT INCENTIVE PROGRAM

- 6. The authority citation for part 636 continues to read as follows:

Authority: 16 U.S.C. 3839bb–1.

- 7. Amend § 636.7 by revising paragraph (a)(2) to read as follows:

§ 636.7 Cost-share payments.

(a) * * *

(2) An eligible person, joint operation, legal entity, or Indian tribe who is a beginning farmer or rancher, limited resource farmer or rancher, or NIPF landowner who meets the beginning or limited resource qualifications set forth in § 636.3, and Indian tribes may receive the applicable payment rate and an additional rate that is not less than 25 percent above the applicable rate, provided that this increase does not exceed 90 percent of the estimated costs associated with WHIP plan of operations implementation.

* * * * *

PART 760—INDEMNITY PAYMENT PROGRAMS

- 8. The authority citation for part 760 continues to read as follows:

Authority: 7 U.S.C. 4501 and 1531; 16 U.S.C. 3801, note; 19 U.S.C. 2497; Title III, Pub. L. 109–234, 120 Stat. 474; Title IX, Pub. L. 110–28, 121 Stat. 211; Sec. 748, Pub. L. 111–80, 123 Stat. 2131; Title I, Pub. L. 115–123, 132 Stat. 65; Title I, Pub. L. 116–20, 133 Stat. 871; Division B, Title VII, Pub. L. 116–94, 133 Stat. 2658; Title I, Pub. L. 117–43, 135 Stat. 356; and Division N, Title I, Pub. L. 117–328, 136 Stat. 4459; Division B, Title I, Pub. L. 118–158, 138 Stat. 1722.

- 9. Amend § 760.1704 by revising paragraph (a) introductory text to read as follows:

§ 760.1704 Payments to dairy farmers for milk.

(a) A milk loss payment will be made to an affected farmer who is determined by the FSA county committee to be in compliance with all the terms and conditions of this subpart in the amount equal to 90 percent for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher or 75 percent for all other affected farmers of the fair market value

of the farmer's normal marketings for the application period, less:

* * * * *

- 10. Amend § 760.1905 by revising paragraph (d) to read as follows:

§ 760.1905 Payment calculation.

* * * * *

(d) After the close of the ERP Phase 2 application period, FSA will issue a final payment equal to the amount calculated according to this section minus the amount of the producer's initial payment. If total calculated payments exceed the total funding available for ERP Phase 2, the ERP factor may be adjusted and the final payment amounts will be prorated to stay within the amount of available funding. If there are insufficient funds, a differential of 15 percent will be used for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher similar to ERP Phase 1, but with a cap at the statutory maximum of 70 percent. For example, if the ERP Factor is set at 50 percent, the factor used for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher will be 65 percent, but if the factor is set at 55 percent or higher, the factor for a beginning farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher will be capped at 70 percent.

* * * * *

PART 761—FARM LOAN PROGRAMS; GENERAL PROGRAM ADMINISTRATION

- 11. The authority citation for part 761 continues to read as follows:

Authority: 5 U.S.C. 301 and 7 U.S.C. 1989.

- 12. Amend § 761.211 by revising paragraph (a) to read as follows:

§ 761.211 Transfer of funds.

* * * * *

(a) August 1 of each fiscal year, the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers under the Down payment loan program; and

* * * * *

PART 762—GUARANTEED FARM LOANS

- 13. The authority citation for part 762 continues to read as follows:

Authority: 5 U.S.C. 301 and 7 U.S.C. 1989.

- 14. Amend § 762.129 by:

- a. Adding the word “or” at the end of paragraph (b)(1)(iv);
■ b. Removing paragraph (b)(1)(v);

- c. Redesignating paragraph (b)(1)(vi) as paragraph (b)(1)(v); and

- d. Revising paragraph (b)(2).

The revision reads as follows:

§ 762.129 Percent of guarantee and maximum loss.

* * * * *

(b) * * *

(2) For CLs, the guarantee will be issued at 80 percent; however, the guarantee will be issued at 90 percent if the applicant is a qualified beginning farmer.

* * * * *

- 15. Amend § 762.130 by revising paragraph (d)(4)(iii)(C) to read as follows:

§ 762.130 Loan approval and issuing the guarantee.

* * * * *

(d) * * *

(4) * * *

(iii) * * *

(C) Loans to beginning or veteran farmers involved in the direct Down Payment Loan Program or beginning farmers participating in a qualified State Beginning Farmer Program.

* * * * *

PART 767—INVENTORY PROPERTY MANAGEMENT

- 16. The authority citation for part 767 continues to read as follows:

Authority: 5 U.S.C. 301 and 7 U.S.C. 1989.

- 17. Amend § 767.101 by revising paragraphs (a)(2), (c)(2), (d)(3), and (g) to read as follows:

§ 767.101 Leasing real estate inventory property.

(a) * * *

(2) To a beginning farmer selected to purchase the property but who was unable to purchase it because of a lack of Agency direct or guaranteed loan funds;

* * * * *

(c) * * *

(2) A maximum of 18 months to a beginning farmer the Agency selected as purchaser when no Agency loan funds are available; or

* * * * *

(d) * * *

(3) On a crop-share basis, if the lessee is a beginning farmer under paragraph (a) of this section.

* * * * *

(g) Only leases to a beginning farmer or Homestead Protection Program participant will contain an option to purchase the property.

- 18. Amend § 767.152 by revising paragraph (a) to read as follows:

§ 767.152 Exceptions.

* * * * *

(a) If the Agency leases real estate inventory property to a beginning farmer in accordance with § 767.101(a)(2), and the lease expires, the Agency will not advertise the property if the Agency has direct or guaranteed loan funds available to finance the transaction.

* * * * *

- 19. Amend § 767.153 by revising paragraph (b)(3) to read as follows:

§ 767.153 Sale of real estate inventory property.

* * * * *

(b) * * *

(3) All purchasers who are not beginning farmers make a 10 percent down payment.

* * * * *

PART 1410—CONSERVATION RESERVE PROGRAM

- 20. The authority citation for part 1410 continues to read as follows:

Authority: 15 U.S.C. 714b and 714c; 16 U.S.C. 3801–3847.

- 21. Amend § 1410.5 by revising paragraph (b) to read as follows:

§ 1410.5 Eligible persons.

* * * * *

(b) The provisions of this section do not apply to beginning, or veteran farmers or ranchers who are eligible participants in the Transition Incentives Program as specified in § 1410.64.

- 22. Amend § 1410.33 by revising paragraph (a)(4) to read as follows:

§ 1410.33 Contract modifications.

(a) * * *

(4) During the last 2 years of the CRP contract period, facilitate a transition of land subject to the contract to a beginning or veteran farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods. For purposes of this paragraph (a)(4), “sustainable grazing and crop production methods” will be considered methods that would be designed as part of an overall plan defined on an ecosystem level to be useful in the creation of integrated systems of plant and animal production practices that have a site specific application that would:

- (i) Enhance the environment and the natural resource base;
(ii) Use nonrenewable resources efficiently; and
(iii) Sustain the economic viability of the farming operation.

* * * * *

■ 23. Amend § 1410.62 by revising paragraph (f) to read as follows:

§ 1410.62 Miscellaneous.

* * * * *

(f) As determined by CCC, incentives may be authorized to foster opportunities for Indian Tribes and beginning, limited resource, and veteran farmers and ranchers, and to enhance long-term environmental goals.

■ 24. Amend § 1410.64 by revising paragraphs (a)(2)(i), (a)(5) introductory text, (a)(5)(i), (b) introductory text, (c), (d), (e), and (f) to read as follows:

§ 1410.64 Transition Incentives Program.

(a) * * *

(2) * * *

(i) Beginning on the date of the end of the CRP contract period, the land must be sold or leased (under a long-term lease, or a lease with an option to purchase the land, including a lease with a term of less than 5 years and an option to purchase the land) to a beginning or veteran farmer or rancher who will return some or all of the land to production using sustainable grazing or crop production methods; and

* * * * *

(5) The beginning or veteran farmers or ranchers must:

(i) Certify that they meet the definition of either a beginning or veteran farmer or rancher as defined in part 718 of this title;

* * * * *

(b) Beginning in the last 2 years of the CRP contract period, the beginning or veteran farmer or rancher may:

* * * * *

(c) Eligible beginning or veteran farmers or ranchers may be eligible immediately to re-enroll certain partial field conservation practices in CRP, in accordance with the conservation plan and the provisions of this part, following the expiration of the CRP contract, provided that the beginning or veteran farmer or rancher has control of the land and meets all other qualifying conditions specified in this part.

(d) Eligible beginning or veteran farmers or ranchers will be eligible to enroll land in the Environmental Quality Incentives Program or the Conservation Stewardship Program, as specified in parts 1466 and 1470 of this chapter, provided that their offer to enroll otherwise meets all program conditions, and provided that the CRP contract has expired and the beginning or veteran farmer or rancher is either leasing or has possession of the property.

(e) As an incentive for selling or leasing land to a beginning or veteran

farmer or rancher who is not a family member of the previous participants, CCC will pay 2 years of additional CRP annual rental payments at the same contract rate to the previous participants. The previous participants must certify in writing that the beginning or veteran farmer or rancher is not a family member.

(f) The previous participants and the eligible beginning or veteran farmer or rancher must agree to be jointly and severally responsible for complying with both the provisions of the Transition Incentives Program contract and the provisions of this part, and must also agree to be jointly and severally responsible for any payment adjustments that may result from violations of the terms or conditions of the Transition Incentives Program contract or this part.

PART 1465—AGRICULTURAL MANAGEMENT ASSISTANCE

■ 25. The authority citation for part 1465 continues to read as follows:

Authority: 7 U.S.C. 1524(b).

■ 26. Amend § 1465.23 by revising paragraph (a)(2) to read as follows:

§ 1465.23 Payments.

(a) * * *

(2) In the case of an eligible person, joint operation, or legal entity who is a beginning farmer or rancher, limited resource farmer or rancher, or nonindustrial private forest landowner who meets the beginning or limited resource qualifications set forth in § 1465.3, the payment rate will be the applicable rate and an additional rate that is not less than 25 percent above the applicable rate, provided that this increase does not exceed 90 percent of the estimated incurred costs or estimated income foregone.

* * * * *

PART 1467—WETLANDS RESERVE PROGRAM

■ 27. The authority citation for part 1467 continues to read as follows:

Authority: 16 U.S.C. 3837 *et seq.*

■ 28. Amend § 1467.2 by revising paragraph (g) to read as follows:

§ 1467.2 Administration.

* * * * *

(g) The Chief may allocate funds for purposes related to: Encouraging enrollment by a beginning or limited resource farmer or rancher as authorized by 16 U.S.C. 3844; special pilot programs for wetland management and monitoring; acquisition of wetland

easements with emergency funding; cooperative agreements with other Federal or State agencies for program implementation; coordination of easement enrollment across State boundaries; coordination of the development of conservation plans; or, for other goals of the WRP found in this part. NRCS may designate areas as conservation priority areas where environmental concerns are especially pronounced and to assist landowners in meeting nonpoint source pollution requirements and other conservation needs.

PART 1468—AGRICULTURAL CONSERVATION EASEMENT PROGRAM

■ 29. The authority citation for part 1468 continues to read as follows:

Authority: 15 U.S.C. 714b and 714c; 16 U.S.C. 3865–3865d.

■ 30. Amend § 1468.2 by revising paragraph (e) to read as follows:

§ 1468.2 Administration.

* * * * *

(e) The Chief may allocate funds for purposes related to: Encouraging enrollment by beginning farmers or ranchers, limited resource farmers or ranchers, Indian Tribes, and veteran farmers or ranchers as authorized by 16 U.S.C. 3844; implementing landscape and related initiatives, special pilot programs for easement management and monitoring; agreements with other agencies and organizations to assist with program implementation; coordination of easement enrollment across State boundaries; coordination of the development of easement plans for ACEP–WRE or conservation plans for ACEP–ALE; or for other goals of the ACEP found in this part.

* * * * *

PART 4280—LOANS AND GRANTS

■ 31. The authority citation for part 4280 continues to read as follows:

Authority: 7 U.S.C. 1989(a), 7 U.S.C. 2008s.

§ 4280.121 [Amended]

■ 32. Amend § 4280.121 by:

■ a. Removing “; or” at the end of paragraph (h)(3)(i) and adding a period in its place; and

■ b. Removing and reserving paragraph (h)(3)(ii).

PART 5001—GUARANTEED LOANS

■ 33. The authority citation for part 5001 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1926(a); 7 U.S.C. 1932(a); and 7 U.S.C. 8107.

■ 34. Amend § 5001.319 by revising paragraph (g)(3) to read as follows:

§ 5001.319 REAP project priority point system.

* * * * *

(g) * * *

(3) The borrower is a veteran or veterans own 20 percent or more in interest in the borrower. In order to receive points, the borrower must sign a certification in its application to indicate that the borrower has veteran status.

* * * * *

Ralph A. Linden,

Acting General Counsel, Office of the General Counsel.

[FR Doc. 2025–12877 Filed 7–9–25; 8:45 am]

BILLING CODE 3410–14–P

DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 760

[Docket ID FSA–2025–0007]

RIN 0560–AI71

Supplemental Disaster Relief Program (SDRP) Stage 1

AGENCY: Farm Service Agency, U.S. Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: The Farm Service Agency (FSA) is issuing this final rule announcing SDRP, which provides assistance to eligible producers for losses to crops, trees, bushes, and vines due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar years 2023 and 2024. SDRP assistance will be provided in two stages, referred to as Stage 1 and Stage 2. This document provides the eligibility requirements, application process, and payment calculations for SDRP Stage 1 only, which will provide payments for eligible crop, tree, and vine losses calculated using data already on file with USDA from previously issued Federal crop insurance indemnities and Noninsured Crop Disaster Assistance Program (NAP) payments. FSA anticipates announcing SDRP Stage 2 in a later rule.

DATES: This rule is effective on July 10, 2025.

FOR FURTHER INFORMATION CONTACT:

Kathy Sayers; telephone: (202) 720–6870; email: Kathy.Sayers@usda.gov. Individuals with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

SUPPLEMENTARY INFORMATION:

Background

Title I of the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025; Pub. L. 118–158; referred to as “the Act” in this document) provides “\$30,780,000,000, to remain available until expended, for necessary expenses related to losses of revenue, quality or production of crops (including milk, on-farm stored commodities, crops prevented from planting, and harvested adulterated wine grapes), trees, bushes, and vines, as a consequence of droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, and excessive moisture occurring in calendar years 2023 and 2024 under such terms and conditions as determined by the Secretary of Agriculture . . .”. As provided in the Act, losses due to drought are only eligible if any area within the county in which the loss occurs was rated by the U.S. Drought Monitor¹ as having D2 (Severe Drought) for eight consecutive weeks or a D3 (Extreme Drought) or higher level of drought intensity during the applicable calendar years.

FSA is using the funding provided in the Act to assist producers through several programs.² SDRP will use approximately \$16.09 billion of the authorized \$30.78 billion in funding to assist producers who suffered losses of crops, trees, bushes, or vines due to qualifying disaster events. FSA will administer SDRP in two stages.

Stage 1 will use a streamlined process with pre-filled application forms for producers with indemnified crop, tree,

and vine losses.³ Data for these losses are already on file with FSA or the Risk Management Agency (RMA) as a result of the producer previously receiving a NAP payment or a crop insurance indemnity under certain crop insurance policies. This rule provides the eligibility requirements, application process, and payment calculations for SDRP Stage 1.

SDRP Stage 2 will provide payments to eligible producers for losses of crops, trees, bushes, and vines that were not indemnified. These losses, sometimes referred to as uncovered or shallow losses, include losses of crops, trees, bushes, and vines for which a producer did not have crop insurance or NAP coverage, as well as losses that were insured with crop insurance or covered by NAP but were not severe enough to trigger an indemnity. Like Stage 1, Stage 2 payments will be calculated based on individual crop, tree, bush, and vine losses, rather than a producer’s cumulative revenue loss, which was used for the Emergency Relief Program (ERP) Phase 2 and ERP 2022 Track 2. Producers who apply for Stage 2 will provide the data required to calculate a payment through the application process. FSA anticipates announcing SDRP Stage 2 in a later rule.

Producer Eligibility

To be eligible for SDRP Stage 1, a producer must be a:

- Citizen of the United States;
- Resident alien, which for purposes of SDRP means “lawful alien” as defined in 7 CFR part 1400;
- Partnership organized under State law consisting solely of citizens of the United States or resident aliens;
- Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

This requirement aligns with the eligibility criteria for ERP Phase 1 and Phase 2.

³ NAP provides assistance for crop losses, but not for losses of trees, bushes, and vines that produce those crops. RMA provides insurance for crop losses and for losses of some trees and vines that produce crops. Previously the Emergency Relief Program (ERP) Phase 1 and ERP 2022 Track 1 included losses of trees for which insurance policies were available. Losses to vines were not included in the previous ERP 2022 Track 1 because coverage was not offered for vine losses in the applicable crop years; however, Federal crop insurance for grapevines was introduced in 2023 and will be included in SDRP Stage 1. Losses to bushes are not included in SDRP Stage 1 because RMA does not offer coverage for those losses.

¹ The U.S. Drought Monitor classifies drought severity on a weekly basis according to a range of D0 (abnormally dry) to D4 (exceptional drought) and is available at <http://droughtmonitor.unl.edu>.

² On March 29, 2025, FSA announced the Emergency Livestock Relief Program (ELRP) 2023 and 2024, which provides assistance to livestock producers for losses due to qualifying drought and wildfire (90 FR22614–22623). FSA will announce programs for livestock producers’ losses due to flooding, milk losses, and losses of on-farm stored commodities in a later final rule.

To be considered a producer, as defined in this final rule at 7 CFR 760.2202, an applicant must share in the risk of producing the eligible crop and be entitled to a share in that crop available for marketing from the farm, or would have shared had the crop been produced. Members of legal entities who do not individually share in the risk of producing the crop and ownership of the crop are not considered producers and are not eligible to apply for SDRP; in those instances, the entity is considered the applicant.

To be eligible for SDRP, a producer must also be in compliance with the provisions of 7 CFR part 12, "Highly Erodible Land and Wetland Conservation," and the provisions of 7 CFR 718.6, which address ineligibility for benefits for offenses involving controlled substances.

FSA's creation and mailing of a pre-filled Stage 1 application does not indicate that a producer is eligible for SDRP. For example, some entities with members who are not U.S. citizens or resident aliens may have received crop insurance indemnities. The process of transferring data from RMA to FSA may result in creation of a pre-filled application for those entities; however, those entities are not eligible for a Stage 1 payment. Also, FSA's creation and mailing of a pre-filled application does not indicate that a crop and unit listed on the application suffered an eligible loss due to a qualifying disaster event. For example, a crop insurance indemnity may have been issued for a loss due to drought, but the county did not meet the criteria for qualifying drought as defined in 7 CFR 760.2202. The producer would not be eligible for payment for those losses under SDRP.

Eligible and Ineligible Losses

SDRP Stage 1 provides a streamlined application process for eligible crop, tree, and vine losses during the 2023, 2024, and 2025 crop years⁴ due to qualifying disaster events in the 2023 and 2024 calendar years for which a producer:

- Received an indemnity under a Federal Crop Insurance policy that provided coverage for a loss of crop production, revenue, or quality, or a loss of trees or vines, excluding policies for forage seeding, policies for crops with

an intended use of grazing,⁵ livestock policies, Controlled Environment policies,⁶ Margin Protection Plan policies, banana plants insured under the Hawaii Tropical Trees provisions,⁷ supplemental policy endorsements based on county- or area-level losses when purchased with a base policy,⁸ Cottonseed Endorsements; and policies issued in Puerto Rico;⁹ or

- Received a NAP payment for a crop and unit, excluding payments for crops intended for grazing.

For insured losses, Stage 1 payments will be calculated based only on a producer's base crop insurance policy, without considering any supplemental policy endorsements that are based on area- or county-level loss, rather than on a producer's actual loss.¹⁰ By including only a producer's base policy in calculating a Stage 1 payment, SDRP will provide assistance for insured losses on a producer's actual loss for the majority of insured producers, in alignment with Stage 1 payments for NAP-covered losses, which are always based on a producer's actual loss rather than on losses for an area or county. Payments based on area- or county-level insurance policies will only be included in Stage 1 when they are the producer's base policy, because excluding those policies would prevent FSA from using Stage 1's streamlined approach for those insured crop losses that would otherwise have been eligible. Basing Stage 1 payments on a producer's actual crop loss for the majority of producers is also consistent with the approach FSA will use for Stage 2, which will calculate payments based on a producer's actual crop, tree, bush, and vine losses. These changes bring consistency to the manner in which

losses are compensated in both Stage 1 and Stage 2.

To be eligible for SDRP Stage 1, the crop, tree, or vine loss must have been caused, in whole or in part, by a qualifying disaster event that occurred in calendar year 2023 or 2024. When multiple causes of loss affect a crop, the amount of loss due to each specific cause of loss cannot be determined from the data on file with FSA and RMA; therefore, the Stage 1 payment will be based on a producer's total loss that was used to calculate the producer's crop insurance or NAP indemnity as long as at least a portion of that loss was caused by at least one qualifying disaster event.

Eligible crops for SDRP Stage 1 include aquacultural species for which Federal crop insurance or NAP coverage was available.¹¹ Losses to aquacultural species that were compensated under the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish Program (ELAP) are ineligible for SDRP Stage 1 to avoid providing duplicate benefits for losses already at least partially compensated for by ELAP. For example, if a producer received both a NAP payment and an ELAP payment for a loss of farm-raised fish for the 2024 crop year, the producer will be ineligible to receive an SDRP Stage 1 payment for that loss of farm-raised fish. ELAP payments for losses that were not covered by NAP (for example, losses due to the cost of transporting water or feed to livestock, and milk losses due to H5N1 infection) do not affect a producer's SDRP eligibility.

FSA is also excluding certain losses from SDRP Stage 1 eligibility when they were previously compensated under ERP 2022. Producers were eligible for ERP 2022 if their loss of an eligible crop was caused, in whole or in part, by a qualifying disaster event occurring in the 2022 calendar year. As a result, ERP 2022 Track 1 included some losses for the 2023 crop year, and ERP 2022 Track 2 allowed producers to use their allowable gross revenue for the 2023 tax year as their disaster year revenue.¹² For both Track 1 and Track 2, a producer was eligible for ERP 2022 if the loss was caused, at least in part, by a qualifying disaster event occurring in the 2022 calendar year; however, an eligible crop also may have suffered a loss due to 1 or more qualifying disaster events in

⁵ Producers who received Livestock Forage Disaster Program payments for grazing losses due to drought or wildfire in calendar years 2023 and 2024 may be eligible for additional assistance through ELRP 2023 and 2024.

⁶ Controlled Environment policies were offered beginning with the 2024 crop year. These policies are excluded because the covered causes of loss do not align with qualifying disaster events for SDRP.

⁷ Banana crop losses are included in Stage 1; however, the banana plants are not considered an eligible tree, bush, or vine.

⁸ The excluded supplemental policy endorsements are Enhanced Coverage Option, Hurricane Insurance Protection-Wind Index, Supplemental Coverage Option, and Stacked Income Protection Plan endorsements when purchased with a base policy.

⁹ Federal crop insurance policies issued in Puerto Rico are not transmitted through the standardized Policy Acceptance and Storage System. Therefore, pre-filled applications cannot be automatically generated under SDRP Stage 1, and assistance for eligible losses in Puerto Rico will be available under Stage 2.

¹⁰ See 7 U.S.C. 1508(c)(3)(B) and 7 U.S.C. 1508b(b)(4).

¹¹ Federal crop insurance is available for clams and oysters in certain counties. NAP coverage is available for aquatic organisms grown as food for human consumption as determined by the Commodity Credit Corporation, fish raised as feed for other fish that are consumed by humans, and ornamental fish propagated and reared in an aquatic medium. See 7 CFR 1437.303(a).

¹² See 88 FR 74411.

⁴ The 2025 crop year is included because a qualifying disaster event occurring in the 2024 calendar year may cause a loss of a crop during the 2025 crop year, based on how "crop year" is defined in the applicable crop insurance policy or NAP provisions.

2023 calendar year. Therefore, to avoid compensating a producer twice for the same loss, SDRP Stage 1 excludes losses for which a producer received an ERP 2022 Track 1 payment for the 2023 crop year, or an ERP 2022 Track 2 payment based on their allowable gross revenue for the 2023 tax year.

FSA is also excluding crop, tree, bush, and vine losses in Connecticut, Hawaii, Maine, and Massachusetts from both Stage 1 and Stage 2 of SDRP to avoid compensating producers twice for the same loss. The Act authorized \$220,000,000 to provide block grants to eligible States¹³ to provide compensation to producers for necessary expenses related to crop, timber, and livestock losses, including on-farm infrastructure, as a consequence of any weather event in 2023 or 2024 that a State, in its sole discretion, determines warrants such relief. Under that authority, FSA is establishing block grants with Connecticut, Hawaii, Maine, and Massachusetts covering crop, tree, bush, and vine losses in those states.

For losses of crops that were covered by NAP, if any portion of land in the unit was physically located in one of those 4 states, the entire unit will be ineligible for Stage 1 because FSA cannot determine the amount of loss for the portion of the unit not located in the ineligible State using the data previously submitted by the producer. For insured crops, units that are physically located in one of those 4 states will be ineligible for Stage 1, except in certain instances when the producer had a Rainfall Index plan for Apiculture policy or for Pasture, Rangeland, and Forage (PRF), or a Whole-Farm Revenue Protection (WFRP) policy.

Producers who have a WFRP policy are required to indicate the county in which the majority of their expected revenue would be earned on reports required for WFRP coverage, such as

their Whole-Farm History Report, Inventory Report, and Farm Operation Report. The data on file with RMA does not indicate whether any land in a WFRP unit is located in any other counties. Therefore, to facilitate administration of SDRP Stage 1, WFRP units are ineligible for SDRP Stage 1 if the county where the majority of a producer's expected revenue would be earned is in Connecticut, Hawaii, Maine, and Massachusetts, even if part of that unit is physically located outside of those 4 states. Conversely, if the county in which the majority of a producer's expected revenue would be earned is not in one of those 4 states, that unit will be included for SDRP Stage 1, even if the unit includes land that is physically located in 1 of those 4 states.¹⁴

Similar to WFRP, Rainfall Index plans for Apiculture and PRF may cover units with land located in more than 1 county, and data on file with RMA only includes the county entered by the producer on their insurance application. Losses under those policies will be ineligible for SDRP Stage 1 if the county entered on the insurance application is in Connecticut, Hawaii, Maine, and Massachusetts. Losses will be included in SDRP Stage 1 if the county is not located in 1 of those 4 states.

To avoid paying a producer twice for the same loss, the block grant programs administered by Connecticut, Hawaii, Maine, and Massachusetts will exclude losses on land in units covered by Apiculture, PRF, and WFRP policies that were eligible for SDRP Stage 1. FSA intends to provide assistance in SDRP Stage 2 for losses on land physically located outside of those 4 states that is excluded from SDRP Stage 1 as described above for NAP units and under apiculture, PRF, and WFRP policies.

SDRP Stage 1 will include Rainfall Index plans for Annual Forage, PRF, and Apiculture, which provide indemnities based on an index that reflects how much precipitation is received relative to the long-term average for a specified area and timeframe. These programs do not directly compensate producers for drought; however, these programs are included in SDRP Stage 1 because the lack of rainfall may have resulted in drought conditions, and including these policies streamlines the delivery of assistance to producers who may have

suffered eligible losses due to qualifying drought. In some cases, a producer may have also received a NAP payment for the crop. If a producer received both a NAP payment and an Annual Forage, PRF, or Apiculture indemnity for a crop, the data for both the NAP payment and the crop insurance indemnity will be used to pre-fill the application, resulting in two separate line items (one under Part C—Insured Crop Information, and one under Part D—NAP Crop Information). In those instances, the producer must elect whether to receive a Stage 1 payment based on the data associated with their Federal crop insurance indemnity or their NAP payment by completing the line item for their selection as described below under “How to Apply.” This policy is necessary to avoid compensating producers twice for the same loss under Stage 1.

How To Apply

FSA and RMA will identify the producers who received indemnities and NAP payments described above. For each of those producers, FSA will generate an FSA-526, Supplemental Disaster Relief Program (SDRP) Stage 1 Application, with certain items pre-filled with information already on file with USDA, as listed below, and FSA will mail copies of the pre-filled applications to producers. The generation and mailing of a pre-filled application does not indicate that a producer is eligible for SDRP Stage 1. Producers may also electronically obtain pre-filled applications by contacting their FSA county office¹⁵ beginning on July 10, 2025. Producers will submit separate applications for each crop year.

Producers may submit applications to their FSA county office in person or by mail, email, facsimile, or other methods announced by FSA. In order for an application to be processed for FSA County Committee action, a complete application must be submitted to the producer's recording county office by the close of business on the deadline announced by FSA.

Producers cannot alter the data in these pre-filled items; any alterations in the pre-filled data on the application will result in FSA disapproving the producer's Stage 1 application. FSA will not calculate Stage 1 payments using data manually submitted by producers. Stage 1 payments will only be calculated using data already on file with RMA and FSA. If a producer

¹³ The Act specifies that eligible States are those States with a net farm income for 2023 of less than \$250,000,000, as recorded in the data in the Economic Research Service publication “Farm Income and Wealth Statistics” as of December 3, 2024, and fewer than eight thousand farms and an average farm size of fewer than one thousand acres per farm, as recorded in the National Agricultural Statistics Service publication “Farms and Land in Farms 2023 Summary (February, 2024).” The states that meet those criteria are Alaska, Connecticut, Hawaii, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. As directed by the Act, FSA has worked with eligible States on any necessary terms and conditions for block grants. Connecticut, Hawaii, Maine, and Massachusetts have indicated that the assistance they provide through block grants will cover crop, tree, bush, and vine losses that would otherwise be covered by SDRP. The other eligible states have determined that their block grants will not duplicate crop loss assistance provided through SDRP.

¹⁴ The grant programs administered by Connecticut, Hawaii, Maine, and Massachusetts will exclude losses to units covered by WFRP policies for which the majority of their expected revenue would be earned outside of the applicable state.

¹⁵ Producers can locate their FSA county office using the Service Center Locator available at <https://www.farmers.gov/working-with-us/service-center-locator>.

believes that any information that has been pre-filled on the FSA-526 is incorrect, the producer should contact their Federal crop insurance agent for insured crops or their FSA county office for NAP-covered crops. If the crop insurance agent or FSA determine that the producer's information on file is erroneous, they will correct the producer's data on file with RMA and FSA. Once the corrections have been made, an updated Stage 1 application may be generated for the producer.

For producers who received a Federal crop insurance indemnity for eligible policies, the pre-filled application will include the producer's physical State and county codes, unit numbers, crops, and crop years. For producers who received a NAP payment, the pre-filled applications will include the producer's administrative State and county codes, unit numbers, crop years, pay crops, and pay groups. FSA will also pre-fill the calculated Stage 1 payment amounts, prior to any payment reductions for reasons such as payment limitation and factoring of payments to stay within available funding.

FSA's generation of a pre-filled application and mailing of that application to the producer is not a confirmation that the producer is eligible to receive a Stage 1 payment. To complete the application, the producer must enter the type of qualifying disaster event that caused, in whole or in part, the crop, tree, or vine loss. Producers are responsible for reviewing the list of qualifying disaster events, and if a loss was due to drought, producers must also ensure that the county where the crop and unit were located meets the definition of "qualifying drought." ¹⁶

Producers who received Federal crop insurance indemnities under WFRP policies, including Micro Farm policies, must also certify the percentage of their expected revenue from specialty and high value crops for the purpose of administration of the payment limitations described below. In addition to this certification, they must also provide documentation to support their certification by the application deadline. If a producer does not provide supporting documentation, FSA will process the producer's application with

0 percent of their revenue attributed to specialty and high value crops, resulting in the producer's payment for loss being attributed to the lower payment limitation that applies to other crops, described below, rather than the higher payment limitation that applies to specialty and high value crops.

All producers must certify on FSA-526 that they will meet the requirement to purchase Federal crop insurance or NAP coverage for the next 2 available crop years, as described later in this document. If multiple crops and units are listed on an application, and the producer only agrees to purchase Federal crop insurance or NAP coverage for only some of the crops and units, a Stage 1 payment will be issued only for those crops and units for which the producer agrees to purchase Federal crop insurance or NAP coverage for the next 2 available crop years.

For producers who had Federal crop insurance, the application will list the primary policy holder and all producers with a substantial beneficial interest (SBI) who have a record established with FSA. Inclusion of an SBI on the application does not mean that the SBI is considered an eligible producer; to be considered an eligible producer, an SBI must individually share in the risk of producing the crop and ownership of the crop. If one or more producers with an SBI had a share in a crop, the primary policy holder must update the application to show the share in the crop for each of those producers in addition to the primary policy holder. If the producer(s) are determined to be eligible for a Stage 1 payment, payments will be issued to the primary policy holder and to any eligible producers with an SBI based on their ownership share of the crop. To receive a payment, each person or entity listed as having a share of the Stage 1 payment for a crop and unit must sign the application and agree to purchase Federal crop insurance or NAP coverage for that crop and unit in each of the next 2 available crop years.

To receive an SDRP payment, producers, including any producers with an SBI who have a risk and share in a crop as indicated on a Stage 1 application, must also have the

following forms on file with FSA by the deadline announced by FSA:

- CCC-902, Farm Operating Plan, for an individual or legal entity;
- CCC-901, Member Information for Legal Entities, if applicable; and
- AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and applicable affiliates as provided in 7 CFR part 12.

Most producers will already have these forms on file with FSA due to participation in other FSA programs.

In addition to the forms listed above, producers and members of legal entities who are requesting the increased payment limitations described below may submit FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs, including the certification from a certified public accountant or attorney that the person or legal entity has met the requirements to be eligible for the increased payment limitation. FSA will continue to accept FSA-510 until the deadline announced by FSA. If FSA-510 and the accompanying certification is filed after the SDRP Stage 1 payment is issued but before the deadline to submit FSA-510, FSA will process the FSA-510 and issue any resulting additional payment amount.

Payment Calculation

FSA and RMA will calculate Stage 1 payments using the loss data on file with FSA or RMA at the time of payment calculation or as later updated by FSA or RMA upon identification and correction of an error in the data on file at time of payment calculation.

The Stage 1 payment calculation for a crop and unit will depend on the type and level of Federal crop insurance or NAP coverage obtained by the producer. Crops covered under a WFRP policy or included in a whole-farm unit will be treated as a single crop for payment calculation purposes. Each payment calculation will use an SDRP factor based on the level of Federal crop insurance or NAP coverage the producer had obtained for the crop and unit, as specified in the following table. These factors are consistent with the factors used previously for ERP Phase 1 and ERP 2022 Track 1.

Type of coverage	Coverage level	SDRP factor (percent)
Crop insurance	Catastrophic coverage	75.0
	More than catastrophic coverage but less than 55 percent	80.0
	At least 55 percent but less than 60 percent	82.5

¹⁶ A list of counties that met the criteria for "qualifying drought" in the 2023 and 2024 calendar

years is available at <https://www.fsa.usda.gov/>

[resources/programs/supplemental-disaster-relief-program.](#)

Type of coverage	Coverage level	SDRP factor (percent)
	At least 60 percent but less than 65 percent	85.0
	At least 65 percent but less than 70 percent	87.5
	At least 70 percent but less than 75 percent	90.0
	At least 75 percent but less than 80 percent	92.5
	At least 80 percent	95.0
NAP	Catastrophic coverage	75.0
	50 percent	80.0
	55 percent	85.0
	60 percent	90.0
	65 percent	95.0

When determining the SDRP factors, analysis was conducted to ensure that payments do not exceed available funding and, in aggregate across all eligible Stage 1 producers, do not exceed 90 percent of losses, as required by the Act. The difference between the SDRP factors for Federal crop insurance and NAP is due to differences in the available coverage levels under Federal crop insurance and NAP. Federal crop insurance is available at the catastrophic coverage level (50 percent production coverage for 55 percent of the price) and buy-up coverage levels (50 percent to 85 percent production coverage for 100 percent of the price). The coverage level for NAP is limited by statute to a maximum of 65 percent.¹⁷ For both NAP and Federal crop insurance, the SDRP factors for the catastrophic and maximum buy-up levels are 75 percent and 95 percent, respectively, with the factors stair-stepping for the buy-up options as shown in the table above. The Act provides that payments to eligible producers who did not have Federal crop insurance or NAP coverage cannot exceed 70 percent of their loss; these producers' eligible losses will be addressed by Stage 2. The lowest SDRP factor for Stage 1 producers is set at 75 percent. Payment limits and other reductions may decrease Stage 1 payments, further lowering the percent of losses covered.

To calculate a Stage 1 payment for an eligible insured crop, tree, or vine loss, RMA will perform a calculation consistent with the calculation of an indemnity for the crop and unit. The calculation will use the approved RMA loss procedures for the type of coverage purchased by the producer, but it will substitute the applicable SDRP factor for the policy's coverage level. Using that SDRP factor, RMA will determine the amount that will be used in place of the liability¹⁸ for SDRP purposes. The

result of that calculation will then be adjusted by subtracting the net crop insurance indemnity, which is equal to the producer's gross crop insurance indemnity for the crop and unit, minus administrative fees and premiums. This step eliminates any overlap between the producer's crop insurance payment and the assistance provided through SDRP Stage 1.

The specific calculation will vary depending on the type of crop insurance, but the following example illustrates the general approach used to determine a Stage 1 payment for an insured producer. Suppose a producer had a crop insurance policy with a coverage level of 65 percent, and the total administrative fee and premium was \$3,500. Based on the producer's approved yield, acres, and applicable price under their insurance policy, the expected value of their crop was \$500,000, and the liability was \$325,000 (65 percent of the expected value). The producer suffered a crop loss and their production was valued at \$250,000, resulting in a gross indemnity of \$75,000. To calculate the producer's Stage 1 payment, RMA will perform the same calculation that was used to calculate the indemnity based on their loss procedures but using \$437,500 (the SDRP factor of 87.5 percent multiplied by the expected value) in place of the liability, such that the value of production (\$250,000) is subtracted from \$437,500 equaling \$187,500. From that amount, RMA will subtract the net indemnity of \$71,500 (\$75,000 minus \$3,500), resulting in a calculated Stage 1 payment of \$116,000 prior to application of the final payment factor described below and any other applicable reductions such as the payment limitation reduction.

$$\$500,000 \text{ (expected value)} \times 87.5\% \text{ (SDRP factor)} = \$437,500$$

$$\$437,500 - \$250,000 \text{ (value of production)} - \$71,500 \text{ (net indemnity)} = \$116,000 \text{ (SDRP payment prior to final payment factor and applicable reductions)}$$

For consistency throughout Stage 1, payments for NAP-covered losses will use the same approach as for insured losses. To calculate a Stage 1 payment for a NAP-covered crop loss, FSA will perform a calculation consistent with the NAP payment calculation for the crop and unit as provided in 7 CFR part 1437. FSA will substitute the applicable SDRP factor for the coverage level to determine the applicable guarantee for SDRP purposes. This calculated amount will then be adjusted by subtracting the net NAP payment, which is equal to the producer's gross NAP payment for the crop and unit minus service fees and premiums.

For both insured and NAP-covered crops, the calculated amounts will be multiplied by a final payment factor of 35 percent to ensure that total payments do not exceed the available funding. FSA will issue Stage 1 payments as applications are processed and approved. All SDRP payments are subject to the availability of funding. If additional funding is available after all eligible SDRP applications have been processed and payments have been issued, FSA may issue additional Stage 1 payments, not to exceed the maximum amount allowed by law.

Payment Limitations

Two payment limitations apply to SDRP—one payment limitation for specialty and high value crops combined, and a second payment limitation for other crops that are not included in the definitions of "specialty crop" or "high value crop." As under ERP Phase 1 and ERP 2022, specialty crops include fruits, tree nuts, vegetables, culinary herbs and spices, medicinal plants, and nursery, floriculture, and horticulture crops. This includes common specialty crops identified by USDA's Agricultural

¹⁷ See 7 U.S.C. 7333(a)(1)(A)(ii).

¹⁸ As defined in the Common Crop Insurance Policy Basic Provisions, the producer's liability is the total amount of insurance, value of the

production guarantee, or revenue protection guarantee for a unit determined in accordance with the Settlement of Claim provisions of the applicable Crop Provisions for their coverage.

Marketing Service.¹⁹ For SDRP, high value crops include trees, bushes, vines, aquaculture, hemp, grass for seed, tobacco, and vegetable seed.²⁰ The category of “other crops” includes all other crops that are not included in the definitions of specialty crop or high value crop.

As required by the Act, SDRP is subject to payment limitations consistent with:

- 7 CFR 760.1507(a)(2), as in effect on January 1, 2019, for specialty and high value crops; and
- 7 CFR 760.1507, as in effect on December 21, 2024, for other crops.

Separate payment limitations apply for each program year. Payments under both Stage 1 and Stage 2 will be combined for the purpose of applying payment limitations. Therefore, producers who receive the maximum payment amount for a crop year under Stage 1, based on their applicable payment limitation, will not be eligible to receive additional payment for losses under Stage 2 for the same crop year.

The payment limitations are determined by the person’s or legal entity’s average adjusted gross farm income. Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than \$125,000 for specialty and high value crops combined and \$125,000 for other crops if their average adjusted gross farm income is less than 75 percent of their average adjusted gross income (AGI) for the applicable base period. If at least 75 percent of the person or legal entity’s average AGI is average adjusted gross farm income and the participant provides the required certification and documentation, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to \$900,000 for specialty and high value crops combined and up to \$250,000 for other crops for each program year.

Average adjusted gross farm income includes income derived from farming, ranching, and forestry operations, which has the same meaning as in other recent FSA programs such as ERP, ERP 2022,

Emergency Livestock Relief Program (ELRP), ELRP 2022, and ELRP 2023 and 2024. If the average adjusted gross farm income derived from the items listed in the definition of “income derived from farming, ranching, and forestry operations” (7 CFR 760.2202) is at least 66.66 percent of the average adjusted gross income of the person or legal entity, then the average adjusted gross farm income may also take into consideration income or benefits derived from the sale, trade, or other disposition of equipment to conduct farm, ranch, or forestry operations, and the provision of production inputs and production services to farmers, ranchers, foresters, and farm operations. Inclusion of those items and benefits in this manner was first introduced by section 1604 of the Food Conservation and Energy Act of 2008 (Pub. L. 110–234), which amended section 1001D of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107–171). This provision has been applied in other recent FSA and Commodity Credit Corporation programs that use a producer’s average adjusted gross farm income for payment eligibility or payment limitation purposes.

As provided in 7 CFR 1400.105, a payment made to a legal entity will be attributed to those members who have a direct or indirect ownership interest in the legal entity unless the payment to the legal entity has been reduced by the proportionate ownership interest of the member due to that member’s ineligibility. As in other FSA programs, attribution of payments made to legal entities will be tracked through four levels of ownership as follows:

- First level of ownership—any payment made to a legal entity that is owned in whole or in part by a person will be attributed to the person in an amount that represents the direct ownership interest in the first level or payment legal entity;²¹
- Second level of ownership—any payment made to a first-level legal entity that is owned in whole or in part by another legal entity (referred to as a second-level legal entity) will be attributed to the second-level legal entity in proportion to the ownership of the second-level legal entity in the first-

level legal entity; if the second-level legal entity is owned in whole or in part by a person, the amount of the payment made to the first-level legal entity will be attributed to the person in the amount that represents the indirect ownership in the first-level legal entity by the person;

- Third and fourth levels of ownership—except as provided in the second level of ownership bullet above and in the fourth level of ownership bullet below, any payments made to a legal entity at the third and fourth levels of ownership will be attributed in the same manner as specified in the second level of ownership bullet above; and

- Fourth level of ownership—if the fourth level of ownership is that of a legal entity and not that of a person, a reduction in payment will be applied to the first-level or payment legal entity in the amount that represents the indirect ownership in the first level or payment legal entity by the fourth-level legal entity.

If an individual or legal entity is not eligible to receive an SDRP payment due to the individual or legal entity failing to satisfy payment eligibility provisions, the payment made either directly or indirectly to the individual or legal entity will be reduced to zero. The amount of the reduction for the direct payment to the producer will be commensurate with the direct or indirect ownership interest of the ineligible individual or ineligible legal entity.

Like other programs administered by FSA, payments made to an Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304), will not be subject to payment limitation.

Payments made directly or indirectly to a person who is a minor child will not be combined with the earnings of the minor’s parent or legal guardian.

Requirement To Purchase Federal Crop Insurance or NAP Coverage

The Act requires all producers who receive SDRP payments to purchase Federal crop insurance, or NAP coverage where Federal crop insurance is not available, for the next 2 available crop years, as determined by the Secretary. Participants must obtain Federal crop insurance or NAP coverage, as may be applicable, at a coverage level equal to or greater than 60 percent. This requirement establishes a consistent base level of coverage for both insured and noninsured crops, and the coverage level is consistent with the required coverage level for insured crops under ERP and ERP 2022 and for

¹⁹ See AMS, USDA Definition of Specialty Crop, available at <https://www.ams.usda.gov/sites/default/files/media/USDA%20SpecialtyCrop%20Definition.pdf>.

²⁰ This definition means that trees, bushes, and vines will be grouped under the same payment limitation as the specialty crops they produce, which is consistent with ERP Phase 1 and ERP 2022 Track 1. The remaining high value crops have previously been grouped with specialty crops as “sales-based commodities” for payment calculation purposes for the Coronavirus Food Assistance Program 2. See 7 CFR 9.201.

²¹ The “first level or payment legal entity” is the highest level of ownership of the applicant to whom payments can be attributed or limited. There will be a reduction applied for the “first level or payment legal entity,” and if the payment entity happens to be a joint venture, that reduction is applied to the first level, or highest level, for payments. If the applicant is a business type that does not have a limitation or attribution, the reduction is applied to the first level, but if the business type can have the reduction applied directly to it, then the limitation applies.

all crops under the previous 2017 Wildfires and Hurricanes Indemnity Program and the Wildfires and Hurricanes Indemnity Program Plus.²² Participants must also file an acreage report and any other required reports or documentation needed to establish crop insurance or NAP coverage for the applicable crop years.

Availability will be determined from the date a producer receives an SDRP payment and may vary depending on the timing and availability of Federal crop insurance or NAP coverage for a producer's particular crops.

In situations where Federal crop insurance is unavailable for a crop, a participant must obtain NAP coverage. Section 1001D of the Food Security Act of 1985 (1985 Farm Bill; Pub. L. 99–198) provides that a person or entity with an average AGI greater than \$900,000 is not eligible to participate in NAP; however, producers with an average AGI greater than \$900,000 are eligible to participate in SDRP. To reconcile this restriction in the 1985 Farm Bill and the requirement to obtain NAP or Federal crop insurance coverage, SDRP participants may meet the purchase requirement by purchasing WFRP coverage, if eligible, or they may apply for NAP coverage and pay the applicable service fee and premium despite their ineligibility for a NAP payment.

Producers who receive a Stage 1 payment that was calculated based on an indemnity under a PRF policy; Annual Forage policy; or WFRP policy must purchase the same type of policy or a combination of individual policies for the crops that had covered losses under SDRP to meet the Federal crop insurance and NAP coverage requirement.

If both Federal crop insurance and NAP coverage are unavailable for a crop, the producer must obtain WFRP Federal crop insurance coverage, if eligible.

For Stage 1, the Federal crop insurance and NAP coverage requirements are specific to the crop and county (which is the county where the crop is physically located for insured crops and the administrative county for NAP-covered crops) for which Stage 1 payments are paid.

Producers who were paid under Stage 1 for a crop in a county, but do not plant that crop in that county in a year for which the Federal crop insurance and NAP coverage requirement applies, are not subject to the Federal crop insurance or NAP purchase requirement for that year.

Producers who receive a Stage 1 payment on a crop in a county and who have the crop or crop acreage in subsequent years, as provided in this document, and who fail to obtain the 2 years of Federal crop insurance or NAP coverage required as specified in this document must refund all Stage 1 payments for that crop in that county, with interest, from the date of disbursement.

Notice and Comment and Effective Date

The Administrative Procedure Act (APA) provides that the notice and comment and 30-day delay in the effective date provisions do not apply when the rule involves specified actions, including matters relating to benefits or contracts (5 U.S.C. 553(a)(2)). This rule governs disaster assistance payments to agricultural producers and therefore falls within the benefits exemption.

This rule is exempt from the regulatory analysis requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) because it involves matters relating to benefits. The requirements for the regulatory flexibility analysis in 5 U.S.C. 603 and 604 are specifically tied to the requirement for a proposed rule by section 553 or any other law; in addition, the definition of rule in 5 U.S.C. 601 is tied to the publication of a proposed rule.

The Office of Management and Budget (OMB) found this rule meets the criteria in 5 U.S.C. 804(2) of the Congressional Review Act (CRA), which would ordinarily necessitate delaying its effective date for 60 days (5 U.S.C. 801(a)(3)(A)). However, the CRA, at 5 U.S.C. 808(2), allows an agency to make such regulations effective immediately if the agency finds there is good cause to do so. USDA has determined that such good cause exists here. The beneficiaries of this rule have been impacted by disaster events in calendar years 2023 and 2024, and this assistance is necessary to support the continued operation of crop producers who have suffered severe losses that impact their ability to sustain their operations and continue farming. To mitigate further adverse impacts on affected producers for losses due to these disaster events, USDA finds that notice and public procedure are contrary to the public interest. Therefore, USDA is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review. Accordingly, this rule is effective upon publication in the **Federal Register**.

Executive Orders 12866, 13563, and 14192

Executive Order 12866, “Regulatory Planning and Review,” and Executive Order 13563, “Improving Regulation and Regulatory Review,” direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14192, “Unleashing Prosperity Through Deregulation,” announced the Administration policy to significantly reduce the private expenditures required to comply with Federal regulations to secure America’s economic prosperity and national security and the highest possible quality of life for each citizen and to alleviate unnecessary regulatory burdens placed on the American people. In line with the Executive Order requirements, the Agency chose this regulatory approach, including leveraging data previously filed with USDA and the use of pre-filled applications, to maximize benefits and minimize burden on American producers. The requirements in Executive Orders 12866 and 13563 for the analysis of costs and benefits apply to rules that are determined to be significant or economically significant.

The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866 and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full CBA is available on [regulations.gov](https://www.regulations.gov).

Cost Benefit Analysis Summary

FSA is using \$16.09 billion of the \$30.78 billion authorized by the Act to implement SDRP. SDRP provides relief to qualifying producers who: had previously received certain Federal crop insurance indemnities or FSA NAP payments for the 2023, 2024, and 2025²³ crop years due to qualifying disaster events in the 2023 and 2024 calendar years; did not participate in either RMA or NAP programs but suffered eligible losses; or had shallow losses, which are losses that are too small to trigger an RMA or NAP payment. To avoid paying for the same loss as already covered under federal

²² See 87 FR 30164, 88 FR 74404, and 7 CFR 760.1517.

²³ See footnote 4.

crop insurance or NAP, FSA will add the RMA or NAP net indemnities to the value of crop production after disaster damage (or equivalently, subtract the net indemnity from the expected crop value times the SDRP factor) when calculating the SDRP 1 payment. Factoring in the RMA or NAP net indemnities effectively means that affected producers that had a qualifying loss will receive a 100 percent reimbursement of RMA premiums and NAP fees. SDRP Stage 1 leverages data on file with FSA or RMA for those producers who received a NAP payment or certain RMA indemnities. SDRP Stage 2 covers eligible producers who suffered an eligible loss but did not participate in certain RMA programs or NAP and those with shallow losses too small to trigger an RMA or NAP payment. SDRP Stage 1, the focus of the cost-benefit analysis for this rule, accounts for 72 percent of total estimated gross payments, with Stage 2 accounting for 28 percent. Payments associated with prior RMA and NAP losses account for 91 percent of total estimated SDRP gross payments.

Environmental Review

The environmental impacts have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347) and the FSA regulation for compliance with NEPA (7 CFR part 799).

SDRP is authorized by Title I of the Disaster Relief Supplemental Appropriations Act, 2025. The intent of SDRP is to provide payments to eligible producers who suffered eligible crop, tree, and vine losses due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, and qualifying drought, and related conditions occurring in calendar years 2023 and 2024. The limited discretionary aspects of the program were designed to be consistent with established FSA disaster programs. As such, the Categorical Exclusions in 7 CFR 799.31 apply, specifically 7 CFR 799.31(b)(6)(iv) and (vi) (that is, § 799.31(b)(6)(iv) Individual farm participation in FSA programs where no ground disturbance or change in land use occurred as a result of the action or participation; and § 799.31(b)(6)(vi) Safety net programs administered by FSA).

No Extraordinary Circumstances (7 CFR 799.33) exist because this is an administrative payment program that does not have the potential to impact the human environment individually or

collectively. As such, FSA has determined that the implementation of SDRP and participation in SDRP do not constitute major Federal actions that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, FSA will not prepare an environmental assessment or environmental impact statement for this regulatory action, and this notice serves as documentation of the programmatic environmental compliance decision for this federal action.

Executive Order 13175

This rule has been reviewed in accordance with the requirements of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a Government-to-Government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

USDA has assessed the impact of this rule on Indian Tribes and determined that this rule does not, to our knowledge, have Tribal implications that required Tribal consultation at this time. If a Tribe requests consultation, FSA will work with the Office of Tribal Relations to ensure meaningful consultation is provided.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions of State, local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of \$100 million or more in any 1 year for State, local or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Paperwork Reduction Act Requirements

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; see 5 CFR part 1320), requires that OMB approve all collections of information by a Federal agency from the public before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number. The information collection request has been approved by OMB under the control number of 0503–0028; Expiration Date: 10/31/2027. FSA will use data already on file with FSA or RMA to generate pre-filled applications for producers using the following forms: CCC–901, CCC–902E, CCC–902I, and FSA–510. In addition, for the information collection under 0503–0028, the agency is seeking to use FSA–526 and a letter to producers with this data collection. The FSA–526 and letter to producers are the only new data collection activities associated with this request; the pre-filled applications are generated with data previously collected and already on file, with no additional burden to producers. The total annual burden hours for this information collection is 123,201. See tables below for the breakout. This final rule is a one-time announcement of SDRP Stage 1 federal financial assistance funding.

Requests for additional information or copies of this information collection should be directed to Kathy Sayers, Farm Service Agency, U.S. Department of Agriculture, via email to Kathy.Sayers@usda.gov.

Title: Supplemental Disaster Assistance Program (SDRP) Stage 1.

Form Numbers: CCC–901, CCC–902E, CCC–902I, FSA–510, and FSA–526.

OMB Number: 0503–0028.

Expiration Date: 10/31/2027.

Type of Request: Generic Information Collection.

Abstract: As authorized by Title I of the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025; Pub. L. 118–158), FSA is administering SDRP Stage 1 to assist producers who suffered eligible losses of crops, trees, and vines due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar years 2023 and 2024.

Stage 1 will use a streamlined process with pre-filled application forms for producers with indemnified or NAP-covered crop, tree, and vine losses. Data for these losses are already on file with

FSA or RMA as a result of the producer previously receiving a NAP payment or a crop insurance indemnity under certain crop insurance policies. Producers will complete a pre-filled application form for each program year for which they are applying.

Application Process

Affected Public: Business for profit and farms (Agricultural producers).

Estimated Number of Respondents: 284,200.

Estimated Number of Responses per Respondent: 2.565.

Estimated Total Annual Responses: 729,257.

Estimated Time per Respondent: 0.19075 hours.

Estimated Total Annual Burden on Respondents: 139,110 burden hours.

Item	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
Letter	284,200	1	284,200	0.0835	22,736
FSA-526	284,200	1.4	397,880	0.25	99,470
Member Information for an Entity—CCC-901	2,842	1	2,842	0.5	1,421
Farm Operating Plan for an Entity—CCC-902E	14,210	1	14,210	0.5	7,105
Farm Operating Plan for an Individual—CCC-902I	14,210	1	14,210	0.5	7,105
Request for an Exception to the \$125,000 Payment Limitation for Certain Programs—FSA-510	11,368	1.4	15,915	0.0835	1,273
Subtotal Estimates	284,200	2.565	729,257	0.19075	139,110

The FSA-526 may be filled out at a minimum once, at a maximum for 3 crop years, involved in this data collection.

Compliance Process

Affected Public: Business for profit and farms (Agricultural producers).

Estimated Number Respondents: 284,200.

Estimated Number of Responses per Respondent: 1.32.

Estimated Total Annual Responses: 375,144.

Estimated Time per Respondent: 0.118181 hours.

Estimated Total Annual Burden on Respondents: 44,335 burden hours.

Item	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
Initial Notification Letter—Compliant	227,360	1	227,360	0.0835	18,189
Initial Notification Letter—May Request Review	56,840	1	56,840	0.0835	4,547
Time to gather information and respond to FSA	34,104	1	34,104	0.5	17,052
Second Notification Letter—Compliant	28,420	1	28,420	0.0835	2,274
Second Notification Letter—Noncompliant	28,420	1	28,420	0.0835	2,274
Subtotal Estimates	284,200	1.32	375,144	0.118181	44,335

The grand total is 284,200 respondents, 1,104,401 total annual responses, and 183,445 burden hours.

E-Government Act Compliance

FSA is committed to complying with the E-Government Act of 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Federal Assistance Programs

The title and number of the Federal assistance programs, as found in the Assistance Listing, to which this document applies is 10.988—Supplemental Disaster Relief Program.

List of Subjects in 7 CFR Part 760

Acreage allotments, Dairy products, Indemnity payments, Pesticides and

pest, Reporting and recordkeeping requirements.

For the reasons discussed above, this final rule amends 7 CFR part 760 as follows:

PART 760—INDEMNITY PAYMENT PROGRAMS

■ 1. The authority citation for part 760 continues to read as follows:

Authority: 7 U.S.C. 4501 and 1531; 16 U.S.C. 3801, note; 19 U.S.C. 2497; Title III, Pub. L. 109–234, 120 Stat. 474; Title IX, Pub. L. 110–28, 121 Stat. 211; Sec. 748, Pub. L. 111–80, 123 Stat. 2131; Title I, Pub. L. 115–123, 132 Stat. 65; Title I, Pub. L. 116–20, 133 Stat. 871; Division B, Title VII, Pub. L. 116–94, 133 Stat. 2658; Title I, Pub. L. 117–43, 135 Stat. 356; and Division N, Title I, Pub. L. 117–328, 136 Stat. 4459; Division B, Title I, Pub. L. 118–158, 138 Stat. 1722.

Subpart U [Added and Reserved]

■ 2. Add reserved subpart U.

■ 3. Add subpart V, consisting of §§ 760.2200 through 760.2217, to read as follows:

Subpart V—Supplemental Disaster Relief Program

Sec.

- 760.2200 Applicability.
- 760.2201 Administration.
- 760.2202 Definitions.
- 760.2203 Eligible producers.
- 760.2204 Stage 1 eligible and ineligible losses.
- 760.2205 [Reserved]
- 760.2206 Time and method of application.
- 760.2207 Required documentation and verification.
- 760.2208 Stage 1 payment calculation.
- 760.2209–760.2214 [Reserved]
- 760.2215 Payment limitation.
- 760.2216 Requirement to purchase crop insurance or NAP coverage.
- 760.2217 Miscellaneous provisions.

§ 760.2200 Applicability.

(a) This subpart specifies the eligibility requirements and payment calculations for the Supplemental Disaster Relief Program (SDRP), which is authorized by Title I of the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025; Pub. L. 118–158). SDRP provides payments to producers who suffered eligible losses of crops, trees, bushes, and vines due to qualifying disaster events, which include wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar years 2023 and 2024.

(b) To be eligible for an SDRP payment, a participant must comply with all applicable provisions under this subpart.

(c) SDRP Stage 1 provides assistance for eligible losses of eligible crops, trees, and vines for which a producer had crop insurance or NAP coverage and received an indemnity for the applicable crop year.

(d) [Reserved]

§ 760.2201 Administration.

(a) SDRP is administered under the general supervision and direction of the Administrator, Farm Service Agency (FSA), and the Deputy Administrator.

(b) FSA representatives do not have authority to modify or waive any of the provisions of the regulations of this subpart as amended or supplemented, except as specified in paragraph (d) of this section.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No provision or delegation to a State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee or other such person, from determining any question arising under the programs of this subpart, or from reversing or modifying any determination made by a State or county committee.

§ 760.2202 Definitions.

The definitions in 7 CFR parts 718 and 1400 apply to SDRP, except where

they conflict with this subpart. The following definitions also apply.

Administrative fee means the amount an insured producer paid for catastrophic risk protection, and additional coverage for each crop year as specified in the applicable crop insurance policy.

Average adjusted gross farm income means the average of the person or legal entity's adjusted gross income derived from farming, ranching, and forestry operations, including losses, for the base period.

(1) If the resulting average adjusted gross farm income derived from paragraphs (1) through (13) of the definition for "income derived from farming, ranching, and forestry operations" in this section is at least 66.66 percent of the average adjusted gross income of the person or legal entity, then the average adjusted gross farm income may also take into consideration income or benefits derived from the following:

(i) The sale, trade, or other disposition of equipment to conduct farm, ranch, or forestry operations; and

(ii) The provision of production inputs and services to farmers, ranchers, foresters, and farm operations.

(2) For legal entities not required to file a Federal income tax return, or a person or legal entity that did not have taxable income in 1 or more of the tax years during the base period, the average adjusted gross farm income will be the adjusted gross farm income, including losses, averaged for the base period, as determined by FSA. For a legal entity created during the base period, the adjusted gross farm income average will include only those years of the base period for which it was in business; however, a new legal entity will not be considered "new" to the extent it takes over an existing operation and has any elements of common ownership interest and land with the preceding person or legal entity from which it took over. When there is such commonality, income of the previous person or legal entity will be averaged with that of the new legal entity for the base period. For a person filing a joint tax return, the certification of average adjusted gross farm income may be reported as if the person had filed a separate Federal tax return, and the calculation is consistent with the information supporting the filed joint return.

Average AGI means the average of the adjusted gross income as defined under 26 U.S.C. 62 or comparable measure of the person or legal entity for the base period.

Base period means:

(1) 2019, 2020, and 2021 for the 2023 program year;

(2) 2020, 2021, and 2022 for the 2024 program year; and

(3) 2021, 2022, and 2023 for the 2025 program year.

Bush means a low, branching, woody plant, from which, at maturity of the bush, an annual fruit or vegetable crop is produced for commercial market for human consumption, such as a blueberry bush. The definition does not cover nursery stock or plants that produce a bush after the normal crop is harvested.

Buy-up NAP coverage has the same meaning as in 7 CFR 1437.3, which is NAP coverage at a payment amount that is equal to an indemnity amount calculated for buy-up coverage computed under section 508(c) or (h) of the Federal Crop Insurance Act and equal to the amount that the buy-up coverage yield for the crop exceeds the actual yield for the crop.

Catastrophic coverage has the same meaning as in 7 CFR 1437.3, which is:

(1) For insured crops, the coverage offered by the FCIC under section 508(b) of the Federal Crop Insurance Act; and

(2) For eligible NAP crops, coverage at the following levels due to an eligible cause of loss impacting the NAP covered crop during the coverage period:

(i) Prevented planting in excess of 35 percent of the intended acres;

(ii) A yield loss in excess of 50 percent of the approved yield;

(iii) A value loss in excess of 50 percent; or

(iv) An animal-unit-days (AUD) loss greater than 50 percent of expected AUD.

Coverage level means the percentage determined by multiplying the elected yield percentage under a crop insurance policy or NAP coverage by the elected price percentage.

Crop year means:

(1) For insured crops, trees, and vines, the crop year as defined according to the applicable crop insurance policy; and

(2) For NAP-covered crops, the crop year as defined in 7 CFR 1437.3.

Deputy Administrator means the FSA Deputy Administrator for Farm Programs.

Eligible crop means a crop, including aquacultural species, for which a Federal crop insurance policy or NAP coverage, as provided in § 760.2204(a), was available for the 2023, 2024, or 2025 crop year.

Farming operation means a business enterprise engaged in the production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation. A person or

legal entity may have more than one farming operation if the person or legal entity is a member of one or more legal entities or joint operations.

FCIC means the Federal Crop Insurance Corporation, a wholly owned Government Corporation of the U.S. Department of Agriculture (USDA), administered by RMA.

Federal crop insurance means an insurance policy reinsured by FCIC administered by RMA under the provisions of the Federal Crop Insurance Act (7 U.S.C. 1501–1524), as amended. It does not include private plans of insurance.

Federal crop insurance indemnity means the payment to a participant for crop losses covered under Federal crop insurance administered by RMA in accordance with the Federal Crop Insurance Act.

High value crop means trees, bushes, vines, aquaculture, hemp, grass for seed, tobacco, and vegetable seed.

Income derived from farming, ranching, and forestry operations means income of an individual or entity derived from:

(1) Production of crops and unfinished raw forestry products;

(2) Production of livestock, aquaculture products used for food, honeybees, and products derived from livestock;

(3) Production of farm-based renewable energy;

(4) Selling (including the sale of easements and development rights) of farm, ranch, and forestry land, water or hunting rights, or environmental benefits;

(5) Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights;

(6) Processing, packing, storing, and transportation of farm, ranch, or forestry commodities including for renewable energy;

(7) Feeding, rearing, or finishing of livestock;

(8) Payments of benefits, including benefits from risk management practices, federal crop insurance indemnities, and catastrophic risk protection plans;

(9) Sale of land that has been used for agricultural purposes;

(10) Benefits (including, but not limited to, cost-share assistance and other payments) from any Federal program made available and applicable to payment eligibility and payment limitation rules, as provided in 7 CFR part 1400;

(11) Income reported on Internal Revenue Service (IRS) Schedule F or other schedule, approved by the Deputy

Administrator, used by the person or legal entity to report income from such operations to the IRS;

(12) Wages or dividends received from a closely held corporation, an Interest Charge Domestic International Sales Corporation (also known as IC-DISC), or legal entity comprised entirely of family members when more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching, and forestry activities as defined in this subpart; and

(13) Any other activity related to farming, ranching, and forestry, as determined by the Deputy Administrator.

IRS means the Department of the Treasury, Internal Revenue Service.

Legal entity, as used in this subpart:

(1) Means an entity that is created under Federal or State law and that:

(i) Owns land or an agricultural commodity; or

(ii) Produces an agricultural commodity; and

(2) Includes corporations, joint stock companies, associations, limited partnerships, limited liability companies, irrevocable trusts, estates, charitable organizations, general partnerships, joint ventures, and other similar organizations created under Federal or State law including any such organization participating in a business structure as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization. A business operating as a sole proprietorship is considered a legal entity.

Liability means the liability as defined by the applicable crop insurance policy for a crop and unit.

NAP means the Noninsured Crop Disaster Assistance Program, which is authorized by section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) and regulations in 7 CFR part 1437.

NAP service fee means the fee the producer paid to obtain NAP coverage specified in 7 CFR 1437.7.

Ownership interest means to have either a legal ownership interest or a beneficial ownership interest in a legal entity. For the purposes of administering SDRP, a person or legal entity that owns a share or stock in a legal entity that is a corporation, limited liability company, limited partnership, or similar type entity where members hold a legal ownership interest and shares in the profits or losses of such entity is considered to have an ownership interest in such legal entity. A person or legal entity that is a beneficiary of a trust or heir of an estate

who benefits from the profits or losses of such entity is considered to have a beneficial ownership interest in such legal entity.

Other crop means a crop that is not included in the definition of specialty crop or high value crop.

Premium means the premium paid by the producer for crop insurance coverage or NAP buy-up coverage levels.

Program year means the crop year.

Producer means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing the crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

Production inputs mean material to conduct farming operations, such as seeds, chemicals, and fencing supplies.

Production services mean services provided to support a farming operation, such as custom farming, custom feeding, and custom fencing.

Qualifying disaster event means wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

Qualifying drought means an area within the county was rated by the U.S. Drought Monitor as having a:

(1) D2 (severe drought) intensity for at least 8 consecutive weeks in the applicable calendar year; or

(2) D3 (extreme drought) or higher intensity for any period of time during the applicable calendar year.

Related condition means damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. Related conditions include, but are not limited to:

(1) Excessive wind that occurred as a direct result of a derecho;

(2) Silt and debris that occurred as a direct and proximate result of flooding;

(3) Excessive wind, storm surges, tornadoes, tropical storms, and tropical depressions that occurred as a direct result of a hurricane; and

(4) Excessive wind and blizzards that occurred as a direct result of a winter storm.

RMA means the Risk Management Agency.

Specialty crops means fruits, tree nuts, vegetables, culinary herbs and spices, medicinal plants, and nursery, floriculture, and horticulture crops. This includes common specialty crops identified by USDA's Agricultural

Marketing Service at <https://www.ams.usda.gov/sites/default/files/media/USDASpecialtyCropDefinition.pdf> and other crops as designated by the Deputy Administrator.

Substantial beneficial interest (SBI) has the same meaning as specified in the applicable crop insurance policy. For the purposes of Stage 1, Federal crop insurance records for “transfer of coverage, right to indemnity” are considered the same as SBIs.

Supplemental policy endorsement based on county- or area-level losses when purchased with a base policy means an Enhanced Coverage Option endorsement, Hurricane Insurance Protection-Wind Index endorsement, Supplemental Coverage Option Endorsement, or Stacked Income Protection Plan endorsement when purchased with a base policy.

Tree means a tall, woody plant having comparatively great height, and a single trunk from which an annual crop is produced for commercial market for human consumption, such as a maple tree for syrup, or papaya or orchard tree for fruit. It includes immature trees that are intended for commercial purposes. Nursery stock, banana and plantain plants, and trees used for pulp or timber are not considered eligible trees for SDRP.

Unit means the unit structure as defined under the applicable crop insurance policy for insured crops or in 7 CFR 1437.9 for NAP-covered crops.

U.S. Drought Monitor means the system for classifying drought severity according to a range of abnormally dry to exceptional drought reported by the National Drought Mitigation Center at <https://droughtmonitor.unl.edu>. It is a collaborative effort between Federal and academic partners, produced on a weekly basis, to synthesize multiple indices, outlooks, and drought impacts on a map and in narrative form.

Vine means a perennial plant grown under normal conditions from which an annual fruit crop is produced for commercial market for human consumption, such as grape, kiwi, or passion fruit, and that has a flexible stem supported by climbing, twining, or creeping along a surface. Nursery stock, perennials that are normally propagated as annuals such as tomato plants, biennials such as strawberry plants, and annuals such as pumpkin, squash, cucumber, watermelon, and other melon plants, are excluded from the term vine.

WFRP means Whole-Farm Revenue Protection available through the FCIC, including coverage under the Micro Farm Program.

§ 760.2203 Eligible producers.

(a) To be eligible for payment under this subpart, a producer must be a:

- (1) Citizen of the United States;
- (2) Resident alien, which for purposes of SDRP means “lawful alien” as defined in 7 CFR part 1400;
- (3) Partnership organized under State law consisting solely of citizens of the United States or resident aliens;
- (4) Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or
- (5) Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(b) Members of legal entities, including those who are listed as an SBI on FSA–526, who do not individually share in the risk of producing the crop and ownership of the crop are not considered producers and are not eligible to apply for SDRP; in those instances, the entity is considered the applicant.

(c) To be eligible for SDRP, a producer must be in compliance with the provisions of 7 CFR part 12 and the provisions of 7 CFR 718.6, which address ineligibility for benefits for offenses involving controlled substances.

(d) FSA’s creation and mailing of a pre-filled application does not indicate that the person or legal entity listed on the application is eligible for an SDRP Stage 1 payment.

§ 760.2204 Stage 1 eligible and ineligible losses.

(a) For SDRP Stage 1, eligible losses include production, quality, and revenue losses of eligible crops and losses of eligible trees and vines for which the producer:

- (1) Received an indemnity under a Federal crop insurance policy that provided coverage for crop production losses or tree or vine losses related to qualifying disaster events, excluding policies for forage seeding or crops with an intended use of grazing, livestock policies, Controlled Environment policies, Margin Protection Plan policies, banana plants insured under the Hawaii Tropical Trees provisions, supplemental policy endorsements based on county- or area-level losses when purchased with a base policy, and policies issued in Puerto Rico; or
- (2) Received a NAP payment, excluding crops with an intended use of grazing.

(b) To be eligible for SDRP Stage 1, the loss described in paragraph (a) of

this section must have been caused, in whole or in part, by a qualifying disaster event. FSA’s creation and mailing of a pre-filled application does not indicate that a crop, tree, or vine loss included on that application is eligible for an SDRP Stage 1 payment.

(c) The following losses are not eligible for SDRP Stage 1:

(1) Losses of aquacultural species that were compensated under ELAP;

(2) Losses for which the producer received an:

(i) ERP 2022 Track 1 payment for the 2023 crop year; or

(ii) ERP 2022 Track 2 payment for which their allowable gross revenue for the 2023 tax year was used as the disaster year revenue;

(3) Losses of insured crops, trees, and vines:

(i) In units that were physically located in Connecticut, Hawaii, Maine, or Massachusetts;

(ii) That were covered under a WFRP policy for which the producer indicated on their crop insurance reports that the majority of their expected revenue would be earned in a county located in Connecticut, Hawaii, Maine, or Massachusetts; or

(iii) That were covered under a Rainfall Index plan for Apiculture or Pasture, Rangeland, and Forage, for which the producer entered a county located in Connecticut, Hawaii, Maine, or Massachusetts on their insurance application; and

(4) Losses of NAP-covered crops that were included in a unit that included any land physically located in Connecticut, Hawaii, Maine, or Massachusetts.

(d) If a producer received both a NAP payment and an indemnity under a Federal crop insurance policy that is included in Stage 1 to address the same loss, the producer cannot receive a Stage 1 payment based on both the crop insurance indemnity and NAP payment. The producer must elect whether to receive the Stage 1 payment based on the data associated with their Federal crop insurance indemnity or their NAP payment.

§ 760.2205 [Reserved]

§ 760.2206 Time and method of application.

(a) For SDRP Stage 1, producers will receive a pre-filled FSA–526, Supplemental Disaster Relief Program (SDRP) Stage 1 Application, which includes the producer’s information that is already on file with USDA. Producers may submit complete applications to their FSA county office in person or by mail, email, facsimile, or other methods

announced by FSA. A producer must submit a complete application to their recording county office by the deadline announced by FSA.

(b) Producers may not alter the pre-filled data in FSA-526. Any alterations in the pre-filled data on the application will result in FSA disapproving the producer's Stage 1 application.

(c)-(d) [Reserved]

(e) In addition to the SDRP application, a producer must also have the following forms on file with FSA for the applicable program year by the deadline announced by FSA:

(1) CCC-902, Farm Operating Plan, for an individual or legal entity;

(2) CCC-901, Member Information for Legal Entities, if applicable;

(3) AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and affiliated persons as provided in 7 CFR part 12; and

(4) FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Program, for producers and members of legal entities who are requesting an increased payment limitation.

§ 760.2207 Required documentation and verification.

(a) Participants must retain documentation in support of their application for 3 years after the date of approval. All information provided to FSA for program eligibility and payment calculation purposes, including certification of the qualifying disaster event that caused the loss, is subject to spot check. Participants receiving SDRP payments or any other person who furnishes such information to USDA must permit authorized representatives of USDA or the Government Accountability Office, during regular business hours, to enter the agricultural operation and to inspect, examine, and to allow representatives to make copies of books, records, or other items for the purpose of confirming the accuracy of the information provided by the participant.

(b) Producers who apply for Stage 1 for losses covered under WFRP must submit documentation to FSA to support their certification of the percentage of expected revenue from specialty and high value crops by the

deadline announced by FSA. If a producer does not submit the required documentation, FSA will process the producer's application with 0 percent of their revenue attributed to specialty and high value crops, resulting in the producer's payment for loss being attributed to the payment limitation for other crops as provided in § 760.2215(a).

§ 760.2208 Stage 1 payment calculation.

(a) FSA and RMA will calculate Stage 1 payments using the loss data on file with FSA or RMA at the time of payment calculation or as later updated by FSA or RMA upon identification and correction of an error in the data on file at time of payment calculation. Stage 1 payments will not be calculated using data manually submitted by producers.

(b) The SDRP Stage 1 payment calculation for each crop and unit will use an SDRP factor based on the applicable type of coverage and the level of crop insurance or NAP coverage, as specified in the following table.

TABLE 1 TO PARAGRAPH (b)—SDRP FACTORS

Type of coverage	Coverage level	SDRP factor (percent)
Crop insurance	Catastrophic coverage	75.0
	More than catastrophic coverage but less than 55 percent	80.0
	At least 55 percent but less than 60 percent	82.5
	At least 60 percent but less than 65 percent	85.0
	At least 65 percent but less than 70 percent	87.5
	At least 70 percent but less than 75 percent	90.0
	At least 75 percent but less than 80 percent	92.5
NAP	At least 80 percent	95.0
	Catastrophic coverage	75.0
	50 percent	80.0
	55 percent	85.0
	60 percent	90.0
	65 percent	95.0

(c) To calculate a Stage 1 payment for an eligible insured crop, tree, or vine loss, RMA will perform a calculation consistent with the calculation of an indemnity for the crop and unit. The calculation will use the approved RMA loss procedures for the type of coverage purchased by the producer, but it will substitute the SDRP factor in table 1 of paragraph (b) of this section for the policy's coverage level. Using that SDRP factor, RMA will determine the amount that will be used in place of the liability for SDRP purposes. The result of that calculation will then be adjusted by subtracting the net crop insurance indemnity, which is equal to the producer's gross crop insurance

indemnity for the crop and unit minus administrative fees and premiums.

(d) To calculate a Stage 1 payment for a NAP-covered crop loss, FSA will perform a calculation consistent with the NAP payment calculation for the crop and unit as provided in 7 CFR part 1437. FSA will substitute the SDRP factor in table 1 of paragraph (b) of this section for the coverage level to determine the applicable guarantee for SDRP purposes. This calculated amount will then be adjusted by subtracting the net NAP payment, which is equal to the producer's gross NAP payment for the crop and unit minus service fees and premiums.

(e) Crops covered under a WFRP policy or insured under a whole-farm

unit will be treated as a single crop for payment calculation purposes.

(f) To ensure that SDRP payments do not exceed available funding, the SDRP Stage 1 payment will be equal to the amount calculated according to paragraph (c) or (d) of this section multiplied by a factor of 35 percent. If funding remains available after Stage 2 payments are issued, FSA may issue additional Stage 1 payments under this subpart.

§§ 760.2209–760.2214 [Reserved]

§ 760.2215 Payment limitation.

(a) For each program year, a person or legal entity, other than a joint venture or general partnership, is eligible to

receive, directly or indirectly, SDRP payments of not more than:

(1) \$125,000 for specialty and high value crops combined and \$125,000 for other crops, if less than 75 percent of the person or legal entity's average adjusted gross income is average adjusted gross farm income; or

(2) \$900,000 for specialty and high value crops combined and \$250,000 for other crops, if not less than 75 percent of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

(b) To be eligible to receive payments based on the limitations in paragraph (a)(2) of this section, a producer must submit form FSA-510, including the certification from a certified public accountant or attorney that the person or legal entity has met the requirements to be eligible for the increased payment limitation, by the deadline announced by FSA. If a producer or member of a legal entity files FSA-510 and the accompanying certification after their SDRP payment is issued but before the deadline, FSA will recalculate the payment and issue the additional calculated amount.

(c) If a producer requesting the increased payment limitations in paragraph (a)(2) of this section is a legal entity, all members of that entity must also complete FSA-510 and provide the required certification according to the direct attribution provisions in 7 CFR 1400.105. If a legal entity would be eligible for the increased payment limitations based on the legal entity's average adjusted gross farm income but a member of that legal entity either does not complete an FSA-510 and provide the required certification or is not eligible for the increased payment limitations, the payment to the legal entity will be reduced for the limitations applicable to the share of the SDRP payment attributed to that member.

(d) Producers who file FSA-510 are subject to an FSA audit of information submitted for the purpose of increasing the program's payment limitation. As a part of this audit, FSA may request income tax returns, and if requested, must be supplied by all related persons and legal entities. In addition to any other requirement under any Federal statute, relevant Federal income tax returns and documentation must be retained a minimum of 3 years after the end of the calendar year corresponding to the year for which payments or benefits are requested. Failure to provide necessary and accurate information to verify compliance, or failure to comply with these requirements will result in ineligibility for SDRP benefits and require refund of

any SDRP payments, including interest to be calculated from the date of the disbursement to the producer.

(e) The payment limitation provisions of 7 CFR part 1400, subpart A, and §§ 1400.103 through 1400.106 apply to SDRP.

(f) Payments made directly or indirectly to a person who is a minor child will not be combined with the earnings of the minor's parent or legal guardian.

(g) If an individual or legal entity is not eligible to receive SDRP payments due to the individual or legal entity failing to satisfy payment eligibility provisions, the payment made either directly or indirectly to the individual or legal entity will be reduced to zero. The amount of the reduction for the direct payment to the producer will be commensurate with the direct or indirect ownership interest of the ineligible individual or ineligible legal entity.

§ 760.2216 Requirement to purchase crop insurance or NAP coverage.

(a) A participant who receives payment under this subpart must obtain Federal crop insurance or NAP coverage for the next 2 available crop years after the date a producer receives an SDRP payment as described in this section. Participants must also file an acreage report and any other required reports or documentation needed to establish crop insurance or NAP coverage for the applicable crop years.

(b) To meet the requirement in paragraph (a) of this section, a producer must obtain:

(1) For an insurable crop, tree, or vine, Federal crop insurance with at least a 60 percent coverage level; or

(2) For a NAP-eligible crop, NAP coverage with at least a 60 percent coverage level.

(c) Participants who are required to obtain NAP coverage but exceed the average adjusted gross income limitation for NAP payment eligibility for the applicable crop year may meet the purchase requirement paragraph (a) of this section by purchasing WFRP coverage, if eligible, or paying the NAP service fee and premium even though the participant will not be eligible to receive a NAP payment.

(d) Producers who receive a Stage 1 payment that was calculated based on an indemnity under a Pasture, Rangeland, and Forage policy; Annual Forage policy; or WFRP policy must purchase the same type of policy or a combination of individual policies for the crops that had covered losses under SDRP Stage 1 to meet the Federal crop

insurance and NAP coverage requirement.

(e) If both Federal crop insurance and NAP coverage are unavailable for a crop, the producer must obtain WFRP Federal crop insurance coverage, if eligible.

(f) The Federal crop insurance and NAP coverage requirements are specific to the crop and county for which an SDRP payment is issued. For insured crops, the applicable county is the county where the crop is physically located. For NAP-covered crops, the applicable county is the administrative county.

(g) Producers who are paid for a crop in a county, but do not plant that crop in that county in a year for which the Federal crop insurance and NAP coverage requirement applies, are not subject to the Federal crop insurance or NAP purchase requirement for that year.

(h) If a producer fails to obtain Federal crop insurance or NAP coverage as required by this section, the producer must reimburse FSA for the full amount of SDRP payment plus interest from the date of disbursement that the producer received for that crop, tree, bush, or vine loss. A producer will only be considered to have obtained NAP coverage for the purposes of this section if the participant applied and paid the requisite NAP service fee and paid any applicable premium by the applicable deadline and completed all program requirements, including filing an acreage report as may be required under such coverage agreement.

§ 760.2217 Miscellaneous provisions.

(a) In the event that an SDRP payment resulted from erroneous information reported by the producer, or any person acting on their behalf, or if the producer's data are updated after RMA or FSA calculates a producer's Stage 1 payment, the SDRP payment will be recalculated and the producer must refund any excess payment to FSA, including interest to be calculated from the date of the disbursement to the producer. If FSA determines that the producer intentionally misrepresented information used to determine the producer's SDRP payment amount, the application will be disapproved and the producer must refund the full payment to FSA with interest from the date of disbursement. All persons with a financial interest in a legal entity receiving payments are jointly and severally liable for any refund, including related charges, which is determined to be due to FSA for any reason.

(b) If FSA determines that the producer intentionally misrepresented information used to determine the

producer's SDRP payment amount, the application will be disapproved and the producer must refund the full payment to FSA with interest from the date of disbursement.

(c) Any required refunds must be resolved in accordance with debt settlement regulations in 7 CFR part 3.

(d) Participants are required to retain documentation in support of their application for 3 years after the date of approval. Participants receiving SDRP payments or any other person who furnishes such information to USDA must permit authorized representatives of USDA or the Government Accountability Office, during regular business hours, to enter the agricultural operation and to inspect, examine, and to allow representatives to make copies of books, records, or other items for the purpose of confirming the accuracy of the information provided by the participant.

(e) Any payment under SDRP will be made without regard to questions of title under State law and without regard to any claim or lien. The regulations governing offsets in 7 CFR part 3 apply to SDRP payments.

(f) Participants are subject to laws against perjury and any penalties and prosecution resulting therefrom, with such laws including but not limited to 18 U.S.C. 1621. If a producer willfully makes and represents as true any verbal or written declaration, certification, statement, or verification that the producer knows or believes not to be true, in the course of either applying for or participating in SDRP, then the producer is guilty of perjury and, except as otherwise provided by law, may be fined, imprisoned for not more than 5 years, or both, regardless of whether the producer makes such verbal or written declaration, certification, statement, or verification within or outside the United States.

(g) For the purposes of the effect of a lien on eligibility for Federal programs (28 U.S.C. 3201(e)), USDA waives the restriction on receipt of funds under SDRP but only as to beneficiaries who, as a condition of the waiver, agree to apply the SDRP payments to reduce the amount of the judgment lien.

(h) In addition to any other Federal laws that apply to SDRP, the following laws apply: 15 U.S.C. 714; and 18 U.S.C. 286, 287, 371, and 1001.

(i) Prompt pay interest is not applicable to payments under this subpart.

William Beam,

Administrator, Farm Service Agency.

[FR Doc. 2025-12803 Filed 7-9-25; 8:45 am]

BILLING CODE 3411-E2-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2025-1119; Project Identifier MCAI-2025-00914-G; Amendment 39-23074; AD 2025-13-08]

RIN 2120-AA64

Airworthiness Directives; DG Aviation GmbH (Type Certificate Previously Held by DG Flugzeugbau GmbH) Gliders

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all DG Aviation GmbH (type certificate previously held by DG Flugzeugbau GmbH) Model DG-1000T gliders. This AD was prompted by reports of propeller separation. This AD requires revising the glider flight manual and installing "Motor INOP" placards to prohibit operation with the powerplant. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective July 25, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 25, 2025.

The FAA must receive comments on this AD by August 25, 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-2025-1119; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For DG Aviation GmbH material identified in this AD, contact DG Aviation GmbH, Rita Rodrigues, Otto Lilienthal Weg 2/Am Flugplatz, Bruchsal, Germany; phone: +49 (0) 7251 36660-32; email: rodrigues@dg-aviation.de; website: <https://www.dg-aviation.de/en/dg-flugzeugbau/contact>.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222-5110. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2025-1119.

FOR FURTHER INFORMATION CONTACT: Dan McCully, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (404) 474-5548; email: william.mccully@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written data, views, or arguments about this final rule. Send your comments using a method listed under the **ADDRESSES** section. Include "Docket No. FAA-2025-1119; Project Identifier MCAI-2025-00914-G" at the beginning of your comments. The most helpful comments reference a specific portion of the final rule, 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 final rule 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 final rule.

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 AD 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 AD, 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 AD. Submissions containing CBI should be sent to Dan McCully, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The European Union Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2025–0112–E, dated May 14, 2025 (referred to as “the MCAI”), to correct an unsafe condition on all DG Aviation GmbH Model DG–1000T powered sailplanes (gliders).

The MCAI states two occurrences were reported of propeller separation from DG Aviation GmbH Model DG–1000T gliders. In both reports, the rubber of the damper element sheared off completely. The investigation to determine the root cause is ongoing. This condition, if not detected and corrected, could lead to separation of the propeller, which could result in reduced or loss of control of the glider or the propeller impacting the glider, passengers in the glider, or people on the ground.

The MCAI prohibits use of the glider’s powerplant and requires revising the glider flight manual and installing “Motor INOP” placards. The MCAI also provides removal of the powerplant as an acceptable alternative method of compliance.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2025–1119.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed DG aviation GmbH Service Information No. 116–25, Issue 01.b, dated May 12, 2025. This material specifies procedures for revising the DG Aviation GmbH Model DG–1000T glider flight manual, emptying the fuel tank, and installing “Motor INOP” placards. This material is reasonably available because the interested parties have access to it through their normal course

of business or by the means identified in the ADDRESSES section.

FAA’s Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this AD after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

AD Requirements

This AD requires accomplishing the actions specified in the material already described, except as discussed under “Differences Between this AD and the Referenced Material.”

The owner/operator (pilot) holding at least a private pilot certificate may revise the existing glider flight manual and must enter compliance with the applicable paragraph of this AD into the glider maintenance records in accordance with 14 CFR 43.9(a) and 91.417(a)(2)(v). The pilot may perform this action because it only involves revising the flight manual. This action could be performed equally well by a pilot or a mechanic. This is an exception to the FAA’s standard maintenance regulations.

Differences Between This AD and the Referenced Material

The service information specifies compliance before the next engine use, but this AD requires compliance within 3 days after the effective date of this AD.

Although the service information specifies emptying the fuel tank, this AD does not require this action because this action is not required to address the unsafe condition identified in this AD.

Interim Action

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

Justification for Immediate Adoption and Determination of the Effective Date

Section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 551 *et seq.*) authorizes agencies to dispense with notice and comment procedures for rules when the agency, for “good cause,” finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under this section, an agency, upon finding good cause, may issue a final rule without providing notice and seeking comment prior to issuance. Further, section 553(d) of the APA authorizes agencies to make rules effective in less than thirty days, upon the finding of good cause.

An unsafe condition exists that requires the immediate adoption of this AD without providing an opportunity for public comments prior to adoption. The FAA has found that the risk to the flying public justifies forgoing notice and comment prior to adoption of this rule because the propeller separating from the glider could damage the aircraft structure and result in reduced control of the glider. Additionally, the corrective actions to prohibit operating the glider using the powerplant must be accomplished within 3 days after the effective date of this AD. Accordingly, notice and opportunity for prior public comment are impracticable and contrary to the public interest pursuant to 5 U.S.C. 553(b).

In addition, the FAA finds that good cause exists pursuant to 5 U.S.C. 553(d) for making this amendment effective in less than 30 days, for the same reasons the FAA found good cause to forgo notice and comment.

Regulatory Flexibility Act

The requirements of the Regulatory Flexibility Act (RFA) do not apply when an agency finds good cause pursuant to 5 U.S.C. 553 to adopt a rule without prior notice and comment. Because the FAA has determined that it has good cause to adopt this rule without prior notice and comment, RFA analysis is not required.

Costs of Compliance

The FAA estimates that this AD affects 2 gliders of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS				
Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Revise glider flight manual	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$170
Fabricate and install placards	1 work-hour × \$85 per hour = \$85	35	120	240

Authority for This Rulemaking

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

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

Regulatory Findings

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

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

- (1) Is not a "significant regulatory action" under Executive Order 12866, and
- (2) Will not affect intrastate aviation in Alaska.

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2025-13-08 DG Aviation GmbH (Type Certificate Previously Held by DG Flugzeugbau GmbH): Amendment 39—

23074; Docket No. FAA-2025-1119; Project Identifier MCAI-2025-00914-G.

(a) Effective Date

This airworthiness directive (AD) is effective July 25, 2025.

(b) Affected ADs

None.

(c) Applicability

This AD applies to DG Aviation GmbH (type certificate previously held by DG Flugzeugbau GmbH) Model DG-1000T gliders, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 7100, Powerplant System.

(e) Unsafe Condition

This AD was prompted by reports of propeller separation. The FAA is issuing this AD to detect and address failure of a propeller. The unsafe condition, if not addressed, could lead to separation of the propeller, which could result in reduced or loss of control of the glider or the propeller impacting the glider, passengers in the glider, or people on the ground.

(f) Compliance

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

(g) Required Actions

Within 3 days after the effective date of this AD, comply with either paragraph (g)(1) or (2) of this AD.

(1) Revise the flight manual for your glider and install "Motor INOP" placards in accordance with paragraphs 1 and 3 of the Instructions in DG Aviation GmbH Service Information No. 116-25, Issue 01.b, dated May 12, 2025. The owner/operator (pilot) holding at least a private pilot certificate may revise the existing flight manual and must enter compliance with the applicable paragraph of this AD into the glider maintenance records in accordance with 14 CFR 43.9(a) and 91.417(a)(2)(v). The record must be maintained as required by 14 CFR 91.417, 121.380, or 135.439.

(2) Remove the powerplant from the glider.

(h) Credit for Previous Actions

This paragraph provides credit for the actions required by paragraph (g)(1) of this AD, if those actions were performed before the effective date of this AD using DG aviation GmbH Service Information No. 116-25, Doc No. SI 116-25 FE-30-01, Issue 01.a, dated May 5, 2025.

(i) Special Flight Permits

Special flight permits are prohibited.

(j) Alternative Methods of Compliance (AMOCs)

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. 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 Dan McCully, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (404) 474-5548; email: william.mccully@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) DG aviation GmbH Service Information No. 116-25, Issue 01.b, dated May 12, 2025.

(ii) [Reserved]

(3) For DG Aviation GmbH material identified in this AD, contact DG Aviation GmbH, Rita Rodrigues, Otto Lilienthal Weg 2/Am Flugplatz, Bruchsal, Germany; phone: +49 (0) 7251 36660-32; email: rodrigues@dg-aviation.de; website: <https://www.dg-aviation.de/en/dg-flugzeugbau/contact>.

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

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

Issued on June 27, 2025.

Steven W. Thompson,

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

[FR Doc. 2025-12875 Filed 7-8-25; 4:15 pm]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2025-1352; Project Identifier MCAI-2025-00812-T; Amendment 39-23078; AD 2025-13-12]

RIN 2120-AA64

Airworthiness Directives; Airbus SAS Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Airbus SAS Model A350–941 and –1041 airplanes. This AD was prompted by a report of loss of control of an outboard aileron surface due to hydraulic fluid contaminating an electronic card of the flight control remote module (FCRM). This AD requires replacing any affected elevator FCRM and prohibits installing aileron or spoiler FCRMs in place of elevator or rudder FCRMs. This AD also limits the installation of FCRMs under certain conditions. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective July 25, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 25, 2025.

The FAA must receive comments on this AD by August 25, 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–2025–1352; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

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

- 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–2025–1352.

FOR FURTHER INFORMATION CONTACT: Udara Dharmasena, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5295; email:

Udara.C.Dharmasena@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written data, views, or arguments about this final rule. Send your comments using a method listed under the **ADDRESSES** section. Include “Docket No. FAA–2025–1352; Project Identifier MCAI–2025–00812–T” at the beginning of your comments. The most helpful comments reference a specific portion of the final rule, 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 final rule 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 final rule.

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 AD 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 AD, 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 AD. Submissions containing CBI should be sent to Udara Dharmasena, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5295; email: Udara.C.Dharmasena@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 EASA AD 2025–0129, dated June 5, 2025 (EASA AD 2025–0129) (also referred to as “the MCAI”), to correct an unsafe condition for all Model A350–941 and –1041 airplanes. The MCAI states that an occurrence was reported of loss of control of an outboard aileron surface. Subsequent investigations determined that the electronic card of the FCRM of that aileron had been contaminated by hydraulic fluid. In addition, EASA determined that certain servocontrols were exposed to hydraulic contamination before delivery of the airplane to its first operator. Due to the similarity of design, elevator and rudder FCRMs could be subject to the same failure mode. This condition, if not detected and corrected, could lead to runaway of rudder or elevator surface, resulting in loss of control of the airplane.

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

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–1352.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2025–0129, which specifies procedures for replacing affected FCRMs, which have been exposed to hydraulic fuel contamination, with serviceable FCRMs and repairing any related hydraulic leaks on the airplane. EASA AD 2025–0129 prohibits “swapping” elevator or rudder FCRMs with spoiler or aileron FCRMs. EASA AD 2025–0129 also prohibits installing an FCRM unless it is a serviceable FCRM.

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

FAA’s Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this AD after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Requirements of This AD

This AD requires accomplishing the actions specified in EASA AD 2025–0129 described previously, except for

any differences identified as exceptions in the regulatory text of this AD.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some civil aviation authority (CAA) ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, EASA AD 2025–0129 is incorporated by reference in this AD. This AD requires compliance with EASA AD 2025–0129 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this AD. Using common terms that are the same as the heading of a particular section in EASA AD 2025–0129 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 2025–0129. Material required by EASA AD 2025–0129 for compliance will be available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–1352 after this AD is published.

Interim Action

The FAA considers that this AD is an interim action.

Justification for Immediate Adoption and Determination of the Effective Date

Section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 551 *et seq.*) authorizes agencies to dispense with notice and comment procedures for rules when the agency, for “good cause,” finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under this section, an agency, upon finding good cause, may issue a final rule without providing notice and seeking comment prior to issuance. Further, section 553(d) of the APA authorizes agencies to make rules effective in less than thirty days, upon a finding of good cause.

An unsafe condition exists that requires the immediate adoption of this AD without providing an opportunity for public comments prior to adoption. The FAA has found that the risk to the flying public justifies forgoing notice and comment prior to adoption of this rule because FCRM electronic cards exposed to hydraulic fluid have led to loss of control of an outboard aileron surface and elevator FCRM electronic cards exposed to hydraulic fluid are also subject failure, due to their similarity of design. Control of the airplane is significantly degraded through the loss of control of an elevator or rudder

surface, resulting in loss of control of the airplane. Additionally, some of the corrective actions in this AD must be accomplished before further flight, while the remaining actions must be done within 18 or 24 days, depending on the type of FCRM. The compliance times are shorter than the time necessary for the public to comment and for publication of the final rule. Accordingly, notice and opportunity for prior public comment are impracticable and contrary to the public interest pursuant to 5 U.S.C. 553(b).

In addition, the FAA finds that good cause exists pursuant to 5 U.S.C. 553(d) for making this amendment effective in less than 30 days, for the same reasons the FAA found good cause to forgo notice and comment.

Regulatory Flexibility Act (RFA)

The requirements of the RFA do not apply when an agency finds good cause pursuant to 5 U.S.C. 553 to adopt a rule without prior notice and comment. Because the FAA has determined that it has good cause to adopt this rule without notice and comment, RFA analysis is not required.

Costs of Compliance

The FAA estimates that this AD affects 37 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS FOR REQUIRED ACTIONS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Replacement	Up to 12 work-hours × \$85 per hour = \$1,020.	\$110,256 (if all four FCMSs are replaced).	Up to \$111,276	Up to \$4,117,212.

The FAA estimates the following costs to do any necessary on-condition repairs of any related hydraulic leaks on

the airplane. The FAA has no way of determining the number of airplanes

that might need this on-condition action:

ESTIMATED COSTS FOR ON-CONDITION REPAIRS

Labor cost	Parts cost	Cost per product
3 work-hours × \$85 per hour = \$255	Up to \$27,564	Up to \$27,819.

According to the manufacturer, some or all of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected operators. The FAA does not control warranty coverage for affected operators. As a result, the FAA has included all known costs in the cost estimate.

Authority for This Rulemaking

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

The FAA is issuing this rulemaking under the authority described in

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

develop on products identified in this rulemaking action.

Regulatory Findings

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

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

- (1) Is not a “significant regulatory action” under Executive Order 12866, and
- (2) Will not affect intrastate aviation in Alaska.

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§39.13 [Amended]

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

2025–13–12 Airbus SAS: Amendment 39–23078; Docket No. FAA–2025–1352; Project Identifier MCAI–2025–00812–T.

(a) Effective Date

This airworthiness directive (AD) is effective July 25, 2025.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus SAS Model A350–941 and –1041 airplanes, certificated in any category.

(d) Subject

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

(e) Unsafe Condition

This AD was prompted by a report of loss of control of an outboard aileron surface due to hydraulic fluid contaminating an electronic card of the flight control remote module (FCRM). The FAA is issuing this AD to address FCRM electronic cards exposed to hydraulic fluid contamination. This condition, if not detected and corrected,

could lead to runaway of rudder or elevator surface, resulting in loss of control of the airplane.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2025–0129, dated June 5, 2025 (EASA AD 2025–0129).

(h) Exceptions to EASA AD 2025–0129

(1) Where EASA AD 2025–0129 refers to “07 May 2025 [the effective date of EASA AD 2025–0099]”, this AD requires using the effective date of this AD.

(2) Where EASA AD 2025–0129 refers to its effective date, this AD requires using the effective date of this AD.

(3) Where paragraph (1) of EASA AD 2025–0129 states “do not swap”, for this AD replace that text with “do not replace”.

(4) Where paragraph (2) of EASA AD 2025–0129 states “is reported on an aeroplane”, for this AD replace that text with “is documented in the aircraft maintenance records or has been reported to Airbus”.

(5) Where Table 1 of EASA AD 2025–0129 states “close to”, for this AD replace that text with “adjacent to”.

(6) This AD does not adopt the “Remarks” section of EASA AD 2025–0129.

(i) No Reporting Requirement

Although the material referenced in EASA AD 2025–0129 specifies to submit certain information to the manufacturer, this AD does not include that requirement.

(j) Additional AD Provisions

The following provisions also apply to this AD:

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

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA.; or EASA; or Airbus SAS’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(3) *Required for Compliance (RC):* Except as required by paragraph (j)(2) of this AD, if any material referenced in EASA AD 2025–0129 that contains paragraphs that are labeled as RC, the instructions in RC paragraphs, including subparagraphs under an RC paragraph, must be done to comply with this AD; any paragraphs, including subparagraphs under those paragraphs, that are not identified as RC are recommended. The instructions in paragraphs, including subparagraphs under those paragraphs, not identified as RC may be deviated from using accepted methods in accordance with the operator’s maintenance or inspection program without obtaining approval of an AMOC, provided the instructions identified as RC can be done and the airplane can be put back in an airworthy condition. Any substitutions or changes to instructions identified as RC require approval of an AMOC.

(k) Additional Information

(1) For more information about this AD, contact Udara Dharmasena, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5295; email: Udara.C.Dharmasena@faa.gov.

(2) For Airbus material identified in this AD that is not incorporated by reference, contact Airbus SAS, Airworthiness Office—EAL, Rond-Point Emile Dewoitine No: 2, 31700 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 45 80; email continued-airworthiness.a350@airbus.com; website airbus.com.

(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 this AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2025–0129, dated June 5, 2025.

(ii) [Reserved]

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

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

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

Issued on June 30, 2025.

Peter A. White,
Deputy Director, Integrated Certificate Management Division, Aircraft Certification Service.

[FR Doc. 2025–12858 Filed 7–8–25; 4:15 pm]

BILLING CODE 4910–13–P

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

[Docket No. FAA–2025–0617; Project Identifier MCAI–2024–00331–R; Amendment 39–23075; AD 2025–13–09]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Airbus Helicopters Model AS–365N2, AS 365 N3, EC 155B, EC155B1, SA–365N, and SA–365N1 helicopters. This AD was prompted by reports of loss of tightening torque between the upper ball bearing end and the main rotor (MR) servo-control. This AD requires inspecting the tightening torque and, depending on the results, taking corrective action. This AD also requires reporting information. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective August 14, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of August 14, 2025.

ADDRESSES:

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–0617; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For European Union Aviation Safety Agency (EASA) material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: ADs@easa.europa.eu; website: easa.europa.eu. You may find this material on the EASA website at 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](https://www.regulations.gov) under Docket No. FAA–2025–0617.

FOR FURTHER INFORMATION CONTACT:

Peter Schmitt, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (206) 231–3377; email: peter.a.schmitt@faa.gov.

SUPPLEMENTARY INFORMATION:**Background**

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to Airbus Helicopters Model AS–365N2, AS 365 N3, EC 155B, EC155B1, SA–365N, and SA–365N1 helicopters. The NPRM was published in the **Federal Register** on April 15, 2025 (90 FR 15667). The NPRM was prompted by EASA AD 2024–0110, dated June 6, 2024 (EASA AD 2024–0110) (also referred to as the MCAI), issued by EASA, which is the Technical Agent for the Member States of the European Union. The MCAI states two occurrences were reported of loss of tightening torque between the upper ball bearing end and the MR servo-control, which in one occurrence, led to the disconnection of these two parts. The MCAI further states that the investigation is still on-going to determine the root cause. EASA considers this MCAI an interim action and further action may follow.

In the NPRM, the FAA proposed to require inspecting the tightening torque and, depending on the results, taking corrective action. Additionally, in the NPRM the FAA proposed to require reporting certain information.

The FAA is issuing this AD to detect loss of tightening torque. The unsafe condition, if not addressed, could result in disconnection between the upper ball bearing end and the MR servo-control, and consequent loss of control of the helicopter.

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–0617.

Discussion of Final Airworthiness Directive**Comments**

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

Conclusion

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this

State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. Except for minor editorial changes, this AD is adopted as proposed in the NPRM.

Material Incorporated by Reference Under 1 CFR Part 51

EASA AD 2024–0110 requires a one-time check of the torque on each nut connecting the upper ball bearing end to all three MR servo-controls and, depending on the results, taking corrective actions, which include applying torque, lockwire, and sealing compound to the upper ball bearing end of the MR servo-control, inspecting the ball bearing end of the MR-servo control, replacing a ball bearing end, inspecting the upper end fitting of the MR-servo control, and replacing the MR servo-control. EASA AD 2024–0110 also requires reporting the inspection results (including no findings) 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.

Differences Between This AD and the MCAI

The MCAI, as well as the material referenced in the MCAI, refer to the “torque inspection” as a “check.” In an FAA AD, a “check” may be done by the owner/operator (pilot) holding at least a private pilot certificate provided certain criteria are met. The authorization for a “check” in an FAA AD is an exception to the FAA's standard maintenance regulations and the criteria is not met in this AD. Accordingly, this AD requires those actions be accomplished by persons authorized under 14 CFR 43.3.

Interim Action

The FAA considers that this AD is 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 affects 63 helicopters of U.S. registry. Labor costs are estimated at \$85 per hour. Based on these numbers, the FAA estimates the following costs to comply with this AD.

Inspecting the tightening torque of the upper ball bearing end of each MR servo control will take 1 work-hour for an

estimated cost of \$255 per helicopter (three MR servo-controls per helicopter) and \$16,065 for the U.S. fleet.

Reporting the results of the inspection will take 1 work-hour for an estimated cost of \$85 per helicopter and \$5,355 for the U.S. fleet.

If required, applying torque, lock-wire, and sealing compound to the upper ball bearing end of each MR servo-control will take .5 work-hour and parts will cost a nominal amount for an estimated cost of \$127.50 per helicopter (for up to three MR servo-controls per helicopter).

If required, inspecting the threads of a ball bearing end will take 1 work-hour for an estimated cost of \$85 per ball bearing end. Depending on the results, replacing a ball bearing end will take 1 work-hour and parts will cost \$1,299 for an estimated cost of \$1,384 per ball bearing end.

If required, inspecting the threads of an upper end fitting will take 1 work-hour for an estimated cost of \$85 per upper-end fitting. Depending on the results, replacing an MR servo-control will take 1 work-hour and parts will cost \$41,039 for an estimated cost of \$41,124 per MR servo-control.

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 currently 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

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

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

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

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2025-13-09 Airbus Helicopters:

Amendment 39-23075; Docket No. FAA-2025-0617; Project Identifier MCAI-2024-00331-R.

(a) Effective Date

This airworthiness directive (AD) is effective August 14, 2025.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Airbus Helicopters Model AS-365N2, AS 365 N3, EC 155B, EC155B1, SA-365N, and SA-365N1 helicopters, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 6710, Main rotor control.

(e) Unsafe Condition

This AD was prompted by reports of two occurrences of loss of tightening torque between the upper ball bearing end and the main rotor (MR) servo-control. The FAA is issuing this AD to detect loss of tightening torque. The unsafe condition, if not addressed, could result in disconnection between the upper ball bearing end and the MR servo-control, and consequent loss of control of the helicopter.

(f) Compliance

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

(g) Required Actions

Except as specified in 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 2024-0110, dated June 6, 2024 (EASA AD 2024-0110).

(h) Exceptions to EASA AD 2024-0110

(1) Where EASA AD 2024-0110 defines "the ASB", this AD requires replacing that definition with "Airbus Helicopters Alert Service Bulletin (ASB) AS365-67-30-0001, AS366-67-30-0001, or EC155-67-30-0001, each Issue 2 and dated May 15, 2024, as applicable for the model helicopter. For compliance with this AD, Model SA-365N and SA-365N1 helicopters are to use ASB AS365-67-30-0001, Issue 2, dated May 15, 2024".

(2) Where EASA AD 2024-0110 requires compliance in terms of flight hours, this AD requires using hours time-in-service.

(3) Where EASA AD 2024-0110 refers to its effective date, this AD requires using the effective date of this AD.

(4) Where paragraph (1) of EASA AD 2024-0110 and the material referenced in EASA AD 2024-0110 specify "check", this AD requires replacing that text with "inspect" or "inspection" as applicable.

(5) Where the material referenced in EASA AD 2024-0110 specifies discarding parts, this AD requires removing those parts from service.

(6) Where the material referenced in EASA AD 2024-0110 specifies hard point, for this AD a hard point may be indicated by resistance, ratcheting, blocking, or difficulty when turning the ball bearing end into the upper end fitting of the MR servo-control by hand.

(7) Where paragraph (3) of EASA AD 2024–0110 specifies reporting inspection results (including no findings) to AH [Airbus Helicopters] within 7 days after the inspection required by paragraph (1) of EASA AD 2024–0110, this AD requires reporting that information at the applicable time in paragraph (h)(7)(i) or (ii) of this AD.

(i) If the inspection was done on or after the effective date of this AD: Submit the report within 30 days after the inspection required by paragraph (1) of EASA AD 2024–0110.

(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.

(8) This AD does not adopt the “Remarks” section of EASA AD 2024–0110.

(i) 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 (j) of this AD. Information may be emailed to: AMOC@faa.gov.

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

(j) Additional Information

For more information about this AD, contact Peter Schmitt, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (206) 231–3377; email: peter.a.schmitt@faa.gov.

(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) European Union Aviation Safety Agency (EASA) AD 2024–0110, dated June 6, 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; website: easa.europa.eu. You may find this EASA AD on the EASA website at 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 or email fr.inspection@nara.gov.

Issued on July 1, 2025.

Steven W. Thompson,

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

[FR Doc. 2025–12873 Filed 7–9–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2024–1702; Project Identifier MCAI–2024–00067–T; Amendment 39–23076; AD 2025–13–10]

RIN 2120–AA64

Airworthiness Directives; Airbus SAS Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is superseding Airworthiness Directive (AD) 2021–25–14, which applied to all Airbus SAS Model A319–111, –112, –113, –114, –115, –131, –132, and –133 airplanes; Model A320–211, –212, –214, –216, –231, –232, and –233 airplanes; and Model A321–111, –112, –131, –211, –212, –213, –231, and –232 airplanes. AD 2021–25–14 required repetitive inspections for cracking at the wing manhole access panel attachment holes at certain wing skin panels, and corrective action if necessary. Since the FAA issued AD 2021–25–14, new investigation results determined that additional airplanes are subject to the unsafe condition and certain structural repair manual (SRM) tasks should not be used to accomplish repairs. This AD continues to require the actions in AD 2021–25–14. This AD also changes the applicability to both add and remove airplane models, updates the compliance times, and prohibits the use of certain SRM tasks for repair. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective August 14, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of August 14, 2025.

ADDRESSES:

AD Docket: You may examine the AD docket at regulations.gov under Docket No. FAA–2024–1702; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except

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

Material Incorporated by Reference

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

- 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 under Docket No. FAA–2024–1702.

FOR FURTHER INFORMATION CONTACT:

Timothy Dowling, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 817–222–5102; email: Timothy.P.Dowling@faa.gov.

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2021–25–14, Amendment 39–21858 (86 FR 72171, December 21, 2021) (AD 2021–25–14). AD 2021–25–14 applied to all Airbus SAS Model A319–111, –112, –113, –114, –115, –131, –132, and –133 airplanes; Model A320–211, –212, –214, –216, –231, –232, and –233 airplanes; and Model A321–111, –112, –131, –211, –212, –213, –231, and –232 airplanes. AD 2021–25–14 required repetitive inspections for cracking at the wing manhole access panel attachment holes at certain wing skin panels and corrective action if necessary. The FAA issued AD 2021–25–14 to address this unsafe condition, which could lead to crack propagation, possibly resulting in reduced structural integrity of the wings.

The NPRM was published in the **Federal Register** on July 3, 2024 (89 FR 55123). The NPRM was prompted by AD 2024–0027, dated January 25, 2024 (EASA AD 2024–0027), issued by EASA, which is the Technical Agent for the Member States of the European Union. EASA AD 2024–0027 states new investigation results highlighted that

inspections must be applied to all models of A319, A320, and A321 airplanes in an affected configuration, and the associated compliance time must be adapted to these configurations. It was determined that fatigue cracking may occur in affected areas on airplanes having Sharklets installed during production or in service.

In the NPRM, the FAA proposed to retain the actions of AD 2021–25–14 and to revise the applicability by adding new engine option (NEO) airplane models and removing Airbus SAS Model A321–111, –112, and –131 airplanes. The FAA also proposed to update the compliance times as specified in EASA AD 2024–0027.

The FAA issued a supplemental notice of proposed rulemaking (SNPRM) to amend 14 CFR part 39 to supersede AD 2021–25–14. The SNPRM was published in the **Federal Register** on February 13, 2025 (90 FR 9523). The SNPRM was prompted by EASA AD 2024–0230, dated December 2, 2024 (EASA AD 2024–0230) (also referred to as “the MCAI”), which superseded EASA AD 2024–0027. Since EASA AD 2024–0027 was issued, Airbus published certain SRM tasks for repair as a result of the repetitive inspections at revision dated May 2024 to remove inadequate instructions for bush installation at steps 2 to 9 dated

February 2024 or earlier. Accordingly, EASA AD 2024–0230 prohibits the use of SRM tasks 57–21–11–300–010, 57–21–11–300–021, and 57–21–11–300–025 that were deactivated at revision dated August 2023 for accomplishing repairs.

In the SNPRM, the FAA revised the proposals in the NPRM by adding a prohibition against accomplishing a repair using certain SRM tasks. The FAA is issuing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2024–1702.

Discussion of Final Airworthiness Directive

Comments

The FAA received a comment from United Airlines, who supported the SNPRM without change.

Conclusion

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data, considered any

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

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2024–0230, which specifies procedures for repetitive detailed inspections for cracks of the affected areas (left-hand and right-hand wing manhole access panel attachment holes in the bottom wing skin panels 2, between rib 13 and rib 23) and applicable corrective actions (*i.e.*, repair). EASA AD 2024–0230 also prohibits accomplishing a repair using certain SRM tasks. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Costs of Compliance

The FAA estimates that this AD affects 1,650 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS FOR REQUIRED ACTIONS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspection	14 work-hours × \$85 per hour = \$1,190.	\$0	\$1,190 per inspection cycle ...	\$1,963,500 per inspection cycle.

The extent of damage found during the required inspection could vary significantly from airplane to airplane. The FAA has no way of determining how much damage may be found on each airplane, the cost to repair the damage on each airplane, or the number of airplanes that may require repair.

Authority for This Rulemaking

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

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil

aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

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

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

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

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

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

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]**■ 2. The FAA amends § 39.13 by:**

■ a. Removing Airworthiness Directive (AD) 2021–25–14, Amendment 39–21858 (86 FR 72171, December 21, 2021); and

■ b. Adding the following new AD:

2025–13–10 Airbus SAS: Amendment 39–23076; Docket No. FAA–2024–1702; Project Identifier MCAI–2024–00067–T.

(a) Effective Date

This airworthiness directive (AD) is effective August 14, 2025.

(b) Affected ADs

This AD replaces AD 2021–25–14, Amendment 39–21858 (86 FR 72171, December 21, 2021) (AD 2021–25–14).

(c) Applicability

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

(1) Model A319–111, –112, –113, –114, –115, –131, –132, –133, –151N, –153N, and –171N airplanes.

(2) Model A320–211, –212, –214, –216, –231, –232, –233, –251N, –252N, –253N, –271N, –272N, and –273N airplanes.

(3) Model A321–211, –212, –213, –231, –232, –251N, –251NX, –252N, –252NX, –253N, –253NX, –271N, –271NX, –272N, and –272NX airplanes.

(d) Subject

Air Transport Association (ATA) of America Code 57, Wings.

(e) Unsafe Condition

This AD was prompted by a determination that fatigue cracking may occur at the left-hand and right-hand wing manhole access panel attachment holes in the bottom wing skin panels 2, between rib 13 and rib 23, on airplanes with Sharklets or their structural reinforcements installed. This AD was also prompted by a determination that additional airplanes are subject to the unsafe condition and certain structural repair manual tasks should not be used to accomplish repairs. The FAA is issuing this AD to address fatigue cracking that may occur in affected areas on airplanes having Sharklets installed during production or in service. The unsafe condition, if not addressed, could result in crack initiation and propagation, possibly resulting in reduced structural integrity of the wings.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2024–0230, dated December 2, 2024 (EASA AD 2024–0230).

(h) Exceptions to EASA AD 2024–0230

(1) Where EASA AD 2024–0230 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where EASA AD 2024–0230 refers to February 8, 2024 (the effective date of EASA AD 2024–0027, dated January 25, 2024), this AD requires using the effective date of this AD.

(3) Where paragraph (2) of EASA AD 2024–0230 specifies “any finding is detected as defined in the AOT, before next flight, contact Airbus for approved repair instructions and, within the compliance time specified therein, accomplish those instructions accordingly”, this AD requires replacing that text with “any cracking is detected, the cracking must be repaired before further flight using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA; or EASA; or Airbus SAS’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature”.

(4) This AD does not adopt the requirements of paragraph (4) of EASA AD 2024–0230.

(5) This AD does not adopt the “Remarks” section of EASA AD 2024–0230.

(i) No Reporting Requirement

Although the material referenced in EASA AD 2024–0230 specifies to submit certain information to the manufacturer, this AD does not include that requirement.

(j) Additional AD Provisions

The following provisions also apply to this AD:

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

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA; or EASA; or Airbus SAS’s EASA DOA. If approved by the DOA, the approval must include the DOA-authorized signature.

(3) *Required for Compliance (RC)*: Except as required by paragraphs (i) and (j)(2) of this AD, if any material referenced in EASA AD 2024–0230 contains paragraphs that are labeled as RC, the instructions in RC paragraphs, including subparagraphs under an RC paragraph, must be done to comply with this AD; any paragraphs, including subparagraphs under those paragraphs, that are not identified as RC are recommended.

The instructions in paragraphs, including subparagraphs under those paragraphs, not identified as RC may be deviated from using accepted methods in accordance with the operator’s maintenance or inspection program without obtaining approval of an AMOC, provided the instructions identified as RC can be done and the airplane can be put back in an airworthy condition. Any substitutions or changes to instructions identified as RC require approval of an AMOC.

(k) Additional Information

For more information about this AD, contact Timothy Dowling, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 817–222–5102; email: Timothy.P.Dowling@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 this AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2024–0230, dated December 2, 2024.

(ii) [Reserved]

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

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

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

Issued on June 30, 2025.

Peter A. White,

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

[FR Doc. 2025–12894 Filed 7–9–25; 8:45 am]

BILLING CODE 4910–13–P

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

[Docket No. FAA–2025–1356; Project Identifier MCAI–2025–00834–T; Amendment 39–23080; AD 2025–14–02]

RIN 2120–AA64

Airworthiness Directives; Airbus SAS Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Airbus SAS Model A350–941 and –1041 airplanes. This AD was prompted by a design review that identified a potential thrust asymmetry condition during derated takeoff operations under certain conditions. This AD requires revising the existing airplane flight manual (AFM) to provide the flightcrew with procedures for derated takeoff limitations. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective July 25, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 25, 2025.

The FAA must receive comments on this AD by August 25, 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*. Follow the instructions for submitting comments.

- *Fax:* 202–493–2251.

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

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

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2025–1356; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

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

- 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* under Docket No. FAA–2025–1356.

FOR FURTHER INFORMATION CONTACT:

Anthony Decaro, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5374; email: *Anthony.D.Decaro@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written data, views, or arguments about this final rule. Send your comments using a method listed under the **ADDRESSES** section. Include “Docket No. FAA–2025–1356; Project Identifier MCAI–2025–00834–T” at the beginning of your comments. The most helpful comments reference a specific portion of the final rule, 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 final rule 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 final rule.

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 AD 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 AD, 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 AD. Submissions containing CBI should be sent to Anthony Decaro, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5374; email: *Anthony.D.Decaro@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 EASA AD 2025–0105, dated May 7, 2025 (EASA AD 2025–0105) (also referred to as “the MCAI”), to correct an unsafe condition on all Airbus SAS Model A350–941 and –1041 airplanes. The MCAI states that, during a design review, a potential thrust asymmetry condition was identified during derated takeoff operations when one engine is operating within a restricted N1 zone due to keep out zone (KOZ) limitations. Investigation revealed that the root cause lies in the interaction between derated logic and KOZ-limited engine control laws, which may result in significant thrust differences between engines. This condition, if not corrected, could lead to increased flightcrew workload during critical phases of flight, possibly resulting in reduced control of the airplane.

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

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2025–1356.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2025–0105. This material specifies revising the limitations section of the existing AFM to provide the flightcrew with procedures for derated takeoff limitations.

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

FAA’s Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this AD after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Requirements of This AD

This AD requires accomplishing the actions specified in EASA AD 2025–0105 described previously, except for any differences identified as exceptions in the regulatory text of this AD.

Compliance With AFM Revision

EASA AD 2025–0105 requires operators to “inform all flight crews” of revisions to the AFM, and thereafter to “operate the aeroplane accordingly.” However, this AD does not specifically require those actions as those actions are already required by FAA regulations. FAA regulations require that operators furnish to pilots any changes to the AFM (for example, 14 CFR 121.137) and ensure the pilots are familiar with the AFM (for example, 14 CFR 91.505). As with any other flightcrew training requirement, training on the updated AFM content is tracked by the operators and recorded in each pilot’s training record, which is available for the FAA to review. FAA regulations also require pilots to follow the procedures in the AFM including all updates. Section 91.9 requires that any person operating a civil aircraft must comply with the operating limitations specified in the AFM. Therefore, including a requirement in this AD to operate the airplane according to the revised AFM would be redundant and unnecessary.

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, EASA AD 2025–0105

is incorporated by reference in this AD. This AD requires compliance with EASA AD 2025–0105 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this AD. Using common terms that are the same as the heading of a particular section in EASA AD 2025–0105 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 2025–0105. Material required by EASA AD 2025–0105 for compliance will be available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–1356 after this AD is published.

Justification for Immediate Adoption and Determination of the Effective Date

Section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 551 *et seq.*) authorizes agencies to dispense with notice and comment procedures for rules when the agency, for “good cause,” finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under this section, an agency, upon finding good cause, may issue a final rule without providing notice and seeking comment prior to issuance. Further, section 553(d) of the APA authorizes agencies to make rules effective in less than thirty days, upon a finding of good cause.

An unsafe condition exists that requires the immediate adoption of this AD without providing an opportunity

for public comments prior to adoption. The FAA has found that the risk to the flying public justifies forgoing notice and comment prior to adoption of this rule because the interaction between derated takeoff logic and KOZ-limited engine control laws can cause significant thrust differences between engines (asymmetric thrust). During critical phases of flight this can lead to increased flightcrew workload and loss of control of the airplane. Additionally, the compliance time in this AD is shorter than the time necessary for the public to comment and for publication of the final rule. Accordingly, notice and opportunity for prior public comment are impracticable and contrary to the public interest pursuant to 5 U.S.C. 553(b).

In addition, the FAA finds that good cause exists pursuant to 5 U.S.C. 553(d) for making this amendment effective in less than 30 days, for the same reasons the FAA found good cause to forgo notice and comment.

Regulatory Flexibility Act (RFA)

The requirements of the RFA do not apply when an agency finds good cause pursuant to 5 U.S.C. 553 to adopt a rule without prior notice and comment. Because the FAA has determined that it has good cause to adopt this rule without notice and comment, RFA analysis is not required.

Costs of Compliance

The FAA estimates that this AD affects 37 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS FOR REVISING THE AFM

Labor cost	Parts cost	Cost per product	Cost on U.S. operators
1 work-hour × \$85 per hour = \$85	\$0	\$85	\$3,145

Authority for This Rulemaking

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

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds

necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

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

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

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

(2) Will not affect intrastate aviation in Alaska.

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2025–14–02 Airbus SAS: Amendment 39–23080; Docket No. FAA–2025–1356; Project Identifier MCAI–2025–00834–T.

(a) Effective Date

This airworthiness directive (AD) is effective July 25, 2025.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus SAS Model A350–941 and –1041 airplanes, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 76, Engine Controls.

(e) Unsafe Condition

This AD was prompted by a design review that identified a potential thrust asymmetry condition during derated takeoff operations when one engine is operating within a restricted N1 zone due to keep out zone (KOZ) limitations. The FAA is issuing this AD to address significant thrust differences between engines caused by the interaction between derated takeoff logic and KOZ-limited engine control laws. This condition, if not corrected, could lead to increased flightcrew workload during critical phases of flight, resulting in reduced control of the airplane.

(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 (EASA) AD 2025–0105, dated May 7, 2025 (EASA AD 2025–0105).

(h) Exceptions to EASA AD 2025–0105

(1) Where EASA AD 2025–0105 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where paragraph (1) of EASA AD 2025–0105 specifies to “inform all flight crews, and, thereafter, operate the aeroplane accordingly,” this AD does not require those actions as those actions are already required by existing FAA operating regulations (see 14 CFR 91.9, 91.505, and 121.137).

(3) Where paragraph (2) of EASA AD 2025–0105 specifies “which includes the same content as the AFM TR”, this AD requires replacing that text with “which includes

information identical to the information in the AFM TR”.

(4) This AD does not adopt the “Remarks” section of EASA AD 2025–0105.

(i) Additional AD Provisions

The following provisions also apply to this AD:

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

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA; or EASA; or Airbus SAS’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(j) Additional Information

For more information about this AD, contact Anthony Decaro, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 562–627–5374; email: Anthony.D.Decaro@faa.gov.

(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 this AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2025–0105, dated May 7, 2025.

(ii) [Reserved]

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

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

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

Issued on July 2, 2025.

Lona C. Saccomando,

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

[FR Doc. 2025–12860 Filed 7–8–25; 4:15 pm]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2025–0484; Project Identifier MCAI–2024–00690–T; Amendment 39–23077; AD 2025–13–11]

RIN 2120–AA64

Airworthiness Directives; Dassault Aviation Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Dassault Aviation Model Falcon 7X airplanes. This AD was prompted by hydraulic leakage from the spoiler power control unit (SPPCU) in service. Relevant investigations determined that, following certain failures, the spoiler electrical control unit (SPECU) can deliver an untimely and permanent activation command to the SPPCU standby electrical pump, which can possibly result in overheating and significant hydraulic leakage of the unit. This AD requires replacing the affected SPECUs and prohibits the installation of affected parts. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective August 14, 2025.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of August 14, 2025.

ADDRESSES:

AD Docket: You may examine the AD docket at regulations.gov under Docket No. FAA–2025–0484; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

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

• 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 under Docket No. FAA–2025–0484.

FOR FURTHER INFORMATION CONTACT:

William Reisenauer, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516–228–7301; email: william.e.reisenauer@faa.gov.

SUPPLEMENTARY INFORMATION:**Background**

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to all Dassault Aviation Model Falcon 7X airplanes. The NPRM was published in the **Federal Register** on April 7, 2025 (90 FR 14924). The NPRM was prompted by AD 2024–0224, dated November 26, 2024, issued by EASA, which is the Technical Agent for the Member States of the European Union (EASA AD 2024–0224) (also referred to as the MCAI). The MCAI states hydraulic leakage from the SPPCU led to investigations that determined that following certain failures, the SPECU

can deliver an untimely and permanent activation command to the SPPCU standby electrical pump, which can result in overheating and significant hydraulic leakage of the unit. This condition, if not corrected, could lead to further occurrences of equipment overheating and hydraulic leakage in the fuel equipment bay, which, during ground operations, could cause uncontrolled fire in that area.

In the NPRM, the FAA proposed to require replacing the affected SPECUs and to prohibit the installation of affected parts. The FAA is issuing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at regulations.gov under Docket No. FAA–2025–0484.

Discussion of Final Airworthiness Directive**Comments**

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

Changes Made From the NPRM

The FAA added paragraph (h)(3) of this AD regarding the definition of a serviceable part. While the MCAI requires a serviceable part to be eligible for installation in accordance with Dassault instructions, this AD only requires that it be eligible for installation.

The FAA also added paragraph (i) of this AD to clarify that although the material referenced in EASA AD 2024–0224 specifies to submit certain information to the manufacturer, this AD does not include that requirement.

ESTIMATED COSTS FOR REPLACEMENT

Labor cost	Parts cost	Cost per product	Cost on U.S. operators
1 work-hour × \$85 per hour = \$85	\$22,597	\$22,682	\$3,629,120

The FAA has included all known costs in its cost estimate. According to the manufacturer, however, some or all of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected operators.

Authority for This Rulemaking

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

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

Regulatory Findings

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

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

- (1) Is not a “significant regulatory action” under Executive Order 12866,
- (2) Will not affect intrastate aviation in Alaska, and

Conclusion

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data, considered any comments received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. Except for the changes described previously, this AD is adopted as proposed in the NPRM. None of the changes will increase the economic burden on any operator.

Material Incorporated by Reference Under 1 CFR Part 51

EASA AD 2024–0224 specifies procedures for replacement of affected SPECUs, including an inspection of the SPPCU for overheating and hydraulic leak marks and repair. EASA AD 2024–0224 also prohibits the installation of affected parts. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Costs of Compliance

The FAA estimates that this AD affects 160 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

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

List of Subjects in 14 CFR Part 39

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

The Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

2025–13–11 Dassault Aviation:

Amendment 39–23077; Docket No. FAA–2025–0484; Project Identifier MCAI–2024–00690–T.

(a) Effective Date

This airworthiness directive (AD) is effective August 14, 2025.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Dassault Aviation Model Falcon 7X airplanes, certificated in any category.

(d) Subject

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

(e) Unsafe Condition

This AD was prompted by hydraulic leakage from the spoiler power control unit (SPPCU) in service. Relevant investigations determined that, following certain failures, the spoiler electrical control unit (SPECU) can deliver an untimely and permanent activation command to the SPPCU standby electrical pump, which can possibly result in overheating and significant hydraulic leakage of the unit. This condition, if not corrected, could lead to further occurrences of equipment overheating and hydraulic leakage in the fuel equipment bay during ground operations, which could cause uncontrolled fire in that area.

(f) Compliance

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

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required

actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2024–0224, dated November 26, 2024 (EASA AD 2024–0224).

(h) Exceptions to EASA AD 2024–0224

(1) Where EASA AD 2024–0224 refers to its effective date, this AD requires using the effective date of this AD.

(2) This AD does not adopt the “Remarks” section of EASA AD 2024–0224.

(3) Where EASA AD 2024–0224 defines a serviceable part as an “SPECU, eligible for installation in accordance with Dassault instructions, which is not an affected part”, this AD requires replacing that text with “SPECU, eligible for installation, which is not an affected part”.

(i) No Reporting Requirement

Although the material referenced in EASA AD 2024–0224 specifies to submit certain information to the manufacturer, this AD does not include that requirement.

(j) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards 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. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or EASA; or Dassault Aviation’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(k) Additional Information

For more information about this AD, contact William Reisenauer, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516–228–7301; email: william.e.reisenauer@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 this AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2024–0224, dated November 26, 2024.

(ii) [Reserved]

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

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

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

Issued on June 27, 2025.

Steven W. Thompson,

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

[FR Doc. 2025–12893 Filed 7–9–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2025–0271; Airspace Docket No. 25–AEA–2]

RIN 2120–AA66

Removal of Class E Airspace; Sunbury, PA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action removes Class E airspace extending upward from 700 feet above the surface for Sunbury Community Hospital Heliport, Sunbury, PA, which is abandoned and no longer in operation. Controlled airspace is no longer necessary for the safety and management of instrument flight rules (IFR) operations at this heliport.

DATES: Effective 0901 UTC, October 2, 2025. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at www.regulations.gov using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours a day, 365 days a year. An electronic copy of this document may also be downloaded from the Office of

the Federal Register's website at www.federalregister.gov.

FAA Order JO 7400.11J, Airspace Designations, and Reporting Points, as well as subsequent amendments, can be viewed online at www.faa.gov/air_traffic/publications/. For further information, you may also contact the Rules and Regulations Group, Policy Directorate, Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; Telephone: (202) 267-8783.

FOR FURTHER INFORMATION CONTACT: Marc Ellerbee, Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Avenue, College Park, GA 30337; Telephone: (404) 305-5589.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority, as it amends Class E airspace in Sunbury, PA.

History

The FAA published an NPRM for Docket No. FAA-2025-0271 in the **Federal Register** (90 FR 14349; April 1, 2025), proposing to amend Class E airspace extending upward from 700 feet above the surface at Sunbury Community Hospital Heliport, Sunbury, PA. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Incorporation by Reference

Class E airspace designations are published in paragraph 6005 of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document amends the current version of that order, FAA Order JO 7400.11J, dated July 31, 2024, and effective September 15, 2024. These amendments will be published in the next update to FAA Order JO 7400.11. FAA Order JO 7400.11J, which lists Class A, B, C, D,

and E airspace areas, air traffic service routes, and reporting points, is publicly available as listed in the **ADDRESSES** section of this document.

The Rule

This action amends 14 CFR part 71 by removing the Class E airspace extending upward from 700 feet above the surface within a 6-mile radius of the WUVPU Waypoint serving Sunbury Community Hospital Heliport, Sunbury, PA. This Heliport was reported as abandoned in the National Flight Data Digest (NFDD) No. 241, December 16, 2024. Controlled airspace is no longer necessary for the safety and management of IFR operations in the area.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1F, "Environmental Impacts: Policies and Procedures," paragraph 5-6.5a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant the preparation of an environmental assessment.

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order JO 7400.11J, Airspace Designations and Reporting Points, dated July 31, 2024, and effective September 15, 2024, is amended as follows:

Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.

* * * * *

AEA PA E5 Sunbury, PA [Remove]

* * * * *

Issued in College Park, Georgia, on July 8, 2025.

Patrick Young,

Manager, Airspace & Procedures Team North, Eastern Service Center, Air Traffic Organization.

[FR Doc. 2025-12885 Filed 7-9-25; 8:45 am]

BILLING CODE 4910-13-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R06-OAR-2025-0173; FRL-12753-02-R6]

Air Plan Approval; Louisiana; Nonattainment Plan for the Evangeline Parish 2010 Sulfur Dioxide Primary National Ambient Air Quality Standard Nonattainment Area

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving the State Implementation Plan (SIP) revision which Louisiana submitted to EPA on April 2, 2025, for attaining the Evangeline Parish 2010 1-hour sulfur dioxide (SO₂) primary national ambient air quality standard (NAAQS) nonattainment area. EPA is finalizing approval of the following Clean Air Act (CAA) SIP elements: The attainment demonstration for the SO₂ NAAQS, which includes an Agreed Order on Consent (AOC) for the Cabot Corporation's Ville Platte Plant (Cabot facility; the reasonable further progress

(RFP) plan; the reasonably available control measures (RACM) and reasonably available control technology (RACT) demonstration; the emission inventories; and the contingency measures. The State has demonstrated that its current Nonattainment New Source Review (NNSR) program covers this NAAQS; therefore, no revision to the SIP is required for the NNSR element.

DATES: This rule is effective on August 11, 2025.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA-R06-OAR-2025-0173. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, *e.g.*, Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet. Publicly available docket materials are available electronically through <https://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Matthew Gesualdo, EPA Region 6 Office, SO₂ and Regional Haze Section, 214-665-6530, gesualdo.matthew@epa.gov. Please call or email the contact listed above if you need alternative access to material indexed but not provided in the docket.

SUPPLEMENTARY INFORMATION: Throughout this document “we,” “us,” and “our” means the EPA.

I. Background

The background for this action is discussed in detail in our May 8, 2025, proposal (90 FR 19437) and accompanying Technical Support Document (TSD). In that document, we proposed to approve the April 2, 2025, SIP revision submitted by Louisiana Department of Environmental Quality (LDEQ) for the 2010 1-hour SO₂ primary NAAQS for the Evangeline Parish nonattainment area. As part of this action, EPA also proposed to approve the Administrative Order on Consent between LDEQ and Cabot as a source-specific revision and to incorporate it by reference into the SIP to provide the enforceable control strategy for the Evangeline Parish area.

The SO₂ nonattainment plan includes Louisiana’s attainment demonstration (AD) for the Evangeline Parish SO₂ nonattainment area. LDEQ modeled air quality based on the Cabot facility’s updated emission limits; through that modeling, LDEQ provided sufficient information that the revised limits at the Cabot facility would allow the area to

meet the standard. Therefore, EPA concludes that the modeling in LDEQ’s plan adequately demonstrates that the control requirements that apply to relevant sources in the area, including the one-hour SO₂ emission limits for the Cabot facility, provide for attainment in the area. This nonattainment plan also addresses requirements for emission inventories, RACT/RACM, RFP, and contingency measures. Louisiana has previously addressed requirements regarding nonattainment area New Source Review (NSR). EPA has determined that Louisiana’s SO₂ nonattainment plan meets the applicable requirements of CAA sections 172, 179(d), 191, and 192.

II. Response to Comments

The public comment period for the proposed rulemaking ended on June 9, 2025. EPA did not receive any comments.

III. Final Action

EPA is finalizing approval of Louisiana’s attainment plan submitted on April 2, 2025, as a revision to Louisiana’s SIP, for attaining the 2010 1-hour SO₂ primary NAAQS for Evangeline Parish. EPA is also taking final action to approve as a source-specific revision to the SIP and incorporate by reference into the State’s SIP, the Administrative Order on Consent between LDEQ and Cabot, which provides the enforceable control strategy for the Evangeline Parish area.

IV. Incorporation by Reference

In this action, EPA is finalizing regulatory text that includes incorporation by reference. In accordance with the requirements of 1 CFR 51.5, EPA is finalizing the incorporation by reference of the Louisiana AOC for Cabot Corporation’s Ville Platte Plant, effective March 28, 2025, as described in section III of this preamble, Final Action. EPA has made, and will continue to make, these documents generally available electronically through www.regulations.gov (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA’s role is to approve State choices, provided that they meet the criteria of

the CAA. Accordingly, this action merely proposes to approve State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by State law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
 - Is not subject to Executive Order 14192 (90 FR 9065, February 6, 2025) because SIP actions are exempt from review under Executive Order 12866;
 - Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
 - Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
 - Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4);
 - Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
 - Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it approves a state program;
 - Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and
 - Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act.
- In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the final rule does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).
- This action is subject to the Congressional Review Act, 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).
- Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by September 8, 2025. Filing a petition for

reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. See section 307(b)(2).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Sulfur oxides.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: June 26, 2025.

Walter Mason,

Regional Administrator, Region 6.

For the reasons stated in the preamble, the Environmental Protection Agency amends 40 CFR part 52 as follows:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

- 1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart T—Louisiana

- 2. In § 52.970:

■ a. In paragraph (d), the table titled “EPA-Approved Louisiana Source-Specific Requirements” is amended by adding an entry for “Cabot Corporation, Ville Platte Plant” at the end of the table; and

■ b. In paragraph (e), the second table titled “EPA Approved Louisiana Nonregulatory Provisions and Quasi-Regulatory Measures” is amended by adding an entry for “Evangeline Parish Nonattainment Area Plan and Attainment Demonstration for the 2010 Primary 1-Hour SO₂ NAAQS” at the end of the table.

The additions read as follows:

§ 52.970 Identification of plan.

* * * * *

(d) * * *

EPA-APPROVED LOUISIANA SOURCE-SPECIFIC REQUIREMENTS

Name of source	Permit or order No.	State approval/ effective date	EPA approval date	Comments
* * *	* * *	* * *	* * *	* * *
Cabot Corporation, Ville Platte Plant.	2025-AP-SO2-00.	3/28/2025	7/10/2025, 90 FR [INSERT FEDERAL REGISTER PAGE WHERE THE DOCUMENT BEGINS].	Administrative Order on Consent dated 3/28/2025. Operate according to two categories. Part of the Evangeline Parish SO ₂ Nonattainment Area Plan.

(e) * * *

EPA APPROVED LOUISIANA NONREGULATORY PROVISIONS AND QUASI-REGULATORY MEASURES

Name of SIP provision	Applicable geographic or nonattainment area	State submittal date/effective date	EPA approval date	Explanation
* * *	* * *	* * *	* * *	* * *
Evangeline Parish Nonattainment Area Plan and Attainment Demonstration for the 2010 Primary 1-Hour SO ₂ NAAQS.	Evangeline Parish, Louisiana SO ₂ Nonattainment Area.	4/2/2025	7/10/2025, 90 FR [INSERT FEDERAL REGISTER PAGE WHERE THE DOCUMENT BEGINS].	

[FR Doc. 2025-12801 Filed 7-9-25; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R07-OAR-2025-0175; FRL-12732-02-R7]

Air Plan Approval; Missouri; Control of Emissions During Petroleum Liquid Storage, Loading, and Transfer

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is taking final action to approve revisions to the State Implementation Plan (SIP) for the State of Missouri related to the control of emissions during petroleum liquid storage, loading and transfer in the Kansas City metropolitan area. The revisions include adding incorporations by reference to other state rules, adding definitions specific to the rule, revising unnecessarily restrictive or duplicative language, and making administrative wording changes. These revisions do not impact the stringency of the SIP or

have an adverse effect on air quality. The EPA’s final approval of this rule revision is being done in accordance with the requirements of the Clean Air Act (CAA).

DATES: This final rule is effective on August 11, 2025.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA-R07-OAR-2025-0175. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, *i.e.*, Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available through <https://www.regulations.gov> or please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section for additional information.

FOR FURTHER INFORMATION CONTACT:

Steven Brown Environmental Protection Agency, Region 7 Office, Air Quality Planning Branch, 11201 Renner Boulevard, Lenexa, Kansas 66219; telephone number: (913) 551-7718; email address: brown.steven@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document “we,” “us,” and “our” refer to EPA.

Table of Contents

- I. What is being addressed in this document?
- II. Have the requirements for approval of a SIP revision been met?
- III. The EPA’s Response to Comments
- IV. What action is the EPA taking?
- V. Incorporation by Reference
- VI. Statutory and Executive Order Reviews

I. What is being addressed in this document?

The EPA is approving a SIP revision submitted by the State of Missouri on February 15, 2019, and a supplemental submission on August 1, 2019. The revisions are to Title 10, Division 10 of the Code of State Regulations (CSR), 10 CSR 10–2.260 “Control of Emissions During Petroleum Liquid Storage, Loading and Transfer”. The purpose of the state regulation is to restrict volatile organic compound (VOC) emissions from the handling of petroleum liquids to reduce hydrocarbon emissions in the Kansas City metropolitan area, specifically in Jackson, Clay, and Platte counties, that contribute to the formation of ozone. Missouri made multiple revisions to the rule. These revisions clarify rule language on testing and reporting, improves consistency with the St. Louis rule 10 CSR 10–5.220 that regulates the same facilities, update incorporations by reference to other state rules, add definitions specific to the rule, revise unnecessarily restrictive or duplicative language, and make administrative wording changes. These revisions meet the requirements of the CAA, do not impact the stringency of the SIP, and do not adversely impact air quality. The full text of the rule revisions as well as the EPA’s analysis of the revisions can be found in the technical support document (TSD) included in this docket.

II. Have the requirements for approval of a SIP revision been met?

The State’s submission has met the public notice requirements for SIP submissions in accordance with 40 CFR 51.102. The submission also satisfied the completeness criteria of 40 CFR part 51, appendix V. The State provided public notice on this SIP revision from June 15, 2018, to September 6, 2018, and held a public hearing on August 30, 2018. Missouri received twenty-one (21) comments from five (5) sources during the comment period on 10 CSR 10–2.260. The EPA provided twelve additional clarification to the EPA by submitting supplemental information on August 1, 2019, to clarify and answer questions the EPA made during the comment period. Missouri responded to all comments and revised the rule based on public comments prior to submitting to the EPA, as noted in the State submission included in the docket for this action. As explained above and in more detail in the technical support document, which is part of this docket, the revision meets the substantive SIP requirements of the CAA, including section 110 and implementing regulations.

III. The EPA’s Response to Comments

The public comment period on the EPA’s proposed rule opened May 8, 2025, the date of its publication in the **Federal Register** and closed on June 9, 2025 (90 FR 19460). During this period, the EPA received no comments.

IV. What action is the EPA taking?

The EPA is taking final action to amend the Missouri SIP by approving the State’s request to revise 10 CSR 10–2.260 “Control of Emissions During Petroleum Liquid Storage, Loading and Transfer.”

V. Incorporation by Reference

In this document, the EPA is finalizing regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is finalizing the incorporation by reference of the Missouri rule 10 CSR 10–2.260 discussed in section I. of this preamble and as set forth below in the amendments to 40 CFR part 52. The purpose of this state regulation is to restrict VOC emissions from the handling of petroleum liquids to reduce hydrocarbon emissions in the Kansas City metropolitan area that contribute to the formation of ozone. The EPA has made, and will continue to make, these materials generally available through <https://www.regulations.gov> and at the

EPA Region 7 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

Therefore, these materials have been approved by the EPA for inclusion in the State Implementation Plan, have been incorporated by reference by the EPA into that plan, are fully federally enforceable under sections 110 and 113 of the CAA as of the effective date of the final rulemaking of the EPA’s approval, and will be incorporated by reference in the next update to the SIP compilation.¹

VI. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA’s role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- Is not subject to Executive Order 14192 (90 FR 9065, February 6, 2025) because SIP actions are exempt from review under Executive Order 12866;
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);
- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it approves a state program;
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and
- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement

¹ 62 FR 27968, May 22, 1997.

Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the rule does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

This action is subject to the Congressional Review Act (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).

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States

Court of Appeals for the appropriate circuit by September 8, 2025. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements (see section 307(b)(2)).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Dated: June 30, 2025.

James Macy,

Regional Administrator, Region 7.

For the reasons stated in the preamble, the EPA amends 40 CFR part 52 as set forth below:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

■ 1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart AA—Missouri

■ 2. In § 52.1320, the table in paragraph (c) is amended by revising the entry “10–2.260” to read as follows:

§ 52.1320 Identification of plan.

* * * * *

(c) * * *

EPA-APPROVED MISSOURI REGULATIONS

Missouri citation	Title	State effective date	EPA approval date	Explanation
Missouri Department of Natural Resources				
*	*	*	*	*
Chapter 2—Air Quality Standards and Air Pollution Control Regulations for the Kansas City Metropolitan Area				
10–2.260	Control of Emissions During Petroleum Liquid Storage, Loading and Transfer.	2/28/2019	7/10/2025, 90 FR [insert Federal Register page where the document begins].	.....
*	*	*	*	*

* * * * *

[FR Doc. 2025–12798 Filed 7–9–25; 8:45 am]

BILLING CODE 6560–50–P

Proposed Rules

Federal Register

Vol. 90, No. 130

Thursday, July 10, 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.

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Chapter VII

[NCUA–2024–0014]

Regulatory Publication and Voluntary Review as Contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notification of regulatory review; request for comments.

SUMMARY: As contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA), the NCUA Board (Board) is voluntarily reviewing agency regulations to identify rules that are outdated, unnecessary, or unduly burdensome on federally insured credit unions. The NCUA is not statutorily required to undertake the EGRPRA review; however, the Board has elected to participate in the decennial review process. The NCUA divided its regulations into 10 categories outlined in the included chart. Over approximately 2 years, the NCUA is publishing four **Federal Register** documents each requesting comment on multiple categories of regulations. This second **Federal Register** document requests comment on regulations in the categories of “Agency Programs,” “Capital,” and “Consumer Protection.” The NCUA will address the remaining five categories in the next two documents.

DATES: Comments must be received by October 8, 2025.

ADDRESSES: You may submit written comments by any of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. The docket number for this document is NCUA–2024–0014. Follow the instructions for submitting comments. A plain language

summary of the document is also available on the docket website.

- *Mail:* Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428.

- *Hand Delivery/Courier:* Same as mailing address.

Public Inspection: You may view all public comments on the Federal eRulemaking Portal at <https://www.regulations.gov>, as submitted, except for those we cannot post for technical reasons. The NCUA will not edit or remove any identifying or contact information from the public comments submitted. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518–6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Pamela Yu, Special Counsel to the General Counsel, Office of General Counsel, at the above address or telephone (703) 518–6540.

SUPPLEMENTARY INFORMATION:

I. Introduction

Congress enacted section 2222 of the EGRPRA ¹ to reduce regulatory burden imposed upon insured depository institutions consistent with safety and soundness, to promote consistency between the Federal banking agencies’ regulations, and to support consumer protection. The statute requires that not less frequently than once every 10 years, the Federal Financial Institutions Examination Council (FFIEC),² along with the Federal banking agencies,³ conduct a review of their regulations to

¹ 12 U.S.C. 3311.

² The FFIEC is an interagency body empowered to prescribe uniform principles, standards, and report forms for the Federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC does not issue regulations.

³ The FFIEC is composed of the OCC, FRB, FDIC, NCUA, Consumer Financial Protection Bureau (CFPB), and State Liaison Committee. Of these, only the OCC, FRB, and FDIC are statutorily required to undertake the EGRPRA review. The NCUA Board elected to participate in the first and second EGRPRA reviews and again has elected to participate in this review process. Consistent with its approach during the first and second EGRPRA reviews, the NCUA is issuing documents and requests for comment on its rules separately. The CFPB is required to review its significant rules and publish a report of its review no later than 5 years after they take effect. See 12 U.S.C. 5512(d). This process is separate from the EGRPRA process.

identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. In conducting this review, the FFIEC or the appropriate Federal banking agencies (Office of the Comptroller of the Currency [OCC], Board of Governors of the Federal Reserve System [FRB], and Federal Deposit Insurance Corporation [FDIC]; herein Agencies ⁴) shall (a) categorize their regulations by type and (b) at regular intervals, provide notice and solicit public comment on categories of regulations, requesting commenters to identify areas of regulations that are outdated, unnecessary, or unduly burdensome.⁵

The NCUA is not statutorily required to undertake the EGRPRA review because the NCUA is not an “appropriate Federal banking agency” as specified in EGRPRA. In keeping with the spirit of the law, however, the NCUA Board has once again elected to participate in the decennial review process. Accordingly, the NCUA has participated along with the Agencies in the planning process but has developed its own regulatory categories that are comparable with those developed by the Agencies. Because of the unique circumstances of federally insured credit unions and their members, the Board is issuing a separate document from the Agencies. The NCUA’s document is consistent and comparable with the Agencies’ document, except on issues that are unique to credit unions.

EGRPRA also requires the FFIEC or the Agencies to publish in the **Federal Register** a summary of the comments received, identifying significant issues raised and commenting on these issues. It also directs the Agencies to eliminate unnecessary regulations to the extent

⁴ The Office of Thrift Supervision (OTS) was still in existence at the time EGRPRA was enacted and was included in the listing of Agencies. Since that time, the OTS has been eliminated and its responsibilities have passed to the Agencies and the CFPB.

⁵ Federally insured credit unions are also subject to regulations that are not reviewed under this decennial review process because they were not promulgated by the NCUA. Examples include rules for which rulemaking authority was transferred to the CFPB and anti-money laundering and Bank Secrecy Act regulations issued by the Department of the Treasury’s Financial Crimes Enforcement Network, among others. If, during this decennial review process, the NCUA receives a comment about a regulation that is not subject to NCUA review, it will forward that comment to the appropriate agency.

that such action is appropriate. Finally, the statute requires the FFIEC to submit to Congress a report that summarizes any significant issues raised in the public comments and the relative merits of those issues. The report also must include an analysis of whether the Agencies are able to address the regulatory burdens associated with such issues or whether these burdens must be addressed by legislative action. The FFIEC report submitted to Congress following the prior EGRPRA reviews included a section discussing the Agencies and banking sector issues and a separate section devoted to the NCUA and credit union issues. It is likely that the FFIEC will follow a similar approach in this third EGRPRA review and report process.

Per the objectives of the decennial review, the Board asks the public to identify areas of the NCUA's regulations that are outdated, unnecessary, or unduly burdensome. In addition to this second document, the Board will issue two more documents for comment over the course of approximately 2 years, at regular intervals. The decennial review supplements and complements the reviews of regulations that the NCUA conducts under other laws and its internal policies.⁶

II. The Decennial Review's Targeted Focus

The decennial regulatory review provides a significant opportunity for the public and the Board to consider groups of related regulations and identify possibilities for streamlining and improvement. The decennial review's overall focus on the totality of regulations will offer a new perspective in identifying opportunities to update and even streamline regulations. For example, the decennial review may facilitate the identification of regulatory requirements that are no longer consistent with the way credit union business is conducted and that, therefore, might be eliminated. Of course, regulatory updates must be compatible with ensuring the continued safety and soundness of federally insured credit unions and the financial system as a whole and with the consumer financial protections.

Any resulting regulatory modifications from the NCUA's decennial review must also be consistent with the NCUA's statutory mandates, many of which require the

issuance of regulations. EGRPRA recognizes that effective burden reduction may require statutory changes. Accordingly, as part of this review, the Board is specifically soliciting comment from the public on, and reviewing the comments and regulations carefully for, the relationship among burden reduction, regulatory requirements, policy objectives, and statutory mandates. The Board also seeks quantitative data about the impact of rules, where available.

The Board views the approach of considering the relationship of regulatory and statutory change, in concert with EGRPRA's provisions calling for grouping regulations by type, to provide the potential for particularly effective burden reduction. The Board anticipates the decennial review will also contribute to its ongoing efforts to update and make regulations more efficient. Since 1987, under a formally adopted NCUA policy, the Board reviews each of its regulations at least once every 3 years with a view toward eliminating, simplifying, or otherwise easing the burden of each regulation.⁷ Further, the Board considers regulatory requirements each time it proposes, adopts, or amends a rule. For example, under the Paperwork Reduction Act of 1995,⁸ the Regulatory Flexibility Act,⁹ and internal agency policies, the NCUA assesses each rulemaking with respect to the burdens the rule might impose. The Board also invites the public to comment on proposed rules as generally required by the Administrative Procedure Act.¹⁰

The Board is particularly sensitive to the impact of agency rules on small institutions. The Board currently defines "small entity" as a federally insured credit union with less than \$100 million in assets.¹¹ The Board is cognizant that each new or amended regulation has the potential for requiring significant expenditures of time, effort, and resources to achieve compliance, and that this burden can be particularly challenging for institutions of smaller asset size, with fewer resources available.

III. The Board's Review Process

EGRPRA contemplates the categorization of regulations by "type." During its prior decennial reviews, the Board developed and published for comment 10 categories of the NCUA's

regulations, including some that had been issued jointly with the Agencies. The Board believes these prior categories worked well for the purpose of presenting a framework for the review and proposes to use the same categories in this third review.¹² The categories are:

- Applications and Reporting;
- Powers and Activities;
- Agency Programs;
- Capital;
- Consumer Protection;¹³
- Corporate Credit Unions;
- Directors, Officers and Employees;
- Anti-Money Laundering and Bank Secrecy Act;
- Rules of Procedure; and
- Safety and Soundness.

Any rules adopted for the first time since the last decennial review was completed have been incorporated into the appropriate category.¹⁴

Although there are other possible ways of categorizing its rules, the Board continues to maintain that these 10 categories are logical groupings that are not so broad such that the number of regulations presented in any one category would overwhelm potential commenters. In the Board's view, these categories also reflect recognized areas of stakeholder interest and specialization or are particularly critical to the health of the credit union system. As was noted during the previous reviews, some regulations, such as lending, pertain to more than one category and are included in all applicable categories.

As with the prior decennial reviews, the Board remains convinced that publishing the NCUA's rules for public comment adjacently, but separately, from the Agencies is the most effective method for achieving EGRPRA's burden reduction goals for federally insured credit unions. In addition to not being statutorily required to undertake EGRPRA and owing to differences in the credit union system as compared to the banking system, there is not a direct, category by category, correlation between the NCUA's rules and those of

¹² Consistent with EGRPRA's focus on reducing burden on insured depository institutions, the Board has not included internal, organizational, or operational regulations in this review. These regulations impose minimal, if any, burden on federally insured credit unions.

¹³ The Board is seeking comment only on consumer protection regulations for which it retains rulemaking authority for insured credit unions under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (2010) (Dodd-Frank Act).

¹⁴ Commenters should note, in this respect, that for new regulations that have only recently gone into effect, some passage of time may be necessary before the effect associated with the regulatory requirements can be fully and properly understood.

⁶ Interpretive Ruling and Policy Statement (IRPS) 87–2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03–2, 68 FR 32127 (May 29, 2003) (Reflecting the NCUA's commitment to "periodically update, clarify and simplify existing regulations and eliminate redundant and unnecessary provisions.").

⁷ IRPS 87–2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03–2, 68 FR 32127 (May 29, 2003).

⁸ 44 U.S.C. 3501–3521.

⁹ 5 U.S.C. 610.

¹⁰ 5 U.S.C. 551–559.

¹¹ NCUA IRPS 15–1, 80 FR 57512 (Sept. 24, 2015).

the Agencies. For example, credit union membership, credit union service organizations, and corporate credit unions are all unique to credit union operations. Similarly, certain categories identified by the Agencies in their review process have limited or no applicability in the credit union sector, such as community reinvestment, international operations, and securities. The categories developed by the Board and the Agencies, respectively, reflect these differences. The Board intends to maintain comparability with the Agencies' documents to the extent there is overlap or similarity in the issues and the categories.

Over approximately two years, the Board is publishing four **Federal Register** documents, each addressing one or more categories of rules. Each **Federal Register** document will have a 90-day comment period. This staggered approach will provide stakeholders with sufficient time to focus in on discrete issues and provide comments to the Board. The Board welcomes recommendations on grouping the remaining categories and the order in which to publish them.

On May 23, 2024, the Board published the first document addressing the following categories of regulations: Applications and Reporting and Powers and Activities.¹⁵ This second notice addresses the following categories of regulations:

- Agency Programs;
- Capital; and
- Consumer Protection.

The Board invites the public to identify outdated, unnecessary, or unduly burdensome regulatory requirements imposed on federally insured credit unions in these three categories. The Board anticipates publishing the remaining five categories for similar comment periods at regular intervals over approximately two years.

The Board has prepared two charts to assist the public's understanding of the organization of its review. The first chart, set forth at section V.A. below, presents the three categories of regulations on which the NCUA is requesting recommendations in this document. The three categories are shown in the left column. In the middle column are the subject matters that fall within the categories and in the far-right column are the regulatory citations. The second chart, set forth at section V.B. below, presents the remaining five categories in a similar format.

After the conclusion of the comment period for each decennial document published in the **Federal Register**, the

Board will review the comments it has received and decide whether further action is appropriate with respect to the categories of regulations included in that document. The NCUA and the Agencies will consult and coordinate with each other and expect generally to make this determination jointly, as appropriate, in the case of rules that have been issued on an interagency basis. Similarly, as appropriate, the NCUA and the Agencies will undertake any rulemaking to amend or repeal those rules on an interagency basis. For rules issued by the NCUA, the Board will review the comments received and independently determine whether amendments to or repeal of its rules are appropriate.

IV. Request for Recommendations About Three Categories of Regulations: Agency Programs; Capital; and Consumer Protection

The Board seeks public comment on regulations within the second three categories—Agency Programs, Capital, and Consumer Protection—that may impose outdated, unnecessary, or unduly burdensome regulatory requirements on federally insured credit unions. The Board recognizes that there are proposed rules concerning some of these categories open as of the date of this document and will solicit comment on all rules finalized by the agency before the publication of the last document in the series. In addition to comments on regulations in these categories generally, the Board is requesting comments on certain specific regulations described below within these categories issued since the last decennial review. The NCUA's review efforts would benefit most by comments that cite specific provisions or language and provide reasons why such provisions should be changed. Suggested alternative provisions or text, where appropriate, would also be helpful. If the implementation of a comment would require modifying a statute that underlies the regulation, the comment should, if possible, identify the needed statutory change. The Board will consider comments submitted anonymously.

Specific Issues for Commenters To Consider

While all comments related to any aspect of the review are welcome, the Board reiterates the posture adopted during the previous decennial reviews and specifically invites comment on the following issues as they pertain to the Board's Agency Programs, Capital, and Consumer Protection rules addressed in this document. The Board has included

two additional questions in the cumulative effects category since the issuance of the first decennial review document. The Board will ask these same questions for each subsequent document it issues in connection with the decennial process and invites comments on these additional questions for the categories in the first document.

- *Need and purpose of the regulations.*

- *Question 1:* Have there been changes in the financial services industry, consumer behavior, or other circumstances that cause any regulations in these categories to be outdated, unnecessary, or unduly burdensome? If so, please identify the regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 2:* Do any of these regulations impose burdens not required by their underlying statutes? If so, please identify the regulations and indicate how they should be amended.

- *Overarching approaches or flexibilities.*

- *Question 3:* With respect to the regulations in these categories, could the Board use a different regulatory approach to lessen the burden imposed by the regulations and achieve statutory intent?

- *Question 4:* Do any of these rules impose unnecessarily inflexible requirements? If so, please identify the regulations and indicate how they should be amended.

- *Cumulative effects.*

- *Question 5:* Looking at the regulations in a category as a whole, are there any requirements that are redundant, inconsistent, or overlapping in such a way that taken together, impose an unnecessary burden that could potentially be addressed? If so, please identify those regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 6:* Have the NCUA and the Agencies issued similar regulations in the same area that should be considered together as bodies of regulation, when assessing the cumulative effects on an insured credit union? If so, please identify the regulations, why they should be considered together, and any available analyses or data for the Board's consideration.

- *Question 7:* Could any regulations or category of regulation be streamlined or simplified to reduce unduly burdensome or duplicative regulatory requirements?

- *Effect on competition.*

¹⁵ 89 FR 45602 (May 23, 2024).

• *Question 8:* Do any of the regulations in these categories create competitive disadvantages for one part of the financial services industry compared to another or for one type of federally insured credit union compared to another? If so, please identify the regulations and indicate how they should be amended.

• *Reporting, recordkeeping, and disclosure requirements.*

• *Question 9:* Do any of the regulations in these categories impose outdated, unnecessary, or unduly burdensome reporting, recordkeeping, or disclosure requirements on federally insured credit unions?

• *Question 10:* Could a federally insured credit union fulfill any of these requirements through new technologies (if they are not already permitted to do so) and experience a burden reduction? If so, please identify the regulations and indicate how they should be amended.

• *Unique characteristics of a type of institution.*

• *Question 11:* Do any of the regulations in these categories impose requirements that are unwarranted by the unique characteristics of a particular type of federally insured credit union? If so, please identify the regulations and indicate how they should be amended.

• *Clarity.*

• *Question 12:* Are the regulations in these categories clear and easy to understand?

• *Question 13:* Are there specific regulations for which clarification is needed? If so, please identify the regulations and indicate how they should be amended.

• *Impact to minority depository institutions and small insured institutions.* The Board has a particular interest in minimizing burden on minority depository institutions and small insured credit unions (those with less than \$100 million in assets).

• *Question 14:* Are there regulations in these categories that impose outdated, unnecessary, or unduly burdensome requirements on a substantial number of minority or small institutions?

• *Question 15:* Has the Board issued regulations pursuant to a common statute that, as applied by the NCUA and Agencies, create redundancies or impose inconsistent requirements?

• *Question 16:* Should any of these regulations be amended or repealed to minimize this impact? If so, please identify the regulations and indicate how they should be amended.

• *Question 17:* Have the effects of any regulations in these categories changed over time that now have a significant economic impact on a substantial

number of minority or small institutions? If so, please identify the regulations and indicate how they should be amended. The Board seeks information on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates, or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

• *Scope of rules.*

• *Question 18:* Is the scope of each rule in these categories consistent with the intent of the underlying statute(s)?

• *Question 19:* Could the Board amend the scope of a rule to clarify its applicability or reduce the burden, while remaining faithful to statutory intent? If so, please identify the regulations and indicate how they should be amended.

• *Impact to credit union member-owners.*

• *Question 20:* Are there regulations in these categories that unduly or negatively impact credit union member-owners? If so, please identify the regulations and indicate how they should be amended.

*Specific NCUA Regulations Issued Since the Last Decennial Review*¹⁶

• *Community Development Revolving Loan Fund.* In November 2016, the Board finalized a rule to make several amendments to the NCUA's regulation governing the Community Development Revolving Loan Fund (CDRLF) to make the rule more succinct and improve its transparency, organization, and ease of use by credit unions. The amendments were largely technical in nature or clarified the NCUA's practices with respect to disbursing money from the CDRLF. For example, the final rule removed unnecessary and duplicative definitions; removed an aggregate loan limit to allow the NCUA to grant CDRLF loans in excess of \$300,000 and to meet changing loan demands; clarified the procedures a credit union must follow to apply for a loan or grant from the CDRLF; and clarified that appeals rights applies to both loans and technical assistance grants.

¹⁶ For the last decennial review, the Board's second document requesting public comment on the NCUA's regulations was issued on December 19, 2014, with a comment period that ended on March 19, 2015. See 79 FR 75763 (December 19, 2014). Accordingly, the Board is currently requesting public comment on the Board's regulations issued since March 2015, that pertain to Agency Programs, Capital, and Consumer Protection.

• *Minority Depository Institution Preservation Program.*

• In 2010, Congress enacted Section 367 of the Dodd Frank Wall Street Reform and Consumer Protection Act, which required the NCUA, FRB, and OCC to comply with the goals of the Financial Institutions Reform, Recovery and Enforcement Act of 1998 to preserve and promote minority depository institutions. In June 2015, the Board issued a final Interpretive Ruling and Policy Statement (IRPS 13–1) to establish a Minority Depository Institution Preservation Program for federally insured credit unions. Recognizing the important role of minority depository institutions in minority communities, the Board issued the final IRPS to implement a program of proactive steps and outreach efforts to preserve minority ownership in the credit union industry. IRPS 13–1 prescribes the program's eligibility criteria and its features.

• The Board issued revisions to IRPS 13–1 in February 2024. The revisions included updating the administering office to reflect the agency's current structure; clarifying that the meaning of "community it services," means a credit union's field of membership; adding a reference to agency guidance to examiners regarding supervision of minority depository institutions; clarifying the process for reviewing a minority depository institution's designation status; and adding new subsection headings and expanding the discussion of agency actions and policies in the areas of minority depository institution engagement, technical assistance, examinations of minority depository institutions, grants and loans, and training.

• *Risk-Based Capital.*

• In October 2015, the Board amended the NCUA's regulations regarding prompt corrective action (PCA) to require that credit unions taking certain risks hold capital commensurate with those risks. The risk-based capital provisions apply only to federally insured, natural-person credit unions with assets over \$100 million. The overarching intent was to reduce the likelihood of a relatively small number of high-risk outliers exhausting their capital and causing systemic losses—which, by law, all federally insured credit unions would have to pay through the National Credit Union Share Insurance Fund (NCUSIF). The final rule restructured NCUA's PCA regulations and made various revisions, including amending the agency's existing risk-based net worth requirement by replacing it with a new risk-based capital ratio for federally

insured, natural-person credit unions. The risk-based capital requirement set forth in the rule was more consistent with NCUA's risk-based capital measure for corporate credit unions and, as the law requires, more comparable to the regulatory risk-based capital measures used by the FDIC, FRB, and OCC. The final rule also eliminated several provisions in NCUA's PCA regulations, including provisions relating to the regular reserve account, risk-mitigation credits, and alternative risk weights.

- In November 2018, the Board issued a supplemental final rule to delay the effective date of the NCUA's October 29, 2015, final rule regarding risk-based capital for one year, moving the effective date from January 1, 2019, to January 1, 2020. The final rule also amended the definition of a "complex" credit union adopted in the 2015 final rule for risk-based capital purposes by increasing the threshold level for coverage from \$100 million to \$500 million. These changes provided covered credit unions and the NCUA with additional time to prepare for the rule's implementation and exempted an additional 1,026 credit unions from the risk-based capital requirements of the 2015 final rule without subjecting the NCUSIF to undue risk.

- The Board further amended the NCUA's previously revised PCA regulations in December 2019. The final rule delayed the effective date of both the NCUA's October 29, 2015, final rule regarding risk-based capital and the NCUA's November 6, 2018, supplemental final rule regarding risk-based capital, moving the effective date from January 1, 2020, to January 1, 2022.

- *Transition to the Current Expected Credit Loss Methodology.* A final rule issued in June 2021 facilitated the transition of federally insured credit unions to the current expected credit loss (CECL) methodology required under Generally Accepted Accounting Principles (GAAP). The final rule provided that, for purposes of determining a federally insured credit union's net worth classification under the PCA regulations, the Board would phase-in the day-one adverse effects on regulatory capital that may result from adoption of CECL. Consistent with regulations issued by the other federal banking agencies, the final rule temporarily mitigated the adverse PCA consequences of the day-one capital adjustments, while requiring that federally insured credit unions account for CECL for other purposes, such as Call Reports. The final rule also provided that federally insured credit unions with less than \$10 million in assets were no longer required to

determine their charges for loan losses in accordance with GAAP. These credit unions could instead use any reasonable reserve methodology (incurred loss), provided that it adequately covered known and probable loan losses.

- *Capital Planning and Stress Testing.*

- In July 2015, the Board issued amendments to the regulation governing credit union capital planning and stress testing. Capital planning requires covered credit unions to assess their financial condition and risks over the planning horizon under both expected and unfavorable conditions. Annual supervisory stress testing allows NCUA to obtain an independent test of these credit unions under stress scenarios. By setting a regulatory minimum capital ratio under stress, the regulation requires covered credit unions to take corrective action before they become undercapitalized to an extent that may cause a risk of loss to the NCUSIF. The rule provides several timeframes for the formulation and submission of capital plans and for the stress testing of covered credit unions. The amendments adjusted the timing of certain events in the capital planning and stress testing cycles. The revisions to the regulation became effective January 1, 2016.

- In April 2018, the Board issued a final rule to amend the NCUA's regulations regarding capital planning and stress testing for federally insured credit unions with \$10 billion or more in assets. The final rule reduced regulatory burden by removing some of the capital planning and stress testing requirements applicable to covered credit unions. The final rule also made the NCUA's requirements more efficient by, among other things, authorizing covered credit unions to conduct their own stress tests in accordance with the NCUA's requirements and permitting covered credit unions to incorporate the stress test results into their capital plans.

- *Capital Adequacy: The Complex Credit Union Leverage Ratio; Risk-Based Capital.* In December 2021, the Board finalized a rule to provide a simplified measure of capital adequacy for federally insured, natural-person credit unions classified as complex (those with total assets greater than \$500 million). Under the final rule, a complex credit union that maintains a minimum net worth ratio, and that meets other qualifying criteria, is eligible to opt into the complex credit union leverage ratio (CCULR) framework if they have a minimum net worth ratio of nine percent. A complex credit union that opts into the CCULR framework need not calculate a risk-based capital ratio

under the NCUA's October 29, 2015 risk-based capital final rule, as amended on October 18, 2018. A qualifying complex credit union that opts into the CCULR framework and maintains the minimum net worth ratio is considered well capitalized. The final rule also made several amendments to update the NCUA's October 29, 2015 risk-based capital final rule, including addressing asset securitizations issued by credit unions, clarifying the treatment of off-balance sheet exposures, deducting certain mortgage servicing assets from a complex credit union's risk-based capital numerator, revising the treatment of goodwill, and amending other asset risk weights. The final rule was effective January 1, 2022.

- *Loans in Areas Having Special Flood Hazards.*

- In June 2015, the NCUA, OCC, FRB, FDIC, and the Farm Credit Administration (FCA), amended their regulations regarding loans in areas having special flood hazards to implement certain provisions of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA), which amended some of the changes to the Flood Disaster Protection Act of 1973 mandated by the Biggert Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). Specifically, the final rule required the escrow of flood insurance payments on residential improved real estate securing a loan, consistent with the changes set forth in HFIAA. The final rule also incorporated an exemption in HFIAA for certain detached structures from the mandatory flood insurance purchase requirement. Furthermore, the final rule implemented the provisions of the Biggert-Waters Act related to the force placement of flood insurance. Finally, the final rule integrated the OCC's flood insurance regulations for national banks and Federal savings associations.

- In February 2019, the agencies further amended their regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Act. Specifically, the final rule required regulated lending institutions to accept policies meeting the statutory definition of "private flood insurance" in the Biggert-Waters Act; and permitted regulated lending institutions to exercise their discretion to accept flood insurance policies issued by private insurers and plans providing flood coverage issued by mutual aid societies that do not meet the statutory definition of "private flood insurance," subject to certain restrictions.

- In May 2022, the agencies issued guidance reorganizing, revising, and

expanding the Interagency Questions and Answers Regarding Flood Insurance. The revised guidance was intended to assist lenders in meeting their responsibilities under Federal flood insurance law and increase public understanding of the agencies' respective flood insurance regulations. Significant topics addressed by the revisions included guidance related to major amendments to the flood insurance laws regarding the escrow of flood insurance premiums, the detached structure exemption, force placement procedures, and the acceptance of flood insurance policies issued by private insurers. With this issuance, the agencies consolidated the Questions and Answers proposed by the agencies in July 2020 and the Questions and Answers proposed by the agencies in March 2021 into one set of Interagency Questions and Answers Regarding Flood Insurance.

- *Share Insurance.*

The Board amended the NCUA's share insurance regulations in December 2015 to implement statutory amendments to the Federal Credit Union Act resulting from the enactment of the Credit Union Share Insurance Fund Parity Act. The statutory amendments required the NCUA provide enhanced, pass-through share insurance for interest on lawyers trust accounts (IOLTA) and other similar escrow accounts. As its name implies, the Insurance Parity Act ensured that NCUA and the FDIC insure IOLTAs and other similar escrow accounts in an equivalent manner.

In February 2018, the Board adopted amendments to the NCUA's share insurance rule to provide stakeholders with greater transparency regarding the calculation of each eligible financial institution's pro rata share of a declared equity distribution from the NCUSIF. The Board also adopted a temporary provision to govern all NCUSIF equity distributions related to the Corporate System Resolution Program (CSRP), a special purpose program established by the Board to stabilize the corporate credit union system following the 2007–2009 financial crisis. The Board also made technical and conforming amendments to other aspects of the share insurance rule to account for these changes.

The Board issued a final rule in February 2021 to amend the NCUA's share insurance regulation governing the requirements for a share account to be separately insured as a joint account by the NCUSIF. Specifically, the final rule provided an alternative method to satisfy the membership card or account signature card requirement necessary for

insurance coverage (signature card requirement). Under the final rule, even if an insured credit union cannot produce membership cards or account signature cards signed by the joint accountholders, the signature card requirement can be satisfied by information contained in the account records of the insured credit union establishing co-ownership of the share account. For example, the signature card requirement can be satisfied by the credit union having issued a mechanism for accessing the account, such as a debit card, to each co-owner or evidence of usage of the joint share account by each co-owner.

- In September 2024, the Board finalized a rule to simplify the share insurance regulations by establishing a “trust accounts” category that would provide for coverage of funds of both revocable trusts and irrevocable trusts deposited at federally insured credit unions; provide consistent share insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender; and provide more flexibility for the NCUA to consider various records in determining share insurance coverage in liquidations.

- *Accuracy of Advertising and Notice of Insured Status.* The Board revised provisions of the NCUA's advertising rule in April 2018 to provide regulatory relief to federally insured credit unions. Previously, the advertising rule required federally insured credit unions to use the NCUA's official advertisement statement when advertising, and it permitted three versions of that statement. The revised rule allowed credit unions the option of using a fourth version: “Insured by NCUA.” To provide additional regulatory relief, the Board also expanded an existing exemption from the advertising statement requirement regarding radio and television advertisements and eliminated the requirement to include the official advertising statement on statements of condition required to be published by law.¹⁷

¹⁷ In addition to these final rules, the Board issued several temporary final rules to grant temporary regulatory relief in response to COVID–19. Because these were temporary final rules that have now expired, the Board is not seeking public comment on these final rules in this document.

- *Central Liquidity Facility.* The Board issued an interim final rule in April 2020 to provide credit unions with greater access to liquidity to help ensure they remained operational throughout the pandemic. This rule made it easier and more attractive for credit unions to join the NCUA's Central Liquidity Facility (CLF). In addition, the rule made several amendments to conform to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In March 2021, in response to the enactment of the Consolidated Appropriations Act,

The Board has not identified any rules pertaining to Agency Programs, Capital, and Consumer Protection that would have a significant impact on a substantial number of small entities. However, the Board will consider any public comments submitted through the decennial review process and agency experience to identify regulations it can

2021, (CAA) the Board issued an interim final rule to cohere the NCUA's regulations to the statutory changes made by the CAA. Specifically, the CAA extended several enhancements to the CLF, which were first enacted by the CARES Act. The rule amended the NCUA's CLF regulation to reflect the extensions. The rule also extended the withdrawal from CLF membership provisions that the Board included in the April 2020 interim final rule that made the changes related to the CARES Act.

- *Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans.* The Board issued an interim final rule in April 2020 to make a conforming amendment to the NCUA's capital adequacy regulation following the enactment of the CARES Act, which authorized the Small Business Administration to create a loan guarantee program, the Paycheck Protection Program (PPP), to help certain businesses affected by the COVID–19 pandemic. The CARES Act required that PPP loans receive a zero percent risk weighting under the NCUA's risk-based capital requirements. To reflect the statutory requirement, the interim final rule amended the NCUA's capital adequacy regulation to provide that covered PPP loans receive a zero percent risk weight. The interim final rule also provided that if the covered loan was pledged as collateral for a nonrecourse loan that was provided as part of the FRB's PPP Lending Facility, the covered loan could be excluded from a credit union's calculation of total assets for the purposes of calculating its net worth ratio. The interim final rule also made a conforming amendment to the definition of commercial loan in the NCUA's member business loans and commercial lending rule.

- *Temporary Regulatory Relief in Response to COVID–19—Prompt Corrective Action.* In May 2020, the NCUA temporarily modified certain regulatory requirements to help ensure that federally insured credit unions remained operational and liquid during the COVID–19 pandemic. Specifically, the Board issued two temporary changes to the NCUA's PCA regulations. The first amended the PCA regulations to temporarily enable the Board to issue an order applicable to all federally insured credit unions to waive the earnings retention requirement for any credit union that was classified as adequately capitalized. The second modified the regulations with respect to the specific documentation required for net worth restoration plans for federally insured credit unions that become undercapitalized. These temporary modifications were in place until December 31, 2020. In April 2021, the Board extended the temporary modifications until March 31, 2022, and in February 2022, the Board again extended the two temporary changes to the PCA regulations until March 31, 2023.

- *Asset Thresholds.* In March 2021, the Board issued a temporary interim final rule to permit federally insured credit unions to use asset data as of March 31, 2020, to determine the applicability of certain regulatory asset thresholds during calendar years 2021 and 2022. Specifically, the interim final rule allowed a federally insured credit union to use March 31, 2020, financial data when determining whether the institution was subject to capital planning and stress testing requirements under the NCUA's regulations and supervision from the Office of National Examinations and Supervision.

update that have a significant impact on a substantial number of small federally insured credit unions.¹⁸

V. The Board's Review of Regulations Under the Regulatory Flexibility Act (RFA)

The Board will use the decennial review to satisfy any potential obligations under section 610 of the RFA.¹⁹ There are no rules within the scope of the review that had a significant economic impact on a

substantial number of small entities. Regardless, consistent with the spirit of section 610 of the RFA, for each rule the Board has issued in the last 10 years, the Board invites comment on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the length of time since the rule has been

evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule. The purpose of the review will be to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities.

Category	Subject	Regulation cite
A. Regulations About Which Comment Is Currently Requested		
3. Agency Programs	Community Development Revolving Loan Fund Access for Credit Unions	12 CFR 705.
	National Credit Union Administration Central Liquidity Facility	12 CFR 725.
	Designation of low-income status; receipt of secondary capital accounts by low-income designated credit unions.	12 CFR 701.34.
4. Capital	Capital Adequacy	12 CFR 702.
	Adequacy of reserves	12 CFR 741.3(a).
5. Consumer Protection	Nondiscrimination requirements [Fair Housing]	12 CFR 701.31.
	Truth in Savings	12 CFR 707.
	Loans in Areas Having Special Flood Hazards	12 CFR 760.
	Fair Credit Reporting; Duties of Users Consumer Report Regarding Address Discrepancies and Records Disposal.	12 CFR 717, Subpart I.
	Fair Credit Reporting; Identity Theft Red Flags	12 CFR 717, Subpart J.
	Share Insurance	12 CFR 745.
	Accuracy of Advertising and Notice of Insured Status	12 CFR 740.
	Disclosure of share insurance	12 CFR 741.10.
	Notice of termination of excess insurance coverage	12 CFR 741.5.
	Uninsured membership shares	12 CFR 741.9.
	Member inspection of credit union books, records, and minutes	12 CFR 701.3.
B. Categories and Regulations About Which the NCUA Will Seek Comment Later		
6. Corporate Credit Unions	Corporate Credit Unions	12 CFR 704.
7. Directors, Officers, and Employees.	Loans and lines of credit to officials	12 CFR 701.21(d).
	Reimbursement, insurance, and indemnification of officials and employees	12 CFR 701.33.
	Benefits for employees of Federal credit unions	12 CFR 701.19.
	Management Official Interlocks	12 CFR 711.
	Fidelity Bond and Insurance Coverage for Federally Insured Credit Unions	12 CFR 713.
	General authorities and duties of Federal credit union directors	12 CFR 701.4.
	Golden Parachute and Indemnification Payments	12 CFR 750.
8. Anti-Money Laundering and Bank Secrecy Act.	Filing of reports [of known or suspected crimes or suspicious transactions]	12 CFR 748.1.
	Procedures for monitoring Bank Secrecy Act compliance	12 CFR 748.2.
9. Rules of Procedure	Involuntary Liquidation of Federal Credit Unions and Adjudication of Creditor Claims Involving Federally Insured Credit Unions in Liquidation.	12 CFR 709.
	Voluntary Liquidation	12 CFR 710.
	Uniform Rules of Practice and Procedure	12 CFR 747, Subpart A.
	Local Rules of Practice and Procedure	12 CFR 747, Subpart B.
	Procedures for Appealing Material Supervisory Determinations	12 CFR 746, Subpart A.
	Appeals Procedures That Do Not by Law Require a Board Hearing	12 CFR 746, Subpart B.
10. Safety and Soundness	Loans to members and lines of credit to members	12 CFR 701.21.
	Investments	12 CFR 703.
	Supervisory Committee Audits and Verifications	12 CFR 715.
	Security program	12 CFR 748.0.
	Guidelines for Safeguarding Member Information; Responding to Unauthorized Access to Member Information and Member Notice.	12 CFR 748, Appendix A; 12 CFR 748, Appendix B.
	Records Preservation Program and Appendices—Record Retention Guidelines; Catastrophic Act Preparedness Guidelines.	12 CFR 749.

¹⁸ The review will be consistent with the requirements of a Regulatory Flexibility Act, section 610 review. The Board will determine whether particular rules should be continued without change, amended, or rescinded, consistent with the objectives of applicable statutes, to minimize any significant economic impact of the rules on a substantial number of small federally insured credit unions.

¹⁹ Section 610 of the Regulatory Flexibility Act, 5 U.S.C. 610, imposes a continuing obligation on agencies to review regulations that may have a significant economic impact upon a substantial number of small entities, within 10 years after a final rulemaking is published. The factors agencies consider in evaluating a rule under 5 U.S.C. 610 are (1) the continued need for the rule; (2) the nature of complaints or comments received concerning the

rule from the public; (3) the complexity of the rule; (4) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

Category	Subject	Regulation cite
	Appraisals	12 CFR 722.
	Examination	12 CFR 741.1.
	Liquidity and contingency funding plans	12 CFR 741.12.
	Regulations Codified Elsewhere in NCUA's Regulations as Applying to Federal Credit Unions That Also Apply to Federally Insured State-Chartered Credit Unions.	12 CFR 741, Subpart B.
	Guidance for an Interest Rate Risk Policy and an Effective Program	12 CFR 741, Appendix A.
	Loan Workouts, Nonaccrual Policy, and Regulatory Reporting of Troubled Debt Restructured Loans.	12 CFR 741, Appendix B.

VI. Regulatory Procedures

Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) (Act) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501) (commonly known as *regulations.gov*). The Act, under its terms, applies to notices of proposed rulemaking and does not expressly include other types of documents that the Board publishes voluntarily for public comment, such as documents and interim-final rules that request comment despite invoking “good cause” to forgo such notice and public procedure. The Board, however, has elected to address the Act’s requirement in these types of documents in the interests of administrative consistency and transparency.

In summary, as contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the NCUA Board is reviewing its regulations to identify rules that are outdated, unnecessary, or unduly burdensome on federally insured credit unions. The NCUA divided its regulations into 10 categories outlined in the included chart. Over approximately the next 2 years, the NCUA is publishing four **Federal Register** documents requesting comment on multiple categories. This second **Federal Register** document requests comment on regulations concerning these categories: “Agency Programs,” “Capital,” and “Consumer Protection.” The NCUA will address the remaining five categories in the next two documents.

The document and the summary can be found at <https://www.regulations.gov>.

By the National Credit Union Administration Board.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2025–12807 Filed 7–9–25; 8:45 am]

BILLING CODE 7535–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2025–0319]

RIN 1625–AA87

Security Zone; Intracoastal Waterway, Palm Beach, FL

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to change the enforcement of an existing security zone that encompasses certain waters of the Atlantic Ocean near the Mar-A-Lago Club and the Southern Boulevard Bridge in Palm Beach, FL. When the “East Zone” is activated all persons and vessels will be prohibited from entering, transiting, anchoring in, or remaining within the security zone unless authorized by the COTP Miami or a designated representative. This action is necessary to protect the official party, public, and surrounding waterways from terrorist acts, sabotage or other subversive acts, accidents, or other events of a similar nature. We invite your comments on this proposed rulemaking.

DATES: Comments and related material must be received by the Coast Guard on or before August 11, 2025.

ADDRESSES: You may submit comments identified by docket number USCG–2025–0319 using the Federal Decision-Making Portal at <https://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting

comments. This notice of proposed rulemaking with its plain-language, 100-word-or-less proposed rule summary will be available in this same docket.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rulemaking, call or email Lieutenant Guerschom Etienne, Waterways Management Division, Coast Guard; telephone: 786–295–9051, email: Guerschom.Etienne@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background, Purpose, and Legal Basis

On April 19, 2018, the Coast Guard established a security zone around Mar-a-Lago Club in 33 CFR 165.785 to ensure the safety of the president, official party, and any other persons under the protection of the secret service at his residence. The security zone in § 165.785 consists of 3 zones with varying levels of security within the Intracoastal Waterway and Atlantic Ocean adjacent to this location.

The Coast Guard is proposing to change the enforcement of the existing “East Zone” in Mar-a-Lago due to the high concentration of vessel traffic in the immediate area. Increased security restrictions have been deemed necessary to ensure that no vessel inadvertently enters the “East Zone” without prior authorization from the Captain of the Port (COTP) or designated representative. The restrictions for entering and transiting the waterway already for the “East Zone” would be bolstered and only enforced when the President of the United States, members of the First Family, or other persons under the protection of the Secret Service are present or expected to be present.

Pending going through the normal rulemaking process to amend the enforcement of the “East Zone,” the

Coast Guard published a temporary interim rule and request for comments,¹ which expires on July 17, 2025.

The Coast Guard is proposing this rulemaking under authority in 46 U.S.C. 70054 and 70124.

III. Discussion of Proposed Rule

The Coast Guard proposes to change the enforcement of the “East Zone” security zone, which is located on the waters of the Atlantic Ocean near the Mar-a-Lago Cub and the Southern Boulevard Bridge in Palm Beach, FL. When the “East Zone” is activated, the Coast Guard proposes to amend § 165.785(c)(3) by stating, “All persons and vessels are prohibited from entering, transiting, anchoring in, or remaining within the security zone unless authorized by the COTP Miami or a designated representative.” The current regulation in § 165.785(c)(3) states, “All persons and vessels are required to transit the security zone at a steady speed and may not slow down or stop except in the case of unforeseen mechanical failure or other emergency. Any persons or vessels forced to slow or stop in the zone shall immediately notify the COTP Miami via VHF channel 16.”

The proposed change would ensure the safety of the president, official party, and any other persons under the protection of the secret service at his residence.

No other change would be made to § 165.785. The regulatory text we are proposing appears at the end of this document.

IV. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This NPRM has not been designated a “significant regulatory action” under section 3(f) of Executive Order 12866. Accordingly, the NPRM has not been reviewed by the Office of Management and Budget (OMB).

This regulatory action determination is based on the conditions already

present in this waterway since the initial establishment of the security zone. The security restrictions on the zone, though slightly more restrictive on vessel traffic, will greatly enhance protections of people under the protection of the Secret Service.

B. Impact on Small Entities

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

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

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this proposed rule. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section. The Coast Guard will not retaliate against small entities that question or complain about this proposed rule or any policy or action of the Coast Guard.

C. Collection of Information

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

D. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132 (Federalism), if it has a substantial direct effect on the States, on the

relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this proposed rule under that Order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

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

E. Unfunded Mandates Reform Act

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

F. Environment

We have analyzed this proposed rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This proposed rule involves a security zone lasting only a few days at a time that would restrict entry within certain waters of the Intracoastal Waterway and the Atlantic Ocean in Palm Beach, FL. Normally such actions are categorically excluded from further review under paragraph L60(a) of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A preliminary Record of Environmental Consideration

¹ The temporary interim rule and request for comments was published on April 11, 2025 (90 FR 15409). Comments close on May 12, 2025.

supporting this determination is available in docket USCG–2025–0225, a temporary rule previously established for the same security zone. For instructions on locating the docket, see the **ADDRESSES** section of this preamble. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

Submitting comments. We encourage you to submit comments through the Federal Decision-Making Portal at <https://www.regulations.gov>. To do so, go to <https://www.regulations.gov>, type USCG–2025–0319 in the search box and click “Search.” Next, look for this document in the Search Results column, and click on it. Then click on the Comment option. If you cannot submit your material by using <https://www.regulations.gov>, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

Viewing material in docket. To view documents mentioned in this proposed rule as being available in the docket, find the docket as described in the previous paragraph, and then select “Supporting & Related Material” in the Document Type column. Public comments will also be placed in our online docket and can be viewed by following instructions on the <https://www.regulations.gov> Frequently Asked Questions web page. Also, if you click on the Dockets tab and then the proposed rule, you should see a “Subscribe” option for email alerts. The option will notify you when comments are posted, or a final rule is published.

We review all comments received, but we will only post comments that address the topic of the proposed rule. We may choose not to post off-topic, inappropriate, or duplicate comments that we receive.

Personal information. We accept anonymous comments. Comments we post to <https://www.regulations.gov> will include any personal information you

have provided. For more about privacy and submissions to the docket in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, security measures, waterways.

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051, 70124; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.3.

- 2. Amend § 165.785 to read as follows:

§ 165.785 Security Zone; Presidential Security Zone, Palm Beach, FL.

(a) *Location.* The following area is a security zone:

(1) *Center zone.* All waters of Lake Worth Lagoon from surface to bottom within the following points: Beginning at Point 1 in position 26°41′21″ N, 80°02′39″ W; thence east to Point 2 in position 26°41′21″ N, 80°02′13″ W; thence south following the shoreline to Point 3 in position 26°39′58″ N, 80°02′20″ W; thence west to Point 4 in position 26°39′58″ N, 80°02′38″ W, thence back to origin at Point 1.

(2) *West zone.* All waters of Lake Worth Lagoon from surface to bottom within the following points: Beginning at Point 1 in position 26°41′21″ N, 80°02′39″ W; thence west to Point 2 in position 26°41′21″ N, 80°03′00″ W; thence south following the shoreline to Point 3 in position 26°39′58″ N, 80°02′55″ W; thence east to Point 4 in position 26°39′58″ N, 80°02′38″ W, thence back to origin at Point 1.

(3) *East zone.* All waters of the Atlantic Ocean from surface to bottom within the following points: Beginning at Point 1 in position 26°41′21″ N, 80°02′01″ W; thence south following the shoreline to Point 2 in position 26°39′57″ N, 80°20′9″ W; thence east to Point 3 in position 26°39′57″ N, 80°01′36″ W; thence north to Point 4 in position 26°41′22″ N, 80°01′29″ W, thence back to origin at Point 1.

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard

coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Sector Miami (COTP) in the enforcement of the security zone.

(c) Regulations.

(1) *Center zone.* All persons and vessels are prohibited from entering, transiting, anchoring in, or remaining within the security zone unless authorized by the COTP Miami or a designated representative.

(2) *West zone.* All persons and vessels are required to transit the security zone escorted by an on-scene designated representative at a steady speed and may not slow down or stop except in the case of unforeseen mechanical failure or other emergency. Any persons or vessels forced to slow or stop in the zone shall immediately notify the COTP Miami via VHF channel 16.

(3) *East zone.* All persons and vessels are prohibited from entering, transiting, anchoring in, or remaining within the security zone unless authorized by the COTP Miami or a designated representative.

(4) *Contacting Captain of the Port.* To seek permission to enter, contact the COTP or the COTP’s representative by telephone at (305)

(5) 535–4472 or may contact a designated representative via VHF radio on channel 16. Those in the security zone must comply with all lawful orders or directions given to them by the COTP or the COTP’s designated representative.

(d) Enforcement period.

(1) This section will be enforced when the President of the United States, members of the First Family, or other persons under the protection of the Secret Service are present or expected to be present at the Mar-a-Lago Club in Palm Beach, Florida. The Coast Guard will rely on the methods described in 33 CFR 165.7 to notify the public prior to activation of any of the security zones described in paragraph (a) of this section. Coast Guard patrol assets will also be on-scene with flashing energized blue lights when the center, west, or east security zone is in effect.

Dated: April 22, 2025.

Christopher R. Cederholm,

Captain, U.S. Coast Guard, Captain of the Port Sector Miami.

[FR Doc. 2025–12819 Filed 7–9–25; 8:45 am]

BILLING CODE 9110–04–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3030

[Docket Nos. RM2021–2, RM2022–5, RM2022–6, and RM2024–4; Order No. 8973]

RIN 3211–AA37

System for Regulating Rates and Classes for Market Dominant Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Postal Service filed a Motion requesting an extension of the comment deadline in this proceeding. The Commission grants the Motion and adds a reply comment deadline.

DATES: *Comments are due:* July 28, 2025. *Reply Comments are due:* August 7, 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. The Rule Summary can be found on the Commission's Rule Summary Page at <https://www.prc.gov/rule-summary-page>.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Background
- III. Commission Analysis
- IV. Ordering Paragraphs

I. Introduction

On June 9, 2025, the Commission issued Order No. 8893 to initiate a phased rulemaking process and propose two rule changes to the Market Dominant ratemaking system as a first step of the phased process.¹ The Commission set a deadline of July 14, 2025 for comments on these two proposed rule changes.² On June 27, 2025, the Postal Service requested an extension of time until July 28, 2025 for all parties to submit comments.³ For the

reasons discussed below, the Commission grants the Motion. The Commission also provides a deadline for reply comments of August 7, 2025.

II. Background

The Commission proposed two rule changes in Order No. 8893: (1) restricting the Postal Service from adjusting Market Dominant rates more than once per fiscal year from October 1, 2025 through October 1, 2030; and (2) restricting the Postal Service from setting workshare discounts farther away from their avoided costs. Order No. 8893 at 4, Attachment. Regarding the proposal to restrict the Postal Service from adjusting Market Dominant rates more than once per year, the Commission performed some preliminary analysis of the potential lag effects of this proposal in response to the Postal Service's claim (made without any evidence to support) that its recent general pattern of adjusting Market Dominant rates approximately every 6 months instead of every year was intended to mitigate the lag effects between inflation rising and postal prices increasing. *Id.* at 17. In addition, the Commission published an initial Elasticity Study of the Postal Service's Market Dominant products “[t]o better understand the impacts of rate adjustments on the Postal Service and rate payers.”⁴

On June 12, 2025, the Postal Service requested that the Commission publish the preliminary lag analysis mentioned in Order No. 8893.⁵ The Postal Service further requested that the Commission publish all workpapers underlying the preliminary lag analysis and all workpapers underlying the Elasticity Study.⁶ On June 23, 2025, the Commission granted the Postal Service's request and published the requested materials in the instant dockets.⁷

On June 27, 2025, the Postal Service filed the Motion requesting extension of time until July 28, 2025 for all parties to submit comments on the two proposed rule changes in Order No.

8893. Motion at 1. The Postal Service states that the Commission did not provide the preliminary lag analysis and workpapers underlying the preliminary lag analysis and the Elasticity Study until 14 days after the issuance of Order No. 8893 and 10 days after publication of the proposed rules in the **Federal Register**. *Id.* at 1–2. The Postal Service argues that the delayed publication of these materials has “cut down on the Commission's initial comment window for all parties involved to form meaningful comments.” *Id.* at 2. The Postal Service argues that proceeding with the initial comment window would deny all parties a fair opportunity to comment on the proposed rules and would undermine the notice-and-comment requirement under 5 U.S.C. 553. *Id.* The Postal Service further argues that “a two-week extension would have a minimal effect on the procedural schedule, and no party would be adversely impacted by an extension of the comment period . . .” *Id.*

III. Commission Analysis

A motion for extension of time “shall only be granted upon consideration of the potential adverse impact, if any, on other participants and the overall impact on the procedural schedule.” 39 CFR 3010.162(c). Having reviewed the Motion, the Commission finds that the Motion has met the criteria in 39 CFR 3010.162(c). The Motion is unopposed. Because this extension would apply to all interested persons, no other participant would be adversely impacted by the extension. Given that the proposed two-week extension is relatively brief, the Commission finds that such an extension would not adversely impact the overall procedural schedule of these proceedings.⁸ Accordingly, the Commission grants the Motion pursuant to 39 CFR 3010.162(c).

Because allowing a brief reply comment period would not adversely impact the overall procedural schedule or any participant, the Commission also

Response to Order No. 8893, June 27, 2025 (Motion).

⁴ *Id.* at 18; see Elasticity Study, Phase 1, June 9, 2025.

⁵ Motion of the United States Postal Service for Immediate Publication of Commission Analysis Informing Order No. 8893, June 12, 2025.

⁶ Addendum to Motion of the United States Postal Service for Immediate Publication of Commission Analysis Informing Order No. 8893, June 12, 2025.

⁷ Order Granting Motion for Publication, June 23, 2025 (Order No. 8924). The materials underlying the Elasticity Study are provided as Library Reference PRC–LR–RM2024–4–2—Supporting Materials for Elasticity Study Phase 1. The lag effects analysis and its underlying workpapers are provided as Library Reference PRC–LR–RM2024–4–3—Preliminary Analysis Workpapers.

⁸ As stated in Order No. 8893, “[t]he Commission is interested in receiving comments from stakeholders on the proposed sunset period and the proposed effective dates of October 1, 2025 through October 1, 2030” for the proposal to restrict the Postal Service from adjusting Market Dominant rates more than once per year. Order No. 8893 at 13. “Depending on the public comment, the Commission may decide to consider potential adjustments to the proposed sunset period and the proposed effective dates of October 1, 2025 through October 1, 2030.” *Id.* Interested persons may take the potential impact of the extended comment deadline of July 28, 2025 into account when commenting on the proposed sunset period and the proposed effective dates of October 1, 2025 through October 1, 2030.

¹ Notice of Proposed Rulemaking on the Statutory Review of the System for Regulating Rates and Classes for Market Dominant Products (Phase 2A Initiation), June 9, 2025 (Order No. 8893).

² *Id.* at 42 (setting the comment deadline at 30 days from the date of publication in the **Federal Register** of the proposed rules); System for Regulating Rates and Classes for Market Dominant Products, 90 FR 25006 (June 13, 2025) (setting July 14, 2025 as the comment deadline).

³ Motion of the United States Postal Service for Extension of Time for Parties to File Comments in

provides a deadline for reply comments of August 7, 2025.

IV. Ordering Paragraphs

It is ordered:

1. The Motion of the United States Postal Service for Extension of Time for Parties to File Comments in Response to Order No. 8893, filed on June 27, 2025, is granted.

2. Comments on the proposed rule changes in the Notice of Proposed Rulemaking on the Statutory Review of the System for Regulating Rates and Classes for Market Dominant Products (Phase 2A Initiation), issued on June 9, 2025 (Order No. 8893), are due July 28, 2025.

3. Reply comments are due on August 7, 2025.

4. The Secretary shall arrange for publication of this Order, or abstract thereof, in the **Federal Register**.

By the Commission.

Erica A. Barker,
Secretary.

[FR Doc. 2025–12786 Filed 7–9–25; 8:45 am]

BILLING CODE 7710–FW–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R09–OAR–2024–0587; FRL–12483–01–R9]

Finding of Failure To Attain the 1997 8-Hour Ozone Standards; California; San Joaquin Valley

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed determination.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to determine that the San Joaquin Valley, California area failed to attain the 1997 8-hour ozone national ambient air quality standard by its June 15, 2024 “Extreme” area attainment date. This proposed determination is based on quality-assured and certified ambient air quality monitoring data from 2021 through 2023.

DATES: Comments must be received on or before August 11, 2025.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R09–OAR–2024–0587 at <https://www.regulations.gov>. For comments submitted at *Regulations.gov*, follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *Regulations.gov*. The EPA may publish any comment received to its public

docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>. If you need assistance in a language other than English or if you are a person with a disability who needs a reasonable accommodation at no cost to you, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Laura Lawrence, EPA Region IX, ARD–2, 75 Hawthorne St., San Francisco, CA 94105; telephone number: (415) 972–3407; email address: lawrence.laura@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document, “we,” “us,” and “our” refer to the EPA.

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I. Background

A. Regulatory Context

Ground-level ozone pollution is formed from the reaction of volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) in the presence of sunlight. These two pollutants, referred to as ozone precursors, are emitted by many types of sources, including on- and off-road motor vehicles and engines, power plants and industrial facilities, and smaller area sources such as lawn and garden equipment and paints.

Scientific evidence indicates that adverse public health effects occur

following exposure to ozone, particularly in children and adults with lung disease. Breathing air containing ozone can reduce lung function and inflame airways, which can increase respiratory symptoms and aggravate asthma or other lung diseases.¹

Under section 109 of the Clean Air Act (CAA or “Act”), the EPA promulgates national ambient air quality standards (NAAQS or “standards”) for pervasive air pollutants, such as ozone. The NAAQS are concentration levels whose attainment and maintenance the EPA has determined to be requisite to protect public health and welfare. In 1979, under section 109 of the CAA, the EPA established primary and secondary standards for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period.²

In July 1997, the EPA revised the primary and secondary NAAQS for ozone to set the acceptable level of ozone in the ambient air at 0.08 ppm, averaged over an 8-hour period.³ The EPA set the 1997 8-hour ozone NAAQS based on scientific evidence demonstrating that ozone causes adverse health effects at lower concentrations and over longer periods of time than was understood when the pre-existing 1-hour ozone standards were set. The EPA determined that the 8-hour standard would be more protective of human health, especially for children and for adults who are active outdoors, and for individuals with a preexisting respiratory disease, such as asthma.

In March 2008, the EPA completed another review of the primary and secondary ozone standards and tightened them further by lowering the level for both to 0.075 ppm.⁴ The EPA revoked the 1997 8-hour ozone NAAQS effective April 6, 2015;⁵ however, to comply with anti-backsliding requirements of the Act, areas designated nonattainment at the time that the 1997 8-hour ozone NAAQS was revoked remain subject to certain

¹ EPA, Health Effects of Ozone Pollution, available at <https://www.epa.gov/ground-level-ozone-pollution/health-effects-ozone-pollution>.

² 44 FR 8202 (February 8, 1979).

³ 62 FR 38856 (July 18, 1997). Primary standards provide public health protection, including protecting the health of “sensitive” populations such as asthmatics, children, and the elderly. Secondary standards provide public welfare protection, including protection against decreased visibility and damage to animals, crops, vegetation, and buildings. Since the primary and secondary standards established in 1997 are set at the same level, we refer to them herein using the singular “1997 8-hour ozone NAAQS” or “1997 8-hour ozone standard.”

⁴ 73 FR 16436 (March 27, 2008).

⁵ 80 FR 12264 (March 6, 2015).

requirements based on their classification at the time of revocation, including requirements related to nonattainment contingency measures under CAA sections 172(c)(9) and 182(c)(9) and, for “Severe” and “Extreme” areas, major source fee programs under CAA section 185.⁶ The EPA’s determination that an area failed to attain by its attainment date, which is made under CAA section 301 and consistent with section 181(b)(2), triggers these anti-backsliding requirements. *See South Coast Air Quality Mgmt. Dist. v. EPA*, 882 F.3d 1138, 1147 (D.C. Cir. 2018).

The San Joaquin Valley ozone area, excluding areas of Indian country,⁷ is under the jurisdiction of the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD or “District”). Under California law, SJVUAPCD is responsible for adopting and implementing stationary source rules in the San Joaquin Valley, such as the fee program rules required under CAA section 185, while the California Air Resources Board (CARB) adopts and implements consumer products and mobile source rules subject to the requirements of CAA section 209. CARB submits the District and State rules to the EPA.

An area is considered to have attained the 1997 8-hour ozone standard if there are no violations of the standard, as determined in accordance with 40 CFR 50.10, based on three consecutive years of complete, quality-assured, and certified monitoring data. A violation of the NAAQS occurs when the ambient ozone air quality monitoring data show that the 3-year average of the annual fourth-highest daily maximum 8-hour average ozone concentrations at an ozone monitor is greater than 0.08 ppm.⁸

B. History of the 1997 8-Hour Ozone NAAQS in the San Joaquin Valley

The San Joaquin Valley area consists of San Joaquin, Stanislaus, Merced,

Madera, Fresno, Tulare, and Kings counties, and the western portion of Kern County. The area stretches over 250 miles from north to south, averages a width of 80 miles, and encompasses over 23,000 square miles. It is partially enclosed by the Coast Mountain range to the west, the Tehachapi Mountains to the south, and the Sierra Nevada range to the east.⁹ The population of the San Joaquin Valley area is over 4.3 million people.¹⁰

Following promulgation of a new or revised NAAQS, the EPA is required by the CAA to designate areas throughout the nation as attaining or not attaining the NAAQS. On April 15, 2004, the EPA designated the San Joaquin Valley as nonattainment for the 1997 8-hour ozone standard and classified it as “Serious” under CAA section 181(a)(1) and 40 CFR 51.903(a), table 1.¹¹ This designation and classification became effective on June 15, 2004.

In 2007, California requested that the EPA reclassify the San Joaquin Valley ozone nonattainment area from Serious to Extreme nonattainment for the 1997 8-hour ozone standard under CAA section 181(b)(3). On May 5, 2010, we granted California’s request and reclassified the area to Extreme effective June 4, 2010, with an attainment date of no later than June 15, 2024.¹²

II. EPA Analysis

A. Applicable Statutory and Regulatory Provisions

For the revoked 1997 8-hour ozone NAAQS, the EPA is required to determine whether an ozone area attained the ozone standard by the area’s attainment date solely for purposes of triggering any applicable anti-backsliding requirements. For Extreme areas, applicable requirements triggered upon a finding that an area failed to attain by the attainment date are nonattainment contingency measures and CAA section 185 fee programs.¹³ A determination of whether an area’s air quality meets the 1997 8-hour ozone standard is generally based on three years of complete, quality-assured, and certified air quality monitoring data gathered at established State and Local Air Monitoring Stations (“SLAMS”) in the area and entered into the EPA’s Air Quality System (AQS)

database.¹⁴ Data from ambient air monitors operated by State/local agencies in compliance with EPA monitoring requirements must be submitted to the AQS database. Monitoring agencies annually certify that these data are accurate to the best of their knowledge. Accordingly, the EPA relies primarily on data in its AQS database when determining the attainment status of an area.¹⁵ All data are reviewed to determine the area’s air quality status in accordance with 40 CFR part 50, appendix I.

Under EPA regulations at 40 CFR 50.10, the 1997 8-hour ozone standard is attained when the 3-year average of the annual fourth-highest daily maximum 8-hour average ozone concentrations at an ozone monitor is less than or equal to 0.08 ppm (*i.e.*, 0.084 ppm when rounding, based on the truncating conventions in 40 CFR part 50, appendix I). This 3-year average is referred to as the “design value.” When the design value is greater than 0.084 ppm at any monitor within the area, then the area is violating the NAAQS. The data completeness requirement is met when the average percent of days with valid ambient monitoring data is greater than or equal to 90 percent and no single year has less than 75 percent data completeness, as determined under appendix I of 40 CFR part 50.

The EPA is proposing to determine that the San Joaquin Valley failed to attain the 1997 8-hour ozone standard by its applicable attainment date; that is, that the average of the annual fourth-highest daily maximum 8-hour average ozone concentration was above 0.08 ppm in the period prior to the applicable attainment date, *i.e.*, 2021–2023. This proposed determination is based on three years of quality-assured and certified ambient air quality monitoring data in AQS for the 2021–2023 monitoring period.

B. Monitoring Network Considerations

Section 110(a)(2)(B)(i) of the CAA requires states to establish and operate air monitoring networks to compile data on ambient air quality for all criteria pollutants. In the San Joaquin Valley, SJVUAPCD is the governmental agency with the authority and responsibilities under state law for collecting ambient air quality data. The ambient air

⁶ 40 CFR 51.1100(o).

⁷ “Indian country” as defined at 18 U.S.C. 1151 refers to: “(a) all land within the limits of any Indian reservation under the jurisdiction of the United States Government, notwithstanding the issuance of any patent, and, including rights-of-way running through the reservation, (b) all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a state, and (c) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the same.”

⁸ 40 CFR 50.10 and 40 CFR part 50, appendix I. As explained in section II.A. of this document, due to rounding and truncation conventions the computed 3-year average ozone concentration of 0.085 ppm is the smallest value that is greater than 0.08 ppm.

⁹ For a precise definition of the boundaries of the San Joaquin Valley area for the 1997 8-hour ozone NAAQS, see 40 CFR 81.305.

¹⁰ SJVUAPCD, *2022 Plan for the 2015 8-Hour Ozone Standard* (December 15, 2022), p. 2–7.

¹¹ 69 FR 23858, 23888–89 (April 30, 2004).

¹² 75 FR 24409 (May 5, 2010) and 40 CFR 81.305.

¹³ 40 CFR 51.1105(d)(2)(iii).

¹⁴ Generally, a “complete” data set for determining attainment of the ozone is one that includes three years of data. There are less stringent data requirements for showing that a monitor has failed an attainment test and thus has recorded a violation of the standard.

¹⁵ 40 CFR 50.10; 40 CFR part 50, appendix I; 40 CFR part 53; 40 CFR part 58, appendices A, C, D, and E.

monitoring network in the San Joaquin Valley area also includes air monitoring stations that are managed and operated by CARB and the National Park Service (NPS). As a result, SJVUAPCD submits annual network plans to the EPA. These plans document the status of SJVUAPCD's air monitoring network including the CARB and NPS air monitoring stations, as required under 40 CFR 58.10. The EPA reviews these annual network plans for compliance with specific requirements in 40 CFR part 58. With respect to ozone, we have found that the annual network plans submitted by SJVUAPCD meet the minimum monitoring requirements of 40 CFR part 58.¹⁶ See table 1 for a summary of air quality monitors in the San Joaquin Valley.

Finally, the EPA conducts regular Technical Systems Audits (TSAs) where

we review and inspect state and local ambient air monitoring programs to assess compliance with applicable regulations concerning the collection, analysis, validation, and reporting of ambient air quality data. For the purposes of this proposal, we reviewed the findings from the EPA's most recent TSA of SJVUAPCD's and CARB's ambient air monitoring program.¹⁷ The results of this TSA do not preclude the EPA from determining that the San Joaquin Valley area has failed to attain the 1997 8-hour ozone NAAQS.

C. Data Considerations

In accordance with 40 CFR 58.15, SJVUAPCD, CARB, and the NPS certify annually that the previous year's ambient concentration and quality assurance data are completely submitted to AQS and that the ambient concentration data are accurate, taking

into consideration the quality assurance findings.¹⁸ There were 24 ozone monitoring sites located throughout the San Joaquin Valley in calendar years 2021 through 2023: one within Kings County, six within Fresno County, seven within Kern County, two within Madera County, one within Merced County, two within San Joaquin County, two within Stanislaus County and three within Tulare County.¹⁹ Table 1 of this document summarizes the ozone monitoring data from the various monitoring sites in the San Joaquin Valley ozone area by showing the annual 4th highest daily maximum concentrations and design values over the 2021–2023 period. The data summarized in table 1 of this document are considered complete for the purposes of determining if the standard is met.²⁰

TABLE 1—SAN JOAQUIN VALLEY AREA FOURTH HIGH 8-HOUR OZONE AVERAGE CONCENTRATIONS AND DESIGN VALUES (ppm) FOR 2021–2023

		4th highest daily maximum			Design value (2021–2023)
AQS site ID	Site name	2021	2022	2023	
KINGS COUNTY:					
06–031–1004	Hanford-Irwin	0.076	0.075	^a N/A	^b Invalid
FRESNO COUNTY:					
06–019–0007	Fresno-Drummond	0.088	0.076	0.082	0.082
06–019–0011	Fresno-Garland	0.086	0.073	0.080	0.079
06–019–0242	Fresno-Sky Park	0.084	0.075	0.078	0.079
06–019–2009	Tranquility	0.072	0.063	0.064	0.066
06–019–4001	Parlier	0.090	0.081	0.081	0.084
06–019–5001	Clovis-Villa	0.085	0.080	0.081	0.082
KERN COUNTY:					
06–029–0007	Edison	0.094	0.087	0.089	0.090
06–029–0008	Maricopa	0.073	0.074	0.079	0.075
06–029–0014	Bakersfield-California	0.077	0.071	0.075	0.074
06–029–0232	Oildale	0.086	0.085	0.076	0.082
06–029–2012	Bakersfield-Muni	0.085	0.084	0.082	0.083
06–029–5002	Arvin-Di Giorgio	0.084	0.085	0.088	0.085
06–029–6001	Shafter	0.076	0.077	0.073	0.075
MADERA COUNTY:					
06–039–0004	Madera-Pump Yard	0.083	0.070	0.072	0.075
06–039–2010	Madera-City	0.085	0.078	0.077	0.080
MERCED COUNTY:					
06–047–0003	Merced-Coffee	0.079	0.072	0.075	0.075
SAN JOAQUIN COUNTY:					
06–077–1003	Stockton-University Park	0.061	0.067	0.064	0.064
06–077–3005	Tracy-Airport	0.069	0.062	0.062	0.064
STANISLAUS COUNTY:					
06–099–0005	Modesto-14th Street	0.076	0.071	0.074	0.073
06–099–0006	Turlock	0.083	0.077	0.077	0.079
TULARE COUNTY:					
06–107–0009	Sequoia-Ash Mountain	0.093	0.086	0.086	0.088
06–107–2003	Visalia-W Ashland Avenue	0.094	0.090	0.080	0.088

¹⁶ We have included copies of SJVUAPCD's annual network plans for 2021–2023 in the docket for this action, along with our reviews of these plans and our associated transmittal correspondence.

¹⁷ See letter from Matthew Lakin, Director, Air and Radiation Division, U.S. EPA Region IX, to Edie Chang, Deputy Executive Officer, CARB, dated March 14, 2024, and enclosure titled “Technical

Systems Audit of the Ambient Air Monitoring Program: CARB, December 2021–August 2022.”

¹⁸ We have included SJVUAPCD's, CARB's, and NPS's annual data certifications for 2021, 2022, and 2023 in the docket for this action.

¹⁹ See page 2 of SJVUAPCD's 2023 Air Monitoring Network Plan (July 3, 2023) for a map illustrating the locations of the air monitoring sites in San Joaquin Valley.

²⁰ The criteria for data completeness are met at most of the ozone monitors over the 2021–2023 period but were not met for the ozone monitors at the Hanford-Irwin monitoring site. However, the failure of this monitor to meet the completeness criteria does not bear on the question of whether the area is violating because several other monitors within the area are violating the NAAQS.

TABLE 1—SAN JOAQUIN VALLEY AREA FOURTH HIGH 8-HOUR OZONE AVERAGE CONCENTRATIONS AND DESIGN VALUES (ppm) FOR 2021–2023—Continued

AQS site ID	Site name	4th highest daily maximum			Design value (2021–2023)
		2021	2022	2023	
06–107–2010	Porterville	0.092	0.083	0.087	0.087

^a The required annual 75 percent completeness criterion was not met, therefore the annual 4th highest daily maximum values were not provided.

^b The design value for the Hanford-Irwin site is invalid due to null coded data in AQS with poor quality assurance results from March through June of 2023. All other design values are valid.

Source: EPA, AQS Design Value (AMP480), Report Request ID: 2244187, December 9, 2024.

Generally, the highest ozone concentrations in the San Joaquin Valley occur in the central portions of the area. As shown in table 1 of this document, the highest 8-hour design value at any site in the San Joaquin Valley ozone area for 2021–2023 is 0.090 ppm at the Edison monitoring site in Kern County and represents a violation of the 1997 8-hour ozone standard.²¹ Table 1 of this document shows that violations occur in Kern County and Tulare County. Taking into account the extent and reliability of the applicable ozone monitoring network, and the data collected therefrom and summarized in table 1 of this document, we propose to determine that the San Joaquin Valley area failed to attain the 1997 8-hour ozone standard (as defined in 40 CFR part 50, appendix I) by the applicable attainment date (*i.e.*, June 15, 2024).

III. Public Comment and Proposed Action

We are proposing to determine that the San Joaquin Valley area failed to attain the 1997 8-hour ozone NAAQS by its June 15, 2024 attainment date, based on quality-assured and certified ambient air quality monitoring data from 2021 through 2023. The EPA is determining whether this area failed to attain by the applicable attainment date solely for purposes of triggering applicable anti-backsliding requirements.²² For Extreme areas, applicable requirements triggered upon a finding that an area failed to

attain by the attainment date are nonattainment contingency measures and CAA section 185 fee programs. We will accept comments from the public on this proposal until August 11, 2025.

IV. Statutory and Executive Order 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 and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

Executive Order 14192 does not apply because actions that make determinations under CAA section 181(b)(2) are exempted from review under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA because this action does not impose additional requirements beyond those imposed by state law.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any requirements on small entities beyond those imposed by state law.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. This action does not impose additional requirements beyond those imposed by state law.

Accordingly, no additional costs to state, local, or Tribal governments, or to the private sector, will result from this action.

F. Executive Order 13132: Federalism

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

G. Executive Order 13175: Coordination With Indian Tribal Governments

This action does not have Tribal implications, as specified in Executive Order 13175, because the obligations discussed herein do not apply to Indian Tribes and thus, this action will not impose substantial direct costs on Tribal governments or preempt Tribal law. Thus, Executive Order 13175 does not apply to this action. Nonetheless, the EPA is notifying the Tribes within the San Joaquin Valley ozone area of the proposed determination.

H. Executive Order 13045: Protection of Children From Environmental Health Risks 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 does not concern an environmental health risk or safety risk.

I. Executive Order 13211: Actions 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.

²¹ For more information, please see “National 8-hour primary and secondary ambient air quality standards for ozone” (40 CFR 50.10) and “Interpretation of the 8-Hour Primary and Secondary National Ambient Air Quality Standards for Ozone” (40 CFR part 50, appendix I).

²² In this instance, a final determination by the EPA of failure to attain the 1997 8-hour ozone standard in the San Joaquin Valley by the applicable attainment date would trigger CARB’s Smog Check Contingency Measure in the Valley and the District’s Rule 3171 (“Federally Mandated Ozone Nonattainment Fee—1997 8-Hour Standard”). The EPA approved CARB’s Smog Check Contingency Measure at 89 FR 56222 (July 9, 2024). CARB submitted District Rule 3171 to the EPA as a SIP revision on January 10, 2024, but the EPA has not yet taken action on it.

J. National Technology Transfer and Advancement Act (NTTAA)

Section 12(d) of the NTTAA directs the EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. The EPA believes that this action is not subject to the requirements of section 12(d) of the NTTAA because application of those requirements would be inconsistent with the CAA.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen oxides, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

Dated: June 30, 2025.

Joshua F.W. Cook,

Regional Administrator, Region IX.

[FR Doc. 2025–12856 Filed 7–9–25; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 52**

[EPA–R09–OAR–2022–0858; FRL–10563–01–R9]

Air Plan Approval; California; Mojave Desert Air Quality Management District; Definition of Terms

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve revisions to the Mojave Desert Air Quality Management District

(MDAQMD or “the District”) portion of the California State Implementation Plan (SIP). These revisions concern definitions that are necessary to implement and enforce local rules that regulate air pollution. We are proposing to approve a definitions rule under the Clean Air Act (CAA or the “Act”). We are also proposing to approve the rescission of earlier versions of this rule from the California SIP as they are no longer needed to under the CAA. We are taking comments on this proposal and plan to follow with a final action.

DATES: Comments must be received on or before August 11, 2025.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R09–OAR–2022–0858 at <https://www.regulations.gov>. For comments submitted at [regulations.gov](https://www.regulations.gov), follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from [Regulations.gov](https://www.regulations.gov). The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section. For the full EPA public comment policy, information about CBI or multimedia

submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>. If you need assistance in a language other than English or if you are a person with disabilities who needs a reasonable accommodation at no cost to you, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT:

Arnold Lazarus, EPA Region IX, 75 Hawthorne St., San Francisco, CA 94105, telephone number: (415) 972–3024, email address: lazarus.arnold@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document, “we,” “us,” and “our” refer to the EPA.

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I. The State’s Submittal*A. What rule did the State submit?*

Table 1 lists the rule addressed by this proposal with the dates that it was adopted by the local air agency and submitted by the California Air Resources Board (CARB) to the EPA. Table 2 lists the existing SIP-approved rules that the EPA is proposing to rescind with this action because they have been superseded.

TABLE 1—SUBMITTED RULE

Local agency	Rule #	Rule title	Amended	Submitted
MDAQMD	102	Definition of Terms	9/28/2020	3/12/2021

TABLE 2—RULES FOR WHICH RESCISSION FROM THE SIP IS REQUESTED

Rule to rescind	Adopted	Submitted to the EPA	Federal Register citation	Superseded by
San Bernardino County Air Pollution Control District (SBCAPCD) Rule 102—Definitions.	7/5/1977	11/4/1977	43 FR 59489; December 21, 1978.	SBCAPCD Rule 102 at 40 CFR 52.220(c)(179)(i)(B)(1).
Riverside County Air Pollution Control District (RCAPCD) Rule 102—Definitions.	Not available	11/4/1977	43 FR 59489, December 21, 1978.	South Coast AQMD Rule 102 at 40 CFR 52.220(c)(44)(v)(A).

On September 12, 2021, the submittal for MDAQMD Rule 102 was deemed by operation of law to be complete. The submittal meets the completeness criteria in 40 CFR part 51, appendix V.

B. Are there other versions of this rule?

We approved the prior version of MDAQMD Rule 102 into the SIP on November 12, 2020 (85 FR 71846). The prior version of MDAQMD Rule 102 was amended on January 28, 2019, and CARB submitted it to us on August 19, 2019. If approved, the current version of MDAQMD Rule 102 would replace the prior SIP-approved version of the rule. In addition, there are other outdated versions of Rule 102 (as listed in table 2) that apply within the MDAQMD that we are proposing to remove from the MDAQMD portion of the SIP because they have been superseded.

C. What is the purpose of the submitted rule revision and rescissions?

Section 110(a) of the CAA requires states to submit regulations that control emissions of various air pollutants such as volatile organic compounds, oxides of nitrogen, and particulate matter. MDAQMD Rule 102 contains definitions that are necessary to implement and enforce rules that regulate air pollution within the MDAQMD. MDAQMD made numerous clarifying revisions to Rule 102 that will improve implementation of its air program. The purpose of the requested rule rescissions is to eliminate any legal confusion regarding the applicability of rules in the MDAQMD that have been superseded but that remain in the SIP. Our technical support document (TSD) evaluates the revisions to Rule 102 and the requested rescissions.

II. The EPA's Evaluation and Action

A. How is the EPA evaluating the rule and rescissions?

Rules in the SIP must be enforceable (see CAA section 110(a)(2)), must not interfere with applicable requirements concerning attainment and reasonable further progress or other CAA requirements (see CAA section 110(l)), and must not modify certain SIP control requirements in nonattainment areas without ensuring equivalent or greater emissions reductions (see CAA section 193).

Guidance and policy documents that we used to evaluate enforceability, relaxation, and rule stringency requirements for the applicable criteria pollutants include the following:

1. "State Implementation Plans; General Preamble for the Implementation of Title I of the CAA

Amendments of 1990," 57 FR 13498 (April 16, 1992); 57 FR 18070 (April 28, 1992).

2. "Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations," EPA, May 25, 1988 (the Bluebook, revised January 11, 1990).

3. "Guidance Document for Correcting Common VOC & Other Rule Deficiencies," EPA Region 9, August 21, 2001 ("the Little Bluebook").

B. Do the rule and rescissions meet the evaluation criteria?

Based on our review, MDAQMD Rule 102 and the rescission of SBCAPCD Rule 102 and RCAPCD Rule 102 meet applicable CAA requirements and are consistent with relevant guidance regarding enforceability and SIP revisions. The TSD has more information on our evaluation.

C. Public comment and proposed action

As authorized in section 110(k)(3) of the Act, the EPA proposes to approve the submitted rule in table 1 because it fulfills all relevant requirements. If approved, the rule in table 1 would replace the current version of the rule in the SIP. Additionally, as authorized in section 110(k)(3) of the Act, the EPA proposes to approve the rescission of the rules in table 2 from the MDAQMD portion of the California SIP because they are no longer needed to meet any CAA requirement and because rescission would not interfere with reasonable further progress or attainment of any of the NAAQS. We will accept comments from the public on this proposal until August 11, 2025. If we finalize approval, we will incorporate the rule and rescissions into the federally enforceable SIP.

III. Incorporation by Reference

In this document, the EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference MDAQMD Rule 102, "Definition of Terms," amended on September 28, 2020, that states the definitions of terms used in MDAQMD rules. The EPA is also proposing to remove SBCAPCD Rule 102 and RCAPCD Rule 102 as described in table 2 of this preamble from the California SIP, which are incorporated by reference in accordance with the requirements of 1 CFR part 51. The EPA has made, and will continue to make, these materials available through <https://www.regulations.gov> and at the EPA Region IX Office (please contact the person identified in the **FOR FURTHER**

INFORMATION CONTACT section of this preamble for more information).

IV. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this proposed action merely proposes to approve state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993);

- Is not subject to Executive Order 14192 (90 FR 9065, February 6, 2025) because SIP actions are exempt from review under Executive Order 12866;

- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);

- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);

- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it proposes to approve a state program;

- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and

- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the rule does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as

specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Ozone, Particulate matter, Reporting and recordkeeping requirements, Volatile organic compounds.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: June 30, 2025.

Joshua F.W. Cook,

Regional Administrator, Region IX.

[FR Doc. 2025–12867 Filed 7–9–25; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 61 and 63

[EPA–R06–OAR–2020–0086; FRL–12761–01–R6]

National Emission Standards for Hazardous Air Pollutants; Delegation of Authority to Oklahoma

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Oklahoma Department of Environmental Quality (ODEQ) has submitted updated regulations for receiving delegation and approval of its program for the implementation and enforcement of certain National Emission Standards for Hazardous Air Pollutants (NESHAP) for all sources, as provided for under previously approved delegation mechanisms. The updated State regulations incorporate by reference certain NESHAP promulgated by the Environmental Protection Agency (EPA), as they existed through June 30, 2023. The EPA is proposing to approve ODEQ's requested delegation update. The proposed delegation of authority under this action applies to sources located in certain areas of Indian country as discussed herein.

DATES: Written comments must be received on or before August 11, 2025.

ADDRESSES: Submit your comments, identified by Docket No. EPA–R06–OAR–2020–0086, at <https://www.regulations.gov> or via email to barrett.richard@epa.gov. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from [Regulations.gov](https://www.regulations.gov). The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI)

or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact Rick Barrett, 214–665–7227, barrett.richard@epa.gov. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

Docket: The index to the docket for this action is available electronically at www.regulations.gov. While all documents in the docket are listed in the index, some information may not be publicly available due to docket file size restrictions or content (*e.g.*, CBI).

FOR FURTHER INFORMATION CONTACT: Rick Barrett, EPA Region 6 Office, Air Permits Section (ARPE), 214–665–7227, barrett.richard@epa.gov. We encourage the public to submit comments via <https://www.regulations.gov>. Please call or email the contact listed above if you need alternative access to material indexed but not provided in the docket.

SUPPLEMENTARY INFORMATION: Throughout this document wherever “we,” “us,” or “our” is used, we mean the EPA.

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I. What does this action do?

The EPA is proposing to approve the delegation of the implementation and enforcement of certain NESHAP to ODEQ. If finalized, the delegation will

provide ODEQ with the primary responsibility to implement and enforce the delegated standards.

II. What is the authority for delegation?

Section 112(l) of the Clean Air Act (CAA), and 40 CFR part 63, subpart E, authorize the EPA to delegate authority to any State or local agency which submits adequate regulatory procedures for implementation and enforcement of emission standards for hazardous air pollutants. The hazardous air pollutant standards are codified at 40 CFR parts 61 and 63.

III. What criteria must Oklahoma's program meet to be approved?

Section 112(l)(5) of the CAA requires the EPA to disapprove any program submitted by a State for the delegation of NESHAP standards if the EPA determines that:

(A) the authorities contained in the program are not adequate to assure compliance by the sources within the State with respect to each applicable standard, regulation, or requirement established under section 112;

(B) adequate authority does not exist, or adequate resources are not available, to implement the program;

(C) the schedule for implementing the program and assuring compliance by affected sources is not sufficiently expeditious; or

(D) the program is otherwise not in compliance with the guidance issued by the EPA under section 112(l)(2) or is not likely to satisfy, in whole or in part, the objectives of the CAA.

In carrying out its responsibilities under section 112(l), the EPA promulgated regulations at 40 CFR part 63, subpart E, setting forth criteria for the approval of submitted programs. For example, to obtain approval of a program to implement and enforce Federal section 112 rules as promulgated without changes (straight delegation) for part 70 sources, a State must demonstrate that it meets the criteria of 40 CFR 63.91(d). 40 CFR 63.91(d)(3) provides that interim or final Title V program approval will satisfy the criteria of 40 CFR 63.91(d).¹ The NESHAP delegation for Oklahoma, as it applies to both part 70 and non-part 70

¹ Some NESHAP standards do not require a source to obtain a Title V permit (*e.g.*, certain area sources that are exempt from the requirement to obtain a Title V permit). For these non-Title V sources, the EPA believes that the State must assure the EPA that it can implement and enforce the NESHAP for such sources. See 65 FR 55810, 55813 (September 14, 2000). The EPA previously approved Oklahoma's program to implement and enforce the NESHAP as they apply to non-part 70 sources. See 66 FR 1584 (January 9, 2001).

sources, was most recently approved on June 20, 2025 (90 FR 26213).

IV. How did ODEQ meet the NESHAP program approval criteria?

As to the NESHAP standards in 40 CFR parts 61 and 63, as part of its Title V submission ODEQ stated that it intended to use the mechanism of incorporation by reference to adopt unchanged Federal section 112 standards into its regulations. This commitment applied to both existing and future standards as they applied to part 70 sources. The EPA's final interim approval of Oklahoma's Title V operating permits program delegated the authority to implement certain NESHAP to the State, effective March 6, 1996 (61 FR 4220, February 5, 1996). On December 5, 2001, the EPA promulgated full approval of the State's operating permits program, effective November 30, 2001 (66 FR 63170). These interim and final Title V program approvals satisfy the up-front approval criteria of 40 CFR 63.91(d). Under 40 CFR 63.91(d)(2), once a State has satisfied up-front approval criteria, it needs only to reference the previous demonstration and reaffirm that it still meets the criteria for any subsequent submittals of the section 112 standards. ODEQ has affirmed that it still meets the up-front approval criteria. With respect to non-part 70 sources, the EPA has previously approved delegation of NESHAP authorities to ODEQ after finding adequate authorities to implement and enforce the NESHAP for such sources. *See* 66 FR 1584 (January 9, 2001).

V. What is being delegated?

By letter dated October 28, 2024, the EPA received a request from ODEQ to update its existing NESHAP delegation. With certain exceptions noted in section VII of this document, ODEQ's request included certain NESHAP in 40 CFR parts 61 and 63. ODEQ's request included newly incorporated NESHAP promulgated by the EPA and amendments to existing standards currently delegated, as amended between June 30, 2022, and June 30, 2023, as adopted by the State.

VI. What is not being delegated?

All authorities not affirmatively and expressly proposed for delegation by this action will not be delegated. These include the following parts 61 and 63 authorities listed below:

- 40 CFR part 61, subpart B (National Emission Standards for Radon Emissions from Underground Uranium Mines);
- 40 CFR part 61, subpart H (National Emission Standards for Emissions of

Radionuclides Other Than Radon From Department of Energy Facilities);

- 40 CFR part 61, subpart I (National Emission Standards for Radionuclide Emissions from Federal Facilities Other Than Nuclear Regulatory Commission Licensees and Not Covered by Subpart H);
- 40 CFR part 61, subpart K (National Emission Standards for Radionuclide Emissions from Elemental Phosphorus Plants);
- 40 CFR part 61, subpart Q (National Emission Standards for Radon Emissions from Department of Energy facilities);
- 40 CFR part 61, subpart R (National Emission Standards for Radon Emissions from Phosphogypsum Stacks);
- 40 CFR part 61, subpart T (National Emission Standards for Radon Emissions from the Disposal of Uranium Mill Tailings); and
- 40 CFR part 61, subpart W (National Emission Standards for Radon Emissions from Operating Mill Tailings).

In addition, the EPA regulations provide that we cannot delegate to a State any of the Category II Subpart A authorities set forth in 40 CFR 63.91(g)(2). These include the following provisions: § 63.6(g), Approval of Alternative Non-Opacity Standards; § 63.6(h)(9), Approval of Alternative Opacity Standards; § 63.7(e)(2)(ii) and (f), Approval of Major Alternatives to Test Methods; § 63.8(f), Approval of Major Alternatives to Monitoring; and § 63.10(f), Approval of Major Alternatives to Recordkeeping and Reporting. Also, some 40 CFR parts 61 and 63 standards have certain provisions that cannot be delegated to the States as outlined in specific subparts. Furthermore, no authorities are being proposed for delegation that require rulemaking in the **Federal Register** to implement, or where Federal overview is the only way to ensure national consistency in the application of the standards or requirements of CAA section 112. Finally, this action does not propose delegation of any authority under section 112(r), the accidental release program.

If this action is finalized as proposed, all questions concerning implementation and enforcement of the excluded standards in the State of Oklahoma should be directed to the EPA Region 6 Office.

The EPA is proposing a determination that the NESHAP program submitted by Oklahoma meets the applicable requirements of CAA section 112(l)(5) and 40 CFR part 63, subpart E.

As more fully discussed in section XIII of this document, the proposed delegation to ODEQ to implement and enforce certain NESHAP extends to sources or activities located in certain areas of Indian country, as described below in section XIV.

VII. How will statutory and regulatory interpretations be made?

If this NESHAP delegation is finalized as proposed, ODEQ will obtain concurrence from the EPA on any matter involving the interpretation of section 112 of the CAA or 40 CFR parts 61 and 63 to the extent that implementation, administration, or enforcement of these sections have not been covered by prior EPA determinations or guidance.

VIII. What authority does the EPA have?

We retain the right, as provided by CAA section 112(l)(7) and 40 CFR 63.90(d)(2), to enforce any applicable emission standard or requirement under section 112. In addition, the EPA may enforce any federally approved State rule, requirement, or program under 40 CFR 63.90(e) and 63.91(c)(1)(i). The EPA also has the authority to make certain decisions under the General Provisions (subpart A) of parts 61 and 63. We are proposing to delegate to the ODEQ some of these authorities, and retaining others, as explained in sections V and VI above. In addition, the EPA may review and disapprove State determinations and subsequently require corrections. *See* 40 CFR 63.91(g)(1)(ii). The EPA also has the authority to review ODEQ's implementation and enforcement of approved rules or programs and to withdraw approval if we find inadequate implementation or enforcement. *See* 40 CFR 63.96.

Furthermore, we retain the authority in an individual emission standard that may not be delegated according to provisions of the standard. Finally, we retain the authorities stated in the original delegation agreement. *See* "Provisions for the Implementation and Enforcement of NSPS and NESHAP in Oklahoma," effective March 25, 1982, a copy of which is included in the docket for this action.

A table of currently delegated NESHAP standards and how the updated NESHAP delegation would look if this proposal is finalized may be found in the Technical Support Document (TSD) included in the docket for this action. The table also shows the authorities that cannot be delegated to any State or local agency.

IX. What information must ODEQ provide to the EPA?

ODEQ must provide any additional compliance related information to the EPA, Region 6, Office of Enforcement and Compliance Assurance, within 45 days of a request under 40 CFR 63.96(a). Under 40 CFR 63.91(g)(1), Oklahoma may request delegation of any of the authorities listed as Category I in 40 CFR 63.91(g)(1)(i), and EPA will delegate any such authorities at its discretion. The State must maintain a record of all approved alternatives to all monitoring, testing, recordkeeping, and reporting requirements and provide this list of alternatives to its EPA Regional Office at least semi-annually, or on a more frequent basis if requested by the Regional Office. See 40 CFR 63.91(g)(1)(ii).

X. What is the EPA's oversight role?

The EPA must oversee ODEQ's decisions to ensure the delegated authorities are being adequately implemented and enforced. We will integrate oversight of the delegated authorities into the existing mechanisms and resources for oversight currently in place. If, during oversight, we determine that ODEQ has made decisions that decrease the stringency of the delegated standards, then ODEQ shall be required to take corrective actions and the source(s) affected by the decisions will be notified, as required by and under the procedures set forth at 40 CFR 63.96(b). We will initiate withdrawal proceedings of the program or rule under 40 CFR 63.96(b) if the corrective actions taken are insufficient.

XI. Should sources submit notices to the EPA or ODEQ?

For the delegated NESHAP standards and authorities covered by this proposed action, if finalized, sources would submit all the information required pursuant to the general provisions and the relevant subpart(s) of the delegated NESHAP (40 CFR parts 61 and 63) directly via electronic submittal to online EPA database portals that are specified in each rule and to the ODEQ. The ODEQ accepts submissions using an acceptable electronic format or paper submittals at the following address: Oklahoma Department of Environmental Quality, 707 North Robinson, P.O. Box 1677, Oklahoma City, Oklahoma 73101–1677. The ODEQ is the primary point of contact with respect to delegated NESHAP. The EPA Region 6 proposes to waive the requirement that courtesy notifications and reports for delegated standards be submitted to the EPA in addition to ODEQ in accordance with 40

CFR 63.9(a)(4)(ii) and 63.10(a)(4)(ii).² For those standards and authorities not delegated as discussed above, sources must continue to submit all appropriate information to the EPA by electronic database portals.

XII. How will unchanged authorities be delegated to ODEQ in the future?

As stated in previous NESHAP delegation actions, the EPA has approved Oklahoma's mechanism of incorporation by reference of NESHAP standards into ODEQ regulations, as they apply to both part 70 and non-part 70 sources. See, e.g., 61 FR 4224 (February 5, 1996) and 66 FR 1584 (January 9, 2001). Consistent with the EPA regulations and guidance,³ ODEQ may request future updates to Oklahoma's NESHAP delegation by submitting a letter to the EPA that appropriately identifies the specific NESHAP which have been incorporated by reference into State rules, reaffirms that it still meets up-front approval delegation criteria for part 70 sources, and demonstrates that ODEQ maintains adequate authorities and resources to implement and enforce the delegated NESHAP requirements for all sources. We will respond in writing to the request stating that the request for delegation is either approved or denied. A **Federal Register** action will be published to inform the public and affected sources of the updated delegation, indicate where source notifications and reports should be sent, and amend the relevant portions of the Code of Federal Regulations identifying which NESHAP standards have been delegated to the ODEQ.

XIII. Impact on Areas of Indian Country

Following the U.S. Supreme Court decision in *McGirt v. Oklahoma*,¹⁴⁰ S. Ct. 2452 (2020), the Governor of the State of Oklahoma requested approval under Section 10211(a) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users, Public Law 109–59, 119 Stat. 1144, 1937 (August 10, 2005) (“SAFETEA”), to administer in certain

areas of Indian country (as defined at 18 U.S.C. 1151) the State's environmental regulatory programs that were previously approved by the EPA outside of Indian country. The State's request excluded certain areas of Indian country further described below.

The EPA has approved Oklahoma's SAFETEA request to administer all of the State's EPA-approved environmental regulatory programs in the requested areas of Indian country. As requested by Oklahoma, the EPA's approval under SAFETEA does not include Indian country lands, including rights-of-way running through the same, that: (1) qualify as Indian allotments, the Indian titles to which have not been extinguished, under 18 U.S.C. 1151(c); (2) are held in trust by the United States on behalf of an individual Indian or Tribe; or (3) are owned in fee by a Tribe, if the Tribe (a) acquired that fee title to such land, or an area that included such land, in accordance with a treaty with the United States to which such Tribe was a party, and (b) never allotted the land to a member or citizen of the Tribe (collectively “excluded Indian country lands”).

The EPA's approval under SAFETEA expressly provided that to the extent the EPA's prior approvals of Oklahoma's environmental programs excluded Indian country, any such exclusions are superseded for the geographic areas of Indian country covered by the EPA's approval of Oklahoma's SAFETEA request. The approval also provided that future revisions or amendments to Oklahoma's approved environmental regulatory programs would extend to the covered areas of Indian country (without any further need for additional requests under SAFETEA).

As explained above, the EPA is proposing an update to the Oklahoma NESHAP delegation which will apply statewide in Oklahoma. Consistent with the EPA's SAFETEA approval, this NESHAP delegation will apply to areas of Indian country pursuant to the SAFETEA approval, including to all Indian country in the State of Oklahoma other than the excluded Indian country lands as described above.

XIV. Proposed Action

In this action, the EPA is proposing to approve an update to the Oklahoma NESHAP delegation that would provide the ODEQ with the authority to implement and enforce certain newly incorporated NESHAP promulgated by the EPA and amendments to existing standards currently delegated, as they existed though June 30, 2023. This proposed delegation to ODEQ extends to sources and activities located in certain

² This waiver only extends to the submission of copies of notifications and reports; the EPA does not waive the requirements in delegated standards that require notifications and reports be submitted to an electronic database (e.g., 40 CFR part 63, subpart HHHHHHH).

³ See Hazardous Air Pollutants: Amendments to the Approval of State Programs and Delegation of Federal Authorities, Final Rule (65 FR 55810, September 14, 2000); and “Straight Delegation Issues Concerning Sections 111 and 112 Requirements and Title V,” by John S. Seitz, Director of Air Quality Planning and Standards, EPA, dated December 10, 1993.

areas of Indian country, as explained in section XIII above.

XV. Statutory and Executive Order Reviews

Under the CAA, the Administrator has the authority to approve section 112(l) submissions that comply with the provisions of the Act and applicable Federal regulations. In reviewing section 112(l) submissions, the EPA's role is to approve state choices, provided that they meet the criteria and objectives of the CAA and the EPA's implementing regulations. Accordingly, this action merely proposes to approve the State's request as meeting Federal requirements and does not impose additional requirements beyond those imposed by State law. For that reason, this proposed action:

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action as defined in Executive Order 12866 (58 FR 51735, October 4, 1993) and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is not an Executive Order 14192 regulatory action because this action is not significant under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA (44 U.S.C. 3501 *et seq.*) because it does not impose an information collection burden.

D. Regulatory Flexibility Act (RFA)

This action is certified to not have a significant economic impact on a substantial number of small entities under the RFA (5 U.S.C. 601 *et seq.*). This action proposes to approve the delegation of federal rules as requested by the state agency and will therefore have no net regulatory burden for all directly regulated small entities.

E. 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.

F. Executive Order 13132: Federalism

This action does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999). It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This proposed approval of revisions to the Oklahoma SIP that update the Oklahoma NESHAP delegation will apply, if finalized as proposed, to certain areas of Indian country throughout Oklahoma as discussed in the preamble, and therefore has tribal implications as specified in E.O. 13175 (65 FR 67249, November 9, 2000). However, this action will neither impose substantial direct compliance costs on federally recognized tribal governments, nor preempt tribal law. This action will not impose substantial direct compliance costs on federally recognized tribal governments because no actions will be required of tribal governments. This action will also not preempt tribal law as no Oklahoma tribe implements a regulatory program under the CAA, and thus does not have applicable or related tribal laws. Consistent with the EPA Policy on Consultation and Coordination with Indian Tribes (December 7, 2023), the EPA has offered consultation to all 38 Tribal governments whose lands are located within the exterior boundaries of the State of Oklahoma and that may be affected by this action and provided information about this action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to regulatory actions considered significant under section 3(f)(1) of Executive Order 12866 and that concern environmental health or safety risks that EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2–202 of Executive Order 13045. This action is not subject to Executive Order 13045 because it approves a state program.

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

This action is not subject to Executive Order 13211 (66 FR 28355, May 22, 2001), because it is not a significant

regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards. This action is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act.

List of Subjects

40 CFR Part 61

Environmental protection, Air pollution control, Hazardous substances, Intergovernmental relations, Radioactive materials, Reporting and recordkeeping requirements, Uranium, Vinyl chloride.

40 CFR Part 63

Environmental protection, Air pollution control, Administrative practice and procedure, Business and industry, Carbon oxides, Hazardous substances, Intergovernmental relations, Nitrogen oxides, Ozone, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: June 30, 2025.

James McDonald,

Director, Air and Radiation Division, Region 6.

[FR Doc. 2025–12800 Filed 7–9–25; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 62

[EPA–R06–OAR–2020–0610; FRL–12763–01–R6]

Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants; Oklahoma; Control of Emissions From Existing Other Solid Waste Incineration Units, Hospital/Medical/Infectious Waste Incinerator Units, and Commercial and Industrial Solid Waste Incineration Units

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; withdrawal of proposed rule.

SUMMARY: Pursuant to the Federal Clean Air Act (CAA or the Act), the Environmental Protection Agency (EPA) is notifying the public that we have received CAA section 111(d)/129

negative declarations from Oklahoma for existing incinerators subject to the Other Solid Waste Incineration units (OSWI), Hospital/Medical/Infectious Waste Incinerator units (HMIWI), and Commercial and Industrial Solid Waste Incineration Units (CISWI) Emission Guidelines (EG). These negative declarations certify that existing incinerators subject to the OSWI, HMIWI, and CISWI EG and the requirements of sections 111(d) and 129 of the CAA do not exist within specified jurisdictions in Oklahoma. The EPA is proposing to accept the negative declarations and amend the agency regulations in accordance with the requirements of the CAA. In addition, EPA is withdrawing its prior proposed approval of the Oklahoma CISWI plan revision due to Oklahoma's submission of its negative declaration for incinerators subject to the CISWI EG and its withdrawal of the CISWI plan revision.

DATES: Written comments must be received on or before August 11, 2025. As of July 10, 2025, the proposed rule published on July 19, 2024 (89 FR 58685) is withdrawn.

ADDRESSES: Submit your comments, identified by Docket No. EPA-R06-OAR-2020-0610, at <https://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *Regulations.gov*. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact Matthew Gesualdo, (214) 665-6530, gesualdo.matthew@epa.gov. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

Docket: The index to the docket for this action is available electronically at www.regulations.gov. While all documents in the docket are listed in the index, some information may not be

publicly available due to docket file size restrictions or content (*e.g.*, CBI).

FOR FURTHER INFORMATION CONTACT: Matthew Gesualdo, EPA Region 6 Office, Air and Radiation Division—State Planning and Implementation Branch, (214) 665-6530, gesualdo.matthew@epa.gov. We encourage the public to submit comments via <https://www.regulations.gov>. Please call or email the contact listed above if you need alternative access to material indexed but not provided in the docket.

SUPPLEMENTARY INFORMATION: Throughout this document wherever “we,” “us,” or “our” is used, we mean the EPA.

I. Background

A. Rulemaking History

On July 10, 2020 (85 FR 41484), we published a proposed rule notifying the public that we had received CAA section 111(d)/129 negative declarations from Arkansas, Louisiana, Oklahoma, New Mexico, and Albuquerque-Bernalillo County, New Mexico, for existing HMIWI. These negative declarations certify that HMIWI subject to the requirements of sections 111(d) and 129 of the CAA do not exist within the jurisdictions of Arkansas, Louisiana, Oklahoma, New Mexico, and Albuquerque-Bernalillo County. In the final rule on March 2, 2021 (86 FR 12109), we finalized action on the HMIWI negative declarations from Arkansas, Louisiana, New Mexico, and Albuquerque-Bernalillo County, New Mexico. In the same rulemaking, we also stated that we would act on the Oklahoma HMIWI negative declaration in a future, separate rulemaking.

On September 30, 2020, ODEQ submitted revisions to the Oklahoma CAA section 111(d)/129 CISWI plan to implement and enforce the CISWI EG at 40 CFR part 60, subpart DDDD. EPA proposed to approve these revisions on July 19, 2024 (89 FR 58685). On September 13, 2024, ODEQ submitted a negative declaration for incinerators subject to the CISWI EG and withdrew the 2020 CISWI plan. EPA is withdrawing its proposed approval of the revised ODEQ CISWI plan following the plan's withdrawal by ODEQ. EPA will not be taking a final action on the July 19, 2024 (89 FR 58685), proposed approval.

In this proposed rulemaking, we are: (1) re-proposing on the Oklahoma HMIWI negative declaration as well as (2) proposing on the Oklahoma OSWI and CISWI negative declarations for the first time. We are notifying the public that we have received negative

declaration letters from Oklahoma for incinerators subject to the OSWI, HMIWI, and CISWI EG and are proposing to amend the Code of Federal Regulations (CFR) in accordance with CAA requirements. Details on CAA sections 111(d) and 129, the OSWI, HMIWI, and CISWI EG, and the negative declarations submitted by Oklahoma can be found in the following subsections.

B. Clean Air Act Sections 111(d) and 129

Sections 111(d) and 129 of the CAA require states to submit plans to control certain pollutants (designated pollutants) at existing solid waste combustor facilities (designated facilities) whenever standards of performance have been established under section 111(b) for new sources of the same type, and the EPA has established emission guidelines for such existing sources. CAA section 129 directs the EPA to establish standards of performance for new sources (NSPS) and emissions guidelines (EG) for existing sources for each category of solid waste incineration unit. Under CAA section 129, NSPS and EG must contain numerical emissions limitations for particulate matter, opacity (as appropriate), sulfur dioxide, hydrogen chloride, oxides of nitrogen, carbon monoxide, lead, cadmium, mercury, and dioxins and dibenzofurans. While NSPS are directly applicable to affected facilities, EG for existing units are intended for states to use to develop a state plan to submit to the EPA. Once approved by the EPA, the state plan becomes federally enforceable. If a state does not submit an approvable state plan to the EPA, the EPA is responsible for developing, implementing, and enforcing a Federal plan.

The regulations at 40 CFR part 60, subpart B, contain general provisions applicable to the adoption and submittal of state plans for controlling designated pollutants. Additionally, 40 CFR part 62, subpart A, provides the procedural framework by which EPA will approve or disapprove such plans submitted by a state. When existing designated facilities are located in a state, the state must then develop and submit a plan for the control of the designated pollutant. However, 40 CFR 60.23(b) and 62.06 provide that if there are no existing sources of the designated pollutant in the state, the state may submit a letter of certification to that effect (*i.e.*, negative declaration) in lieu of a plan. The negative declaration exempts the state from the requirements of subpart B that require the submittal of a CAA section 111(d)/129 plan.

C. Other Solid Waste Incineration Units Emission Guidelines

EPA promulgated the OSWI NSPS and EG on December 16, 2005, codified at 40 CFR part 60, subparts EEEE and FFFF, respectively (70 FR 74870). Thus, states were required to submit plans for incinerators subject to the OSWI EG pursuant to sections 111(d) and 129 of the Act and 40 CFR part 60, subpart B. The designated facilities to which the OSWI EG apply are existing incinerators¹ subject to the OSWI EG that commenced construction on or before December 9, 2004, and were not modified or reconstructed on or after June 16, 2006, as specified in 40 CFR 60.2991 and 60.2992, with limited exceptions as provided under 40 CFR 60.2993. EPA proposed revisions to the OSWI EG and NSPS on August 31, 2020 (85 FR 54178). These revisions were promulgated on April 17, 2024 (89 FR 27392), removing the title V permitting requirements for air curtain incinerators (ACIs) that only burn wood waste, clean lumber, yard waste, or a mixture of those, and are not located at title V major sources or subject to title V for other reasons. Technical corrections addressing inadvertent errors in the regulatory text amended the rule on November 14, 2024 (89 FR 89928).

D. Hospital/Medical/Infectious Waste Units Emission Guidelines

On September 15, 1997, the EPA first promulgated the HMIWI NSPS at 40 CFR part 60, subpart Ec, and the HMIWI EG at 40 CFR part 60, subpart Ce (62 FR 48348). The HMIWI NSPS and EG were amended on October 6, 2009 (74 FR 51368), and on April 4, 2011 (76 FR 18407). The Federal plan for HMIWI subject to the EG at subpart Ce was first promulgated on August 15, 2000 (65 FR 49868), at 40 CFR part 62, subpart HHH. The HMIWI Federal plan was amended on May 13, 2013 (78 FR 28051), to incorporate the HMIWI EG revisions. As provided under 40 CFR 60.32e(a), the designated facilities to which the EG apply are HMIWI that: (1) commenced construction on or before June 20, 1996, or commenced modification on or before March 16, 1998; or (2) commenced construction after June 20, 1996, but no later than December 1, 2008, or commenced modification after March 16, 1998, but no later than April 6, 2010, with limited exceptions as

provided in 40 CFR 60.32e(b) through (h).

E. Commercial and Industrial Solid Waste Incineration Units Emission Guidelines

On December 1, 2000 (65 FR 75338), EPA promulgated the CISWI NSPS at 40 CFR part 60, subpart CCCC, and the CISWI EG at 40 CFR part 60, subpart DDDD. On March 21, 2011 (76 FR 15704), after voluntarily remanding the 2000 CISWI NSPS and EG, the EPA promulgated revised CISWI NSPS and EG in a final rule. Correspondingly, on the same date, EPA promulgated a final rule under the Resource Conservation and Recovery Act (RCRA) to identify which non-hazardous secondary materials, when used as fuels or ingredients in combustion units, are “solid wastes” (March 21, 2011, 76 FR 15456).² EPA subsequently promulgated amendments to both March 21, 2011 rules on February 7, 2013 (78 FR 9112), to clarify several provisions in order to implement the non-hazardous secondary materials rule as EPA originally intended. Reconsideration of certain aspects of the final CISWI rule resulted in minor amendments (81 FR 40956, June 23, 2016).³ On April 16, 2019 (84 FR 15846), EPA finalized further amendments to the CISWI NSPS and EG in order to provide clarity and address implementation issues.⁴ The CISWI NSPS and EG were significantly revised in the March 21, 2011 (76 FR 15704), and February 7, 2013 (78 FR 9112), rules, and the subsequent final rule on June 23, 2016 (81 FR 40956), and April 16, 2019 (84 FR 15846), contained minor amendments to the CISWI rules that did not make any changes to the applicability of the designated facilities, including 40 CFR 60.2505, “Am I affected by this

² See 40 CFR part 241, Solid Wastes Used as Fuels or Ingredients in Combustion Units, also known as the “Non-Hazardous Secondary Material Rule.” The identification of solid waste in the Non-Hazardous Secondary Material Rule is used to determine whether a combustion unit is required to meet the emissions standards for solid waste incineration units issued under sections 111 and 129 of the Act, or meet the emissions standards for commercial, industrial, and institutional boilers issued under section 112 of the Act.

³ In the June 23, 2016 (81 FR 40956), final action, the EPA finalized amendments on these four topics: Definition of “continuous emission monitoring system (CEMS) data during startup and shutdown periods;” particulate matter (PM) limit for the waste-burning kiln subcategory; fuel variability factor (FVF) for coal-burning energy recovery units (ERUs); and the definition of “kiln.”

⁴ In the April 16, 2019 (84 FR 15846), final action, the EPA made technical amendments to correct and clarify various parts of the June 23, 2016 (81 FR 40956), final rule; this includes issues with implementation of the standards, testing and monitoring issues and inconsistencies, and other regulatory provisions.

subpart?”. The Federal plan for CISWI subject to the EG at subpart DDDD was first promulgated on October 3, 2003 (68 FR 57539), at 40 CFR part 62, subpart III. The CISWI Federal plan was amended on December 11, 2024 (89 FR 100092), to incorporate the CISWI EG revisions. As provided by 40 CFR 60.2505, the designated facilities to which the CISWI EG apply are CISWI and air curtain incinerators (ACI)⁵ that commenced construction on or before June 4, 2010, or for which modification or reconstruction was commenced on or before August 7, 2013, with limited exceptions as provided under 40 CFR 60.2555.

F. Negative Declarations From Oklahoma

In order to fulfill obligations under CAA sections 111(d) and 129, the Oklahoma Department of Environmental Quality (ODEQ) submitted negative declarations for incinerators subject to the OSWI EG, HMIWI EG, and CISWI EG for its air pollution control jurisdiction. The submittal of these negative declarations exempts Oklahoma from the requirement to submit a state plan for incinerators subject to the OSWI EG under 40 CFR part 60, subpart FFFF, the HMIWI EG under 40 CFR part 60, subpart Ce, and the CISWI EG under 40 CFR part 60, subpart DDDD.

The ODEQ has determined that there are no sources subject to the OSWI EG, the HMIWI EG, or the CISWI EG in accordance with CAA sections 111(d) and 129 requirements in its individual air pollution control jurisdiction in Oklahoma. ODEQ submitted their OSWI, HMIWI, and CISWI negative declaration letters to the EPA on August 10, 2020, April 1, 2020, and September 13, 2024, respectively. ODEQ subsequently confirmed to EPA on November 4, 2024, that its OSWI negative declaration letter, dated August 10, 2020, its HMIWI negative declaration letter, dated April 1, 2020, and its CISWI negative declaration letter, dated September 13, 2024, cover all areas within Oklahoma with the exception of the excluded Indian country lands.⁶ Copies of ODEQ’s

⁵ These air curtain incinerators (ACI) that are subject to the CISWI EG at 40 CFR part 60, subpart DDDD, are those ACI that may not fit the definition of a “CISWI” under the CISWI EG. See 40 CFR 60.2875.

⁶ The OSWI and HMIWI confirmation email from ODEQ, dated February 2, 2021, can be found in the docket at Document ID No. EPA–R06–OAR–2020–0610. The CISWI confirmation email from ODEQ, dated November 4, 2024, can be found in the docket at Document ID No. EPA–R06–OAR–2020–0610.

¹ These incinerators include both OSWI and air curtain incinerators (ACI). The ACI that are subject to the OSWI EG at 40 CFR part 60, subpart FFFF, are those ACI that may not fit the definition of an “OSWI” under the OSWI EG due to burning certain types of wastes. See 40 CFR 60.2994(b) and 40 CFR 60.3078.

negative declaration letters are included in the docket for this proposed rule.

II. Proposed Action

The EPA is proposing to amend 40 CFR part 62, subpart LL, to reflect receipt of the negative declaration letters from ODEQ, submitted on August 10, 2020, April 1, 2020, and September 13, 2024, respectively, certifying that there are no incinerators subject to the OSWI EG at 40 CFR part 60, subpart FFFF, the HMIWI EG at 40 CFR part 60, subpart Ce, and the CISWI EG at 40 CFR part 60, subpart DDDD under the specified jurisdictions of Oklahoma in accordance with 40 CFR 60.2982, 40 CFR 60.2510, 40 CFR 60.23(b), 40 CFR 62.06, and sections 111(d) and 129 of the CAA. EPA is also withdrawing its proposed approval of the revised ODEQ CISWI plan following the plan's withdrawal by ODEQ. EPA will not be taking a final action on the July 19, 2024 (89 FR 58685), proposed approval.

III. Impact on Areas of Indian Country

Following the U.S. Supreme Court decision in *McGirt v. Oklahoma*, 140 S. Ct. 2452 (2020), the Governor of the State of Oklahoma requested approval under section 10211(a) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users, Public Law 109–59, 119 Stat. 1144, 1937 (August 10, 2005) (“SAFETEA”), to administer in certain areas of Indian country (as defined at 18 U.S.C. 1151) the State's environmental regulatory programs that were previously approved by the EPA outside of Indian country. The State's request excluded certain areas of Indian country further described below.

The EPA has approved Oklahoma's SAFETEA request to administer all of the States's EPA-approved environmental regulatory programs in the requested areas of Indian country. As requested by Oklahoma, EPA's approval under SAFETEA does not include Indian country lands, including rights-of-way running through the same, that: (1) qualify as Indian allotments, the Indian titles to which have not been extinguished, under 18 U.S.C. 1151(c); (2) are held in trust by the United States on behalf of an individual Indian or Tribe; or (3) are owned in fee by a Tribe, if the Tribe (a) acquired that fee title to such land, or an area that included such land, in accordance with a treaty with the United States to which such Tribe was a party, and (b) never allotted the land to a member or citizen of the Tribe (collectively “excluded Indian country lands”).

The EPA's approval under SAFETEA expressly provided that to the extent the

EPA's prior approvals of Oklahoma's environmental programs excluded Indian country, any such exclusions are superseded for the geographic areas of Indian country covered by the EPA's approval of Oklahoma's SAFETEA request.⁷ The approval also provided that future revisions or amendments to Oklahoma's approved environmental regulatory programs would extend to the covered areas of Indian country (without any further need for additional requests under SAFETEA).

As explained above, the EPA is proposing to amend 40 CFR part 62, subpart LL, to reflect receipt of negative declaration letters for incinerators subject to the OSWI EG, HMIWI EG, and CISWI EG which will apply statewide in Oklahoma, including to all areas of Indian country in the State of Oklahoma other than the excluded Indian country lands as described above.

IV. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a CAA section 111(d)/129 submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7411(d); 42 U.S.C. 7429; 40 CFR part 60, subparts B and Cf; and 40 CFR part 62, subpart A. Thus, in reviewing CAA section 111(d)/129 state plan submissions, EPA's role is to approve state choices, provided that they meet the criteria of the Act and implementing regulations. Accordingly, this action merely proposes to approve state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason:

A. Executive Order 12866: Regulatory Planning and Review

This action is not a significant regulatory action as defined in Executive Order 12866 (58 FR 51735, October 4, 1993) and was therefore not subject to a requirement for Executive Order 12866 review.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is not an Executive Order 14192 regulatory action because this action is not significant under Executive Order 12866.

⁷ The EPA's prior approvals relating to Oklahoma's state plans frequently noted that the state plans were not approved to apply in areas of Indian country (except as explained in the D.C. Circuit's decision in *ODEQ v. EPA*) located in the State. See, e.g., 89 FR 58685 (July 19, 2024). Such prior expressed limitations are superseded by the EPA's approval of Oklahoma's SAFETEA request.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA (44 U.S.C. 3501 *et seq.*) because it does not contain any information collection activities.

D. Regulatory Flexibility Act (RFA)

This action is certified to not have a significant economic impact on a substantial number of small entities under the RFA (5 U.S.C. 601 *et seq.*). This action will approve a state plan pursuant to CAA section 111(d)/129 and will therefore have no net regulatory burden for all directly regulated small entities.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. This action imposes no enforceable duty on any State, local, or tribal governments or the private sector.

F. Executive Order 13132: Federalism

This action does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999). It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

The negative declarations for incinerators subject to the OSWI EG, HMIWI EG, and CISWI EG will apply, if finalized as proposed, to certain areas of Indian country throughout Oklahoma as discussed in the preamble, and therefore EPA acceptance of them will have tribal implications as specified in E.O. 13175 (65 FR 67249, November 9, 2000). However, this action will neither impose substantial direct compliance costs on federally recognized tribal governments, nor preempt tribal law. This action will not impose substantial direct compliance costs on federally recognized tribal governments because no actions will be required of tribal governments. This action will also not preempt tribal law as no Oklahoma tribe implements a regulatory program under the CAA, and thus does not have applicable or related tribal laws. Consistent with the EPA Policy on Consultation with Indian Tribes (December 7, 2023), the EPA has offered consultation to tribal governments that

may be affected by this action and provided information about this action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

EPA interprets Executive Order 13045 (62 FR 19885, April 23, 1997) as applying only to those regulatory actions that concern environmental health or safety risks that EPA has reason to believe may disproportionately affect children, per the definitions of “covered regulatory action” in section 2–202 of the Executive Order. Therefore, this action is not subject to Executive Order 13045 because it approves a state program.

I. Executive Order 13211: Actions That Significantly Affect Energy Supply, Distribution and Use

This action is not subject to Executive Order 13211 (66 FR 28355, May 22, 2001), because it is not a significant regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act

This rulemaking does not involve technical standards. This action is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those

requirements would be inconsistent with the Clean Air Act.

List of Subjects in 40 CFR Part 62

Environmental protection, Administrative practice and procedure, Air pollution control, Intergovernmental relations, Reporting and recordkeeping requirements, Waste treatment and disposal.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: June 26, 2025.

Walter Mason,

Regional Administrator, Region 6.

[FR Doc. 2025–12866 Filed 7–9–25; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register

Vol. 90, No. 130

Thursday, July 10, 2025

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

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of “Federal Public Benefit”

AGENCY: Office of the General Counsel, Department of Agriculture.

ACTION: Notice.

SUMMARY: This notice sets forth the interpretation that the U.S. Department of Agriculture (USDA) uses for the term “Federal public benefit” as used in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104–193, 8 U.S.C. 1611. In doing so, this notice supersedes any prior interpretation in any notice or other document issued by any USDA agency. This notice also describes and preliminarily identifies the USDA programs that provide “Federal public benefits” within the scope of PRWORA.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Poe, Office of the General Counsel, USDA, 1400 Independence Avenue SW, Washington, DC 20250–1400, (202) 769–8247.

SUPPLEMENTARY INFORMATION:

I. Background

According to Section 401 of PRWORA, 8 U.S.C. 1611(a), aliens who are not “qualified aliens” are not eligible for any “Federal public benefit” as defined in 8 U.S.C. 1611(c). The prohibition set forth in § 1611(a) is subject to certain exceptions set forth in § 1611(b). The application of § 1611(a) and exceptions contained in § 1611(b) are conceptually distinct from the meaning of “Federal public benefit” and is not addressed in this Notice.

The statutory text, § 1611(c), defines “Federal public benefit” as “(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United

States” and “(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.” 8 U.S.C.

1611(c)(1). This definition, too, is subject to certain exceptions. *See id.* (c)(2) (setting forth certain exceptions to the definition of “Federal public benefit”).

In addition, under Section 432 of PRWORA, as amended, to the extent required by law, providers of a nonexempt “Federal public benefit” must verify that a person applying for the benefit is a qualified alien and is eligible to receive the benefit. 8 U.S.C. 1642. While the verification requirement is necessary to proper enforcement of PRWORA, it is conceptually distinct from the meaning of the term “Federal public benefit” and this Notice is not intended to address application of such requirement. Neither does this Notice speak to “Federal public benefits” that may be subject to other statutory authority besides PRWORA regarding citizenship and alien eligibility.

II. Interpretation

Statutory construction “‘must begin, and often should end as well, with the language of the statute itself.’” *United States v. Steele*, 147 F.3d 1316, 1318 (11th Cir. 1998) (quoting *Merritt v. Dillard*, 120 F.3d 1181, 1185 (11th Cir. 1997). “The plain meaning controls.” *United States v. Robinson*, 94 F.3d 1325, 1328 (9th Cir. 1996) (citation omitted). The statutory language is clear: if a USDA program falls into either § 1611(c)(1)(A) or (c)(1)(B), such benefits are not available to individuals who are aliens, unless (i) that individual is a qualified alien, or (ii) some other exception applies to the USDA program, either under § 1611(b) or via the definitional limits on “Federal public benefit” set forth in (c)(2). Thus, the task is simple: construe the plain language of (c)(1)(A) and (c)(1)(B). Those provisions state that “Federal public benefit” means:

(A) any grant, contract, loan, professional license, or commercial license provided by

an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

If USDA “provide[s]” the (i) “grant, contract, loan, professional license, or commercial license,” or if the “grant, contract, loan, professional license, or commercial license” is “provided by” “appropriated funds of the United States,” then such item is a “Federal public benefit.” Similarly, if USDA “provide[s]” the “retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit,” or such “benefit” is “provided by” “appropriated funds of the United States,” then such benefit is a “Federal public benefit,” as long as the benefit is “provided to” one of three types of recipients: (i) “an individual,” (ii) a “household,” or (iii) a “family eligibility unit.”

1. Grant

Section 1611(c)(1)(A) reaches “any grant, contract, loan, professional license, or commercial license” provided by USDA. For purposes of PRWORA, a grant means the award of funding for an individual or entity to carry out specified activities without the direct involvement of USDA. USDA administers a multitude of grant programs, including those in which the grants go to institutions, States, local governments, private entities and private organizations. Sometimes the activity supported by the grant is carried out by the “recipient”; sometimes the recipient issues a subgrant to an individual or entity. For PRWORA purposes, the term “grant” includes any “subgrant” derivative of a grant.

2. Contract

Many USDA programs and activities are carried out by the use of contracts. For example, contracts are used by the Farm Service Agency to provide assistance to agricultural producers in the form of income support payments and by the Forest Service in conducting forest management activities to reduce

the risk of wildfires. USDA also provides assistance and benefits to individuals and entities through the use of several different types of instruments including loan guarantees (e.g., programs of the Rural Development agencies), reinsurance agreements (core operations of the Risk Management Agency), cooperative agreements (agreements used by numerous USDA agencies when the agency is working with another party to accomplish a public purpose authorized by law) and “export credit guarantees” (financial assurances made available through programs administered by the Foreign Agricultural Service). In the context of PRWORA, all instruments that are contractual in nature that are used by USDA agencies are considered to be contracts.

With respect to any contract, professional license, or commercial license, PRWORA excludes from the definition of “Federal public benefit” “any contract, professional license or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States, or to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect.” See 8 U.S.C. 1611(c)(2)(A).

3. Loan

The majority of loans made by USDA agencies are “recourse” loans meaning the borrower is responsible for repayment of the full amount of the accumulated principal and interest that has accumulated; in the event the loan collateral is forfeited, the borrower remains responsible for any difference between the value of the collateral and the amount of the outstanding loan balance (principal plus interest). Many loans made by the Commodity Credit Corporation (CCC), an agency and instrumentality of the United States within USDA, are “nonrecourse” loans meaning that a borrower may forfeit the loan collateral to CCC in full satisfaction of the loan. In the context of PRWORA, both recourse and nonrecourse loans are considered to be loans.

4. Commercial License

As in the case of contracts, various types of legal documents are considered by USDA to be a “commercial license” for PRWORA purposes. For example, 7 CFR 6.20(b) provides: “Effective January 1, 1995, the prior regime of absolute quotas for certain dairy products was replaced by a system of tariff-rate quotas. The articles subject to licensing under the tariff-rate quotas are listed in

Appendices 1, 2, and 3 to be published annually in a notice in the **Federal Register**. Licenses permit the holder to import specified quantities of the subject articles into the United States at the applicable in-quota rate of duty. If an importer has no license for an article subject to licensing, such importer will, with certain exceptions, be required to pay the applicable over-quota rate of duty.” The United States Warehouse Act establishes a voluntary system under which parties that store agricultural commodities may obtain a license from USDA in lieu of obtaining licenses from States. These, and similar licenses are “commercial licenses” for PRWORA purposes. The Forest Service issues a variety of permits (i.e., “special use permits” issued under 36 CFR 251) that allow individuals and private entities the privilege of conducting activities on land administered by the Forest Service. These activities include non-commercial and commercial activities. If USDA issues a special permit that allows the holder of the permit to engage in a commercial activity, such permit is a “commercial license” for PRWORA purposes.

5. PRWORA Provisions Applicable to the Food and Nutrition Service (FNS)

As previously discussed, the application of § 1611(a) is conceptually distinct from the definition of a “Federal public benefit” under § 1611(c). Nonetheless, to avoid confusion the application of 8 U.S.C. 1615 to certain FNS programs is briefly discussed. Section 1615(a) provides:

Notwithstanding any other provision of [PRWORA], an individual who is eligible to receive free public education benefits under State or local law shall not be ineligible to receive benefits provided under the school lunch program under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751, *et seq.*) or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) on the basis of citizenship, alienage, or immigration status.

Further, § 1615(b) provides:

Nothing in [PRWORA] shall prohibit or require a State to provide to an individual who is not a citizen or a qualified alien, as defined in section 1641(b) of [Title 8], benefits under programs established under the provisions of law described in paragraph (2).

In particular, the statutory provisions in paragraph (2) are “(A) Programs (other than the school lunch program and the school breakfast program) under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 *et seq.*) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 *et seq.*); (B) Section 4 of the Agriculture and Consumer

Protection Act of 1973 (7 U.S.C. 612c note); (C) The Emergency Food Assistance Act of 1983; [and] (D) The food distribution program on Indian reservations established under section 2013(b) of Title 7.”

Although they each fall within the meaning of “Federal public benefit” under § 1611(c), FNS continues to administer the following programs in accordance with the superseding provisions of § 1615:

Food Distribution Program on Indian Reservations (FDPIR).

The Emergency Food Assistance Program (TEFAP).

Commodity Supplemental Food Program (CSFP).

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

WIC Farmers’ Market Nutrition Programs. Senior Farmers’ Market Nutrition Programs.

National School Lunch Program.

School Breakfast Program.

Child and Adult Care Food Program.

Fresh Fruit and Vegetable Program.

Special Milk Program.

Summer Food Service Program.

Summer EBT.

USDA Food and Nutrition Service Disaster Assistance. (FNS does not administer a distinct disaster assistance program but utilizes various flexibilities, waivers, and options within the nutrition programs to provide assistance. Therefore, 8 U.S.C. 1615 would continue to apply where relevant).

III. USDA Programs

Activities of All Agencies Except FNS

The majority of the regulations of USDA programs and activities are set forth in Title 7 of the Code of Federal Regulations. Regulations of the Forest Service are set forth in Chapter II of Title 36 of the Code of Federal Regulations. Regulations of the Food Safety Inspection Service and certain activities of the Agricultural Marketing Service and the Animal and Plant Health

Inspection Service are set forth in Title 9 of the Code of Federal Regulations. USDA has not previously considered many USDA programs and activities to provide “Federal public benefits”; however, after a focused review of these programs, USDA has concluded that many such programs and activities clearly fall within the PRWORA definition of “Federal public benefits”.

The major USDA programs and activities that provide “Federal public benefits” generally fall into these categories:

Payments and loans made by CCC to support agricultural producers' income and to support market prices of agricultural commodities

Grants and payment guarantees by CCC for the development of foreign markets

Farm operating and farm purchase loans under programs administered by the Farm Service Agency (FSA) and Rural Development

Rural Development loans, loan guarantees and grants to enhance living conditions in communities across rural America including loans for business and industry development, sewer and water projects, single and multi-family housing construction, and rural telecommunication projects

Grants made by the National Institute of Food and Agriculture to develop, improve, and protect agricultural commodities and livestock

Grants and contracts used to protect National Forest System (NFS) lands under the management of the Forest Service and lands that are devoted to private forestry and receive assistance from the Forest Service and permits issued by the Forest Service for activities on NFS lands such as mining, timber harvesting and grazing

Grants and contracts used by the Natural Resources Conservation Service (NRCS) and the Commodity Credit Corporation (CCC) to provide assistance to farmers and ranchers to protect soil and water resources on their farms and ranches

Specific programs and activities include:

Licenses issued by the Secretary of Agriculture under 7 CFR part 6 to allow duty-free importation of certain dairy products otherwise subject to tariffs

Payments for the procurement of commodities, payments to producers of commodities, and issuance of licenses (excluding inspections of commodities) under 7 CFR parts 27 through 205 by AMS

Activities of the Risk Management Agency relating to the administration of crop insurance and re-insurance (excluding disaster payments made to producers for crop losses) under 7 CFR parts 400 through 460

Activities of NRCS to provide financial assistance for the protection of soil and water resources on farmland, private forest land, and ranchland under 7 CFR parts 600 through 699

Activities of FSA to provide financial assistance for the protection of soil and water resources on farmland, private forest land, and ranchland; and loans for the purchase and operation of farming, ranching, and other agricultural operations under 7 CFR parts 700 through 799 (excluding disaster payments made to producers for crop losses)

Activities of AMS under 7 CFR parts 800 through 870 that provide licenses to store agricultural commodities and that provide grants to domestic textile mills

Activities of CCC under 7 CFR parts 1400 through 1450 that provide income support and price support benefits to producers of agricultural producers (excluding disaster payments made to producers for crop losses)

Activities of CCC to provide financial assistance for the protection of soil and water resources on farmland, private forest land, and ranchland under 7 CFR parts 1455 through 1470 and Part 1491

Grants and payment guarantees made by CCC for the development of domestic and foreign markets under 7 CFR parts 17, 1484 through 1489, 1493, 1499, and 1570 through 1599

Grants, loans, and loan guarantees made by RD agencies for development of rural communities, and rural businesses and industry under CFR parts 1700 through 2045, 3350 through 3570, and 4200 through 5001

Grants made by agencies in the Research, Education and Economics mission area of USDA relating to all aspects of agricultural research including improvements in the quality of commodities and animals, disease prevention, enhanced crop production practices, and food safety under 7 CFR parts 3400 through 3431

Any grant, contract, loan, or commercial license (including any special use permit) issued by the Forest Service under 36 CFR parts 212 through 296 that relate to use of any portion of a National Forest including mining, timber harvesting and grazing; and any contract with the Forest Service to perform any land management function such as timber thinning, road and trail maintenance, and campground concessions

Licenses and registrations issued the Agricultural Plant and Health Inspection Service (APHIS) relating to the exhibition and sale of certain animals under 9 CFR part 2

Licenses issued by APHIS relating to persons authorized to handle biological agents used to produce veterinary biological products, and licenses to import such products under 9 CFR part 102

Licenses for the transfer and use of biological agents and toxins issued by APHIS under 7 CFR part 331 and 9 CFR part 121

Programs and Activities of FNS

Federal Public Benefit Under the Meaning of § 1611(c)(1)(A)

FNS administers a variety of grants, cooperative agreements, and contracts. FNS grants primarily fall into two categories—discretionary grants and mandatory grants. FNS Standard Operating Procedure (SOP) refer to cooperative agreements and grants under the term “grants.” Authority to enter into contracts, grants, and cooperative agreements in accordance with section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, is delegated to the Under Secretary for Food, Nutrition, and Consumer Services pursuant to 7 CFR 2.19. Other legal statutory authorities for such instruments include the Food and Nutrition Act of 2008, as amended, the Richard B. Russell National School Lunch Act, as amended, the Child

Nutrition Act of 1966, as amended, and annual appropriations legislation.

Section 1611(c)(1)(A) applies to “any” of the instruments listed. The term “any” is all encompassing. Unlike its neighboring provision, subparagraph (B), § 1611(c)(1)(A) is void of limiting language based on characteristics of the recipient(s) of the benefit or other factors if the contract, grant, loan, professional license, or commercial license is “provided by an agency of the United States or by appropriated funds of the United States.” Congress explicitly provided specific exceptions for contracts, professional licenses, and commercial licenses at 8 U.S.C. 1611(c)(2) and the absence of other qualifications on instruments listed at § 1611(c)(1)(A) indicates there are no others. Therefore, FNS interprets § 1611(c)(1)(A) that every grant, contract, loan, commercial license, and professional license, of any kind or nature whatsoever regardless of its authorizing statute or regulation provided by FNS or appropriated funds of the United States is a “Federal public benefit” without exception other than those contained at § 1611(c)(2).

The statutory language at § 1611(c)(1)(A) reaches all instruments listed if “provided by an agency of the United States or by appropriated funds of the United States.” Therefore, FNS considers a sub-grant and a sub-contract made from a prime grant or prime contract provided by FNS or appropriated federal funds to be a “Federal public benefit.” Accordingly, the ultimate beneficiaries to whom federal funds flow from a contract or grant provided by FNS or appropriated funds of the United States are recipients of a “Federal public benefit.” For example, if a food bank receives a grant which is used to purchase food for distribution, the individual who receives the food assistance has received a “Federal public benefit.”

As stated above, the applicability of other provisions of PRWORA is conceptually distinct from the question of what the term “Federal public benefit” means, and this Notice does not intend to address that question except to the extent of the brief discussion concerning § 1615 above.

FNS issues commercial licenses by authorizing retailers to accept Supplemental Nutrition Assistance Program (SNAP) benefits pursuant to 7 CFR 278.1 and 7 U.S.C. 2018. Applicants are required to submit an application that FNS must approve. Only if authorized, may a retailer engage in the commercial activity of accepting SNAP benefits as payment for certain commercial goods. Therefore, FNS

interprets “Federal public benefit” to include a retailer authorization to participate in SNAP because such authorization is in the form of a commercial license.

FNS administers 16 food and nutrition programs under a variety of statutes like the Food and Nutrition Act of 2008, Richard B. Russell National School Lunch Act, Child Nutrition Act of 1966, Agriculture and Consumer Protection Act of 1973, Emergency Food Assistance Act of 1983, and 7 U.S.C. 2013(b) (*i.e.*, Food Distribution Program on Indian Reservations). All food and nutrition programs meet the definition of “Federal public benefit” pursuant to § 1611(c)(1)(B). The 16 programs are as follows:

The Supplemental Nutrition Assistance Program (SNAP).

Nutrition Assistance Program for Territories.

Food Distribution Program on Indian Reservations (FDPIR).

The Emergency Food Assistance Program (TEFAP).

Commodity Supplemental Food Program (CSFP).

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

WIC Farmers’ Market Nutrition Programs. Senior Farmers’ Market Nutrition Programs.

National School Lunch Program.

School Breakfast Program.

Child and Adult Care Food Program.

Fresh Fruit and Vegetable Program.

Special Milk Program.

Summer Food Service Program.

Summer EBT.

Disaster Assistance.

In particular, these are benefits “provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.” As discussed earlier, some of the above programs are administered pursuant to 8 U.S.C. 1615 even though they are “Federal public benefits”. FNS also recognizes that the definition of “Federal public benefit” is inapplicable “with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.” See 8 U.S.C. 1611(c)(2)(B).

IV. Verification and Economic Impact

Due to the multitude of USDA programs that are available to tens of millions of individuals, USDA will

continue to evaluate the manner in which it will verify compliance with PRWORA. USDA will, to the maximum extent possible, minimize the imposition of reporting and information and information collection requirements. Similarly, USDA continues to analyze the economic impact of this interpretation, but at this time, has not found there to be significant economic impact. USDA will issue subsequent guidance on verification actions and a final determination regarding the economic impact of this interpretation.

Ralph A. Linden,

Acting General Counsel, Office of the General Counsel.

[FR Doc. 2025–12691 Filed 7–9–25; 8:45 am]

BILLING CODE 3410–14–P

DEPARTMENT OF COMMERCE

Bureau of Economic Analysis

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Direct Investment Surveys: BE–15, Annual Survey of Foreign Direct Investment in the United States

AGENCY: Bureau of Economic Analysis, Department of Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public’s reporting burden. The purpose of this notice is to allow for 60 days of public comment preceding submission of the collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before September 8, 2025.

ADDRESSES: Interested persons are invited to submit written comments to Kirsten Brew, Chief, Multinational Operations Branch, Bureau of Economic Analysis, U.S. Department of Commerce, by email to Kirsten.Brew@bea.gov and PRAComments@bea.gov. Please reference OMB Control Number 0608–0034 in the subject line of your comments. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT:

Requests for additional information or specific questions related to collection activities should be directed to Kirsten Brew, Chief, Multinational Operations Branch, Bureau of Economic Analysis, U.S. Department of Commerce; via phone at (301–278–9152); or via email at Kirsten.Brew@bea.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Annual Survey of Foreign Direct Investment in the United States (BE–15) obtains sample data on the financial structure and operations of foreign-owned U.S. business enterprises. The data are needed to provide reliable, useful, and timely measures of foreign direct investment in the United States to assess its impact on the U.S. economy. The sample data are used to derive universe estimates in nonbenchmark years from similar data reported in the BE–12 benchmark survey, which is conducted every five years. The data collected include balance sheets; income statements; property, plant, and equipment; employment and employee compensation; merchandise trade; sales of goods and services; taxes; and research and development activity for the U.S. operations. In addition to this national data, several data items are collected by state, including employment and property, plant, and equipment.

The Bureau of Economic Analysis (BEA) proposes the following changes to the BE–15 survey to align its international survey program with available resources:

Discontinue collection of minority-owned U.S. affiliates in annual survey years. This change would eliminate the filing requirement for minority-owned U.S. affiliates whose assets, sales or gross operating revenues, or net income (loss) exceed \$40 million that were previously required to report on the BE–15B or BE–15C form. A minority-owned U.S. affiliate is a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate is 50 percent or less. In addition, the following form modifications are proposed:

(a) Supplement B on the BE–15A, B and C forms which collects information on U.S. affiliates in which the reporting affiliate has a direct ownership interest, but which are not fully consolidated, will be removed.

(b) Question 8 on the BE–15B and C forms and question 9 on the BE–15A form which asks for the number of unconsolidated U.S. entities reported on the Supplement B will be eliminated.

(c) The BE-15 Claim for Exemption from Filing would be modified to include an exemption option for minority-owned U.S. affiliates.

II. Method of Collection

BEA contacts potential respondents by mail in March of each year; responses covering a reporting company's fiscal year ending during the previous calendar year are due by May 31. Reports are required from each U.S. business enterprise in which a foreign person has more than 50 percent of the voting stock in an incorporated business enterprise, or an equivalent interest in an unincorporated business enterprise, and that meets the additional conditions detailed in the BE-15 forms and instructions. Entities required to report will be contacted individually by BEA. Entities not contacted by BEA have no reporting responsibilities.

BEA requires electronic filing through its eFile system for use in reporting on the BE-15 annual survey forms. In addition, BEA provides links to all its survey forms and reporting instructions on its website (www.bea.gov/fdi) for download and review.

Potential respondents of the BE-15 are selected from those U.S. business enterprises that were required to report on the 2022 BE-12, Benchmark Survey of Foreign Direct Investment in the United States, along with those U.S. business enterprises that subsequently entered the direct investment universe. The BE-15 is a sample survey; universe estimates are developed from the reported sample data.

III. Data

OMB Control Number: 0608-0034.

Form Number: BE-15.

Type of Review: Revision.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents:

6,400 annually, of which approximately 3,200 file A forms, 1,600 file B forms, 1,000 file C forms, and 600 file Claim for Exemption forms.

Estimated Total Annual Burden

Hours: 150,700 hours. Total annual burden is calculated by multiplying the estimated number of submissions of each form by the average hourly burden per form, which is 44.45 hours for the A form, 3.60 hours for the B form, 2.1 hours for the C form, and 1 hour for the Claim for Exemption form.

Estimated Time per Respondent: 23.5 hours per respondent (150,700 hours/6,400 respondents) is the average but may vary considerably among respondents because of differences in company size and complexity.

Estimated Total Annual Cost to Public: \$0.

Respondent's Obligation: Mandatory.

Legal Authority: International Investment and Trade in Services Survey Act (Pub. L. 94-472, 22 U.S.C. 3101-3108, as amended).

IV. Request for Comments

We are soliciting public comments to permit the Department of Commerce/Bureau of Economic Analysis to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

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

[FR Doc. 2025-12895 Filed 7-9-25; 8:45 am]

BILLING CODE 3510-06-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-842]

Certain Uncoated Paper From Brazil: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2023-2024

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

SUMMARY: The U.S. Department of Commerce (Commerce) is conducting an

administrative review of the antidumping duty (AD) order on certain uncoated paper (uncoated paper) from Brazil for the period of review (POR) March 1, 2023, through February 29, 2024. Commerce preliminarily finds that Suzano S.A. (Suzano) made sales of subject merchandise at prices below normal value (NV) during the POR. Additionally, we are rescinding this administrative review, in part, with respect to one company, Sylvamo do Brasil Ltda. and Sylvamo Exports Ltda. (collectively, Sylvamo) as it had no reviewable entries of subject merchandise during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable July 10, 2025.

FOR FURTHER INFORMATION CONTACT:

Brittany Bauer, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3860.

SUPPLEMENTARY INFORMATION:

Background

On March 3, 2016, Commerce published in the **Federal Register** the AD order on uncoated paper from Brazil.¹ On March 1, 2024, Commerce published a notice of opportunity to request an administrative review of the *Order* for the POR.² Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b)(1), Commerce received timely requests to conduct an administrative review of the *Order* from Domtar Corporation (the petitioner) and Suzano.³

On May 8, 2024, Commerce initiated an administrative review of the AD order on uncoated paper from Brazil, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).⁴ This review covers one producer/exporter of subject merchandise, Suzano.⁵

¹ See *Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal: Amended Final Affirmative Antidumping Determinations for Brazil and Indonesia and Antidumping Duty Orders*, 81 FR 11174 (March 3, 2016) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List*, 89 FR 15157 (March 1, 2024).

³ See Petitioner's Letter, "Request For Administrative Review," dated March 29, 2024; see also Suzano's Letter, "Request for Administrative Review of Suzano S.A.," dated March 29, 2024.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 89 FR 38867 (May 8, 2024).

⁵ Commerce previously determined that Suzano is the successor-in-interest to Suzano Papel e Celulose

Continued

On November 26, 2024, Commerce extended the deadline for these preliminary results until April 4, 2025.⁶ On December 9, 2024, Commerce tolled certain administrative deadlines in this administrative review by 90 days.⁷ Accordingly, the deadline for these final results is now July 3, 2025. For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁸

Scope of the Order

The merchandise subject to the *Order* is uncoated paper from Brazil. For a full description of the scope, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR subject to the antidumping duty order for which liquidation is suspended, Commerce may rescind an administrative review, in whole or only with respect to a particular exporter or producer. At the end of the administrative review, any suspended entries are liquidated at the assessment rate computed for the review period. Therefore, for an administrative review to be conducted, there must be at least one reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection to liquidate at the newly calculated assessment rate. On June 12, 2025, Commerce notified all interested parties of its intent to rescind this review with respect to Sylvamo because Sylvamo had no reviewable, suspended entries of subject merchandise, and we invited parties to comment.⁹ We did not receive comments regarding our Intent to Rescind Memorandum and are therefore rescinding this review, in part, with regard to Sylvamo, as discussed in the Preliminary Decision Memorandum.

S.A. See *Certain Uncoated Paper from Brazil: Final Results of Antidumping Duty Administrative Review; 2019–2020*, 86 FR 55820 (October 7, 2021).
⁶ See Memorandum, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated November 26, 2024.
⁷ See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,” dated December 9, 2024.
⁸ See Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Uncoated Paper from Brazil; 2023–2024,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).
⁹ See Memorandum, “Notice of Intent to Rescind Review, In Part,” dated June 12, 2025 (Intent to Rescind Memorandum).

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. We calculated constructed export price in accordance with section 772 of the Act. We calculated NV in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, see the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Preliminary Results of the Review

We preliminarily determine that the following estimated weighted-average dumping margin exists for the period March 1, 2023, through February 29, 2024:

Exporter/producer	Weighted-average dumping margin (percent)
Suzano S.A	14.42

Disclosure

We intend to disclose the calculations performed to parties within five days after public announcement of the preliminary results or, if there is no public announcement, within five days of the date of publication of this notice.¹⁰

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹¹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹² Interested

¹⁰ See 19 CFR 351.224(b).
¹¹ See 19 CFR 351.309(c)(1)(ii); see also 19 CFR 351.303 (for general filing requirements).
¹² See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in*

parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹³ As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁴ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁵ Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS.¹⁶ Requests should contain: (1) the party’s name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in case and rebuttal briefs.¹⁷ If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. A hearing request must be filed electronically using ACCESS and received in its entirety by 5:00 p.m. Eastern Time within 30 days after the publication of this notice.

Assessment Rates

Upon completion of the final results of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate

Antidumping and Countervailing Duty Proceedings, 88 FR 67069, 67077 (September 29, 2023) (*Final Rule*).
¹³ See 19 CFR 351.309(c)(2) and (d)(2).
¹⁴ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.
¹⁵ See *Final Rule*.
¹⁶ See 19 CFR 351.310(c).
¹⁷ See 19 CFR 351.310.

entries covered by this review.¹⁸ Pursuant to 19 CFR 351.212(b)(1), if the weighted-average dumping margin for Suzano is not zero or *de minimis* (*i.e.*, less than 0.50 percent) in the final results of this review, we will calculate importer-specific assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales. If the respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review, and for future deposits of estimated duties, where applicable.¹⁹

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by Suzano for which the company did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate those entries at the all-others rate established in the original less-than-fair-value (LTFV) investigation (*i.e.*, 27.11 percent)²⁰ if there is no rate for the intermediate company(ies) involved in the transaction.²¹

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be equal to the weighted-average dumping margins established in

the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for merchandise exported by a company not covered in this review, but covered in a prior segment of the proceeding, the cash deposit rate will be the company-specific rate published for the most recently-completed segment in which it was reviewed; (3) if the exporter is not a firm covered in this review or in the original LTFV investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently-completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 27.11 percent, the all-others rate established in the LTFV investigation.²² These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.213(h)(2) and 19 CFR 351.221(b)(4).

Dated: July 3, 2025.

Christopher Abbott,

Acting Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Rescission of Administrative Review, in Part
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Recommendation

[FR Doc. 2025-12785 Filed 7-9-25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-549-839, A-570-086, C-570-087]

Steel Propane Cylinders From the People's Republic of China and Thailand: Continuation of Antidumping Duty Orders and Countervailing Duty Order

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

SUMMARY: As a result of the determinations by the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) orders on steel propane cylinders from the People's Republic of China (China) and Thailand and the countervailing duty (CVD) order on steel propane cylinders from China would likely lead to the continuation or recurrence of dumping, and countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of these AD and CVD orders.

DATES: Applicable July 1, 2025.

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-7851.

SUPPLEMENTARY INFORMATION:

Background

On August 15, 2019, Commerce published in the **Federal Register** the AD Orders on steel propane cylinders from China and Thailand and the CVD

¹⁸ See 19 CFR 351.212(b).

¹⁹ See section 751(a)(2)(C) of the Act.

²⁰ See Order, 81 FR at 11176.

²¹ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²² See Order, 81 FR at 11176.

Order on steel propane cylinders from China.¹ On July 1, 2024, the ITC instituted,² and Commerce initiated,³ the first sunset review of the *Orders*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). As a result of its reviews, Commerce determined that revocation of the *Orders* would likely lead to the continuation or recurrence of dumping and countervailable subsidies, and therefore, notified the ITC of the magnitude of the margins of dumping and subsidy rates likely to prevail should the *Orders* be revoked.⁴

On July 1, 2025, the ITC published its determination, pursuant to sections 751(c) and 752 of the Act, that revocation of the *Orders* would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵

Scope of the Orders

The products subject to these *Orders* are steel cylinders for compressed or liquefied propane or other gases (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706 and otherwise meeting the description provided below. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4–6 pound tare weight) to 42 pound nominal gas capacity (approximate 100

pound water capacity and approximate 28–32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

These *Orders* also cover steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: Fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to these *Orders* is properly classified under statistical reporting numbers

7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Continuation of the Orders

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, Commerce hereby orders the continuation of the *Orders*. U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the *Orders* will be July 1, 2025.⁶ Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year reviews of the *Orders* not later than 30 days prior to fifth anniversary of the date of the last determination by the ITC.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

These five-year (sunset) reviews and this notice are in accordance with sections 751(c) and 751(d)(2) of the Act and published in accordance with section 777(i) of the Act, and 19 CFR 351.218(f)(4).

Dated: July 7, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

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⁶ See ITC Final Determination.

¹ See *Steel Propane Cylinders from the People's Republic of China and Thailand: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Orders*, 84 FR 41703 (August 15, 2019) (AD Orders); see also *Steel Propane Cylinders from the People's Republic of China: Countervailing Duty Order*, 84 FR 41700 (August 15, 2019) (CVD Order) (collectively, *Orders*).

² See *Steel Propane Cylinders from China and Thailand: Institution of Five-Year Reviews*, 89 FR 54531 (July 1, 2025).

³ See *Initiation of Five-Year (Sunset) Reviews*, 89 FR 54435 (July 1, 2025).

⁴ See *Steel Propane Cylinders from the People's Republic of China and Thailand: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 89 FR 88727 (November 8, 2024), and accompanying Issues and Decision Memorandum (IDM); see also *Steel Propane Cylinders from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 FR 88968 (November 12, 2024), and accompanying IDM.

⁵ See *Steel Propane Cylinders from China and Thailand*, 90 FR 28774 (July 1, 2025) (ITC Final Determination).

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-088]

Certain Steel Racks and Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2022–2023

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that certain exporters under review either sold certain steel racks and parts thereof (steel racks) from the People's Republic of China (China) in the United States at prices below normal value (NV) during the period of review (POR) September 1, 2022, through August 31, 2023, or have not established their eligibility for a separate rate and are part of the China-wide entity.

DATES: Applicable July 10, 2025.

FOR FURTHER INFORMATION CONTACT: Jonathan Hill, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3518.

SUPPLEMENTARY INFORMATION:**Background**

On October 10, 2024, Commerce published the *Preliminary Results* in the **Federal Register** and invited interested parties to comment.¹ On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days.² On May 5, 2025, Commerce extended the deadline to issue the final results of this review until July 3, 2025.³ For details regarding the events that occurred subsequent to publication of the *Preliminary Results*, see the Issues and Decision Memorandum.⁴ Commerce conducted

this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order⁵

The merchandise covered by the Order is steel racks and parts thereof. For a full description of the scope of the Order, see in the Issues and Decision Memorandum.

Analysis of Comments Received

We addressed all the issues raised in the case and rebuttal briefs in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is provided in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding the *Preliminary Results*, and for the reasons explained in the Issues and Decision Memorandum, Commerce made certain changes to the preliminary weighted-average dumping margin calculations for Jiangsu Nova Intelligent Logistics Equipment Co., Ltd. (Jiangsu Nova) for the final results of review.⁶

On June 13 and June 16, 2025, respectively, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) issued mandates based on the Federal Circuit's opinions in *Marmen* and *Stupp*.⁷ In its opinions, the Federal Circuit held that it is unreasonable to

use the Cohen's *d* test when the Cohen's *d* test is applied to data that do not satisfy certain statistical criteria. Accordingly, in an effort to comply with the Federal Circuit's holdings regarding the Cohen's *d* test, Commerce has revised the differential pricing analysis used in the Preliminary Results for these final results, as described in the Issues and Decision Memorandum.⁸

Separate Rates

In the *Preliminary Results*, Commerce granted Jiangsu Nova separate rate status, but denied separate rate status to Jiangsu Starshine Industry Equipment Co., Ltd. (Starshine) and treated it as part of the China-wide entity.⁹ No parties commented on Commerce's preliminary separate rates decisions. For the final results of review, Commerce has continued to grant Jiangsu Nova separate rate status and continued to deny separate rate status to Starshine and treat it as part of the China-wide entity.

China-Wide Entity

As noted in the *Preliminary Results*, in accordance with Commerce's policy, the China-wide entity is not under review because no party specifically requested, and Commerce did not self-initiate, a review of the China-wide entity.¹⁰ Thus, the China-wide entity's dumping margin, *i.e.*, 144.50 percent,¹¹ is not subject to change.

Final Results of Review

We have determined the following weighted-average dumping margin for the companies listed below for the period September 1, 2022, through August 31, 2023:

⁸ Although Commerce's preference is to provide interested parties with an opportunity to comment, given the impending statutory deadline of section 751(a)(2)(B)(iii) of the Act for the final results of this administrative review, there is insufficient time to allow for comments on the revised differential pricing analysis and related calculations for comment in this administrative review. Commerce's use of the average-to-transaction method in these final results remains unchanged from the *Preliminary Results* of this review. See *Preliminary Results* PDM at 7. Though parties did not have an opportunity to comment on the use of Commerce's new differential pricing analysis for the final results of this review, the new analysis did not impact the methodology used to calculate the dumping margin in these final results. We address Jiangsu Nova's arguments on Commerce's authority to use a differential pricing analysis in the Issues and Decision Memorandum.

⁹ See *Preliminary Results*.

¹⁰ *Id.*

¹¹ See *Order*, 84 FR at 48585.

¹ See *Certain Steel Racks and Parts Thereof from the People's Republic of China: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review; 2022–2023*, 89 FR 822213 (October 10, 2024) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings," dated December 9, 2024.

³ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated May 5, 2025.

⁴ See Memorandum, "Issues and Decision Memorandum for the Final Results of the

Administrative Review of the Antidumping Duty Order on Certain Steel Racks and Parts Thereof from the People's Republic of China; 2022–2023," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁵ See *Certain Steel Racks and Parts Thereof from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Countervailing Duty Order*, 84 FR 48584 (September 16, 2019) (*Order*).

⁶ See Issues and Decision Memorandum.

⁷ See *Marmen Inc. v. United States*, 134 F.4th 1334 (Fed. Cir. 2025) (*Marmen*); *Stupp Corp. v. United States*, 2025 U.S. App. LEXIS 9616 (Fed. Cir. 2025) (non-precedential) (*Stupp*).

Exporter	Weighted-average dumping margin (percent)
Jiangsu Nova Intelligent Logistics Equipment Co., Ltd./Nanjing Jinshidai Storage Equipment Co., Ltd./Hebei Nova Intelligent Logistics Equipment Co., Ltd	11.18

Disclosure

Commerce intends to disclose the calculations and analysis performed for these final results of review within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by the final results of this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication date of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

In accordance with 19 CFR 351.212(b)(1), we calculated importer-specific assessment rates for Jiangsu Nova by dividing the total amount of dumping calculated for all reviewed U.S. sales to the importer by the total entered value of the subject merchandise sold to the importer.¹² Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Pursuant to a refinement to Commerce's assessment practice, where Jiangsu Nova did not report a sale of merchandise that was entered into the United States during the POR under its company-specific CBP case number, Commerce will instruct CBP to liquidate

any entries of such merchandise at the weighted-average dumping margin for the China-wide entity (*i.e.*, 144.50 percent).¹³

For Starshine, the company ineligible for a separate rate that Commerce considers to be part of the China-wide entity, the assessment rate will be equal to the weighted-average dumping margin for the China-wide entity, *i.e.*, 144.50 percent.¹⁴

Cash Deposit Requirements

The following cash deposit requirements will be in effect for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on, or after, the date of publication of this notice in the **Federal Register**, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Jiangsu Nova will be equal to the weighted-average dumping margin listed for the company in the table above; (2) for a previously investigated or reviewed exporter of subject merchandise not under review that has a separate rate, the cash deposit rate will continue to be the exporter's existing cash deposit rate; (3) for all China exporters of subject merchandise that do not have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin assigned to the China-wide entity, which is 144.50 percent; and (4) for a non-China exporter of subject merchandise that does not have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin applicable to the China exporter that supplied that non-China exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that

reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing these final results of administrative review and publishing this notice in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.213(h)(2) and 351.221(b)(5).

Dated: July 3, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Changes Since the *Preliminary Results*
- V. Differential Pricing Analysis
- VI. Discussion of the Issues
 - Comment 1: Use of a Differential Pricing Analysis in an Administrative Review
 - Comment 2: Verification of Factual Information
 - Comment 3: Calculation of Surrogate Financial Ratios
 - Comment 4: Inflation Index
- VII. Recommendation

[FR Doc. 2025-12784 Filed 7-9-25; 8:45 am]

BILLING CODE 3510-DS-P

¹² We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

¹³ See Order, 84 FR at 48586.

¹⁴ *Id.*

DEPARTMENT OF COMMERCE**National Institute of Standards and Technology****Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Generic Clearance for Community Resilience Data Collections**

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 April 11, 2025, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: National Institute of Standards and Technology (NIST), Commerce.

Title: Generic Clearance for Community Resilience Data Collections.

OMB Control Number 0693–0078.

Form Number(s): None.

Type of Request: Regular submission, extension of a currently approved information collection.

Number of Respondents: 25,000.

Average Hours per Response: Varied, dependent upon the data collection method used. The possible response time to complete a questionnaire may be 15 minutes or 2 hours to participate in an interview.

Burden Hours: 18,000.

Needs and Uses: Through acts such as the National Construction Safety Team Act (NCSTA), the National Windstorm Impact Reduction Act (NWIRA) and the NIST Organic Act, among others, NIST conducts research and develops guidance and other related tools to promote and enhance the safety and well-being of people in the face of a hazard event. With this in mind, NIST proposes to conduct a number of data collection efforts within the topic areas of disaster and failure studies and community resilience, including studies of specific disaster events (*e.g.*, wildfire, urban fire, structure collapse, hurricane, earthquake, tornado, and flood events), assessments of community resilience and recovery, and evaluations of the

usability and utility of NIST resilience guidance or other products.

Affected Public: Federal government; households and individuals; the private sector; and state and local governments.

Frequency: On occasion.

Respondent's Obligation: Voluntary.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the collection or the OMB Control Number 0693–0078.

Sheleen Dumas,

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

[FR Doc. 2025–12896 Filed 7–9–25; 8:45 am]

BILLING CODE 3510–13–P

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration**

[RTID 0648–XF017]

New England Fishery Management Council; Public Meeting

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

ACTION: Notice of public meeting.

SUMMARY: The New England Fishery Management Council (Council) is scheduling a public meeting of its On-Demand Fishing Gear Conflict Working Group via webinar to consider actions affecting New England fisheries in the exclusive economic zone (EEZ). Recommendations from this group will be brought to the full Council for formal consideration and action, if appropriate.

DATES: This webinar will be held on Wednesday, July 23, 2025 at 9:00 a.m.

ADDRESSES:

Webinar registration URL information: <https://nefmc-org.zoom.us/j/9876543210>

Council address: New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950.

FOR FURTHER INFORMATION CONTACT: Cate O’Keefe, Executive Director, New England Fishery Management Council; telephone: (978) 465–0492.

SUPPLEMENTARY INFORMATION:**Agenda**

The On-Demand Fishing Gear Conflict Working Group (ODWG) will meet to continue addressing the Terms of Reference. They will also address Term of Reference 3b by developing recommendations for the Council. The Working Group will receive updates regarding on-demand fishing related activity, as available. Other business will be discussed if necessary.

Although non-emergency issues not contained on the agenda may come before this Council for discussion, those issues may not be the subject of formal action during this meeting. Council action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Act, provided the public has been notified of the Council’s intent to take final action to address the emergency. The public also should be aware that the meeting will be recorded. Consistent with 16 U.S.C. 1852, a copy of the recording is available upon request.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Cate O’Keefe, Executive Director, at (978) 465–0492, at least 5 days prior to the meeting date.

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

Dated: July 8, 2025.

Rey Israel Marquez,

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

[FR Doc. 2025–12903 Filed 7–9–25; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration**

[RTID 0648–XF016]

Caribbean Fishery Management Council; Public Virtual Meeting

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

ACTION: Notice of a public virtual meeting.

SUMMARY: The Caribbean Fishery Management Council's (Council) Outreach and Education Advisory Panel (OEAP) will hold a public virtual meeting to discuss the items contained in the agenda in the **SUPPLEMENTARY INFORMATION**.

DATES: The OEAP virtual meeting will be held on July 23, 2025, from 9:00 a.m. to 3:00 p.m.

ADDRESSES: You may join the OEAP public virtual meeting (via Zoom) from a computer, tablet or smartphone by entering the following address:

OEAP Zoom Meeting

Topic: OEAP.

Time: This is a recurring meeting. Meet anytime.

Join Zoom Meeting: <https://us02web.zoom.us/j/84039986774?pwd=SUhDc1hXeFloQWF3ajVtL2ZHRGN3Zz09>.

Meeting ID: 840 3998 6774.

Passcode: 179728.

One tap mobile:

+1 787 966 7727, 84039986774

#,,, *179728# Puerto Rico

+1 939 945 0244, 84039986774

#,,, *179728# Puerto Rico

Dial by your location:

+1 787 966 7727 Puerto Rico

+1 939 945 0244 Puerto Rico

+1 787 945 1488 Puerto Rico

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

Meeting ID: 840 3998 6774.

Passcode: 179728.

FOR FURTHER INFORMATION CONTACT:

Diana Martino (787) 226-8849, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, PR 00918-1903.

SUPPLEMENTARY INFORMATION:

July 23, 2025

9:00 a.m.

—Call to Order
Adoption of Agenda

9:15 a.m.–9:45 a.m.

—OEAP Chairperson's Report—Jannette Ramos García

9:45 a.m.–10:15 a.m.

—Liaison Reports

- Wilson Santiago Soler, Puerto Rico Liaison Officer
- Nicole Greaux, St. Thomas/St. John Liaison Officer
- Liandry de la Cruz, St. Croix Liaison Officer

10:15 a.m.–10:30 a.m.

—CFMC Social Media Report

- Cristina D. Olán Martínez, CFMC Social Media Network Coordinator

10:30 a.m.–10:45 a.m.

—Break

10:45 a.m.–12:00 p.m.

—Descending Device Outreach Efforts and Needs

- Wilson Santiago Soler, Puerto Rico Liaison Officer
- Nicole Greaux, St. Thomas/St. John Liaison Officer

12:00 p.m.–1:00 p.m.

—Lunch Break

1:00 p.m.–1:30 p.m.

—Calendar 2026

1:30 p.m.–2:30 p.m.

New Outreach Materials

2:30 p.m.–3:00 p.m.

—Other Business

The order of business may be adjusted as necessary to accommodate the completion of agenda items. The meeting will begin on July 23, 2025 at 9:00 a.m. and will end on July 23, 2025, at 3:00 p.m. Other than the start time, interested parties should be aware that discussions may start earlier or later than indicated. In addition, the meeting may be extended from, or completed prior to the date established in this notice.

Special Accommodations

For any additional information on this public virtual meeting, please contact Diana Martino, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, PR 00918-1903; telephone: (787) 226-8849.

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

Dated: July 8, 2025.

Rey Israel Marquez,

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

[FR Doc. 2025-12902 Filed 7-9-25; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF014]

Fisheries of the South Atlantic; Southeast Data, Assessment, and Review (SEDAR); Public Meeting

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

ACTION: Notice of SEDAR 102 Review Workshop for Atlantic States Marine Fisheries Commission (ASMFC) Atlantic Menhaden and Ecological Reference Points.

SUMMARY: The review of the SEDAR 102 Assessment of Atlantic Menhaden and Ecological Reference Points will be conducted via an in-person review workshop. See **SUPPLEMENTARY INFORMATION**.

DATES: The SEDAR 102 ASMFC Atlantic Menhaden and Ecological Reference Points Review Workshop is scheduled for August 12–15, 2025. The meetings on August 12–14 will be held from 8:30 a.m. until 6 p.m. Eastern each day. The meeting on August 15 will be held from 8:30 a.m. until 3:30 p.m. Eastern.

ADDRESSES:

Meeting address: The SEDAR 102 Review Workshop will be held at the Doubletree Hotel, 5264 International Blvd., North Charleston, SC 29418. The meeting will be livestreamed. Individuals may register by going to the SEDAR website: www.sedarweb.org. The established times may be adjusted as necessary to accommodate the timely completion of discussion relevant to the assessment process. Such adjustments may result in the meeting being extended from or completed prior to the time established by this notice.

SEDAR address: South Atlantic Fishery Management Council, 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405, www.sedarweb.org.

FOR FURTHER INFORMATION CONTACT:

Emily L. Ott, SEDAR Coordinator, 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405; phone (843) 302-8434; email: Emily.Ott@safmc.net.

SUPPLEMENTARY INFORMATION: The Gulf, South Atlantic, and Caribbean Fishery Management Councils, in conjunction with NMFS and the Atlantic and Gulf States Marine Fisheries Commissions have implemented the Southeast Data, Assessment and Review (SEDAR) process, a multi-step method for determining the status of fish stocks in the Southeast Region. SEDAR is a multi-step process including: (1) Data/Assessment Workshop, and (2) a series of webinars. The product of the Data/Assessment Workshop is a report which compiles and evaluates potential datasets and recommends which datasets are appropriate for assessment analyses, and describes the fisheries, evaluates the status of the stock, estimates biological benchmarks, projects future population conditions, and recommends research and monitoring needs. Participants for

SEDAR Workshops are appointed by the Gulf, South Atlantic, and Caribbean Fishery Management Councils and NMFS Southeast Regional Office, HMS Management Division, and Southeast Fisheries Science Center. Participants include data collectors and database managers; stock assessment scientists, biologists, and researchers; constituency representatives including fishermen, environmentalists, and NGO's; International experts; and staff of Councils, Commissions, and state and federal agencies.

The items of discussion in the SEDAR 102 Review Workshop are as follows:

Participants will evaluate the data and assessment reports as specified in the Terms of Reference, to determine if they are scientifically sound.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to the South Atlantic Fishery Management Council office (see **ADDRESSES**) at least 5 business days prior to each workshop.

Note: The times and sequence specified in this agenda are subject to change.

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

Dated: July 8, 2025.

Key Israel Marquez,

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

[FR Doc. 2025-12900 Filed 7-9-25; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF020]

Caribbean Fishery Management Council; Public Virtual Meeting

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

ACTION: Notice of a public online meeting.

SUMMARY: The Caribbean Fishery Management Council's (Council) Ad Hoc Committee will hold a public virtual meeting to discuss the items contained in the agenda in the **SUPPLEMENTARY INFORMATION**.

DATES: The Ad Hoc Committee virtual meeting will be held on July 25, 2025, from 9:30 a.m. to 4:00 p.m., AST.

ADDRESSES: You may join the Ad Hoc Committee public virtual meeting (via Zoom) from a computer, tablet, or smartphone by entering the following address:

Ad Hoc Committee Zoom Meeting

Topic: Ad Hoc Committee.

Time: 9:30 a.m.–4:00 p.m., AST.

Join Zoom Meeting: <https://us02.web.zoom.us/j/84039986774?pwd=SUhDc1hXeFloQWF3ajVlL2ZHRGN3Zz09>.

Meeting ID: 840 3998 6774.

Passcode: 179728.

One tap mobile:

+17879667727,,84039986774

#,*,179728# Puerto Rico

+19399450244,,84039986774

#,*,179728# Puerto Rico

Dial by your location:

+1 787 966 7727 Puerto Rico

+1 939 945 0244 Puerto Rico

+1 787 945 1488 Puerto Rico

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

Meeting ID: 843 5034 9732

Passcode: 323166

FOR FURTHER INFORMATION CONTACT:

Miguel A. Rolón, (787) 398-3717, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, PR 00918-1903.

SUPPLEMENTARY INFORMATION:

July 25, 2025

9:30 a.m.–9:45 a.m.

—Call to Order

—Roll Call

—Adoption of Agenda

9:45 a.m.–10:00 a.m.

—Species in the Management Units of the IBFMPs—Graciela García-Moliner

10:00 a.m.–10:15 a.m.

—E.O. 14276 and Memorandum from Mr. E. Piñeiro—Miguel A. Rolón

10:15 a.m.–12:00 p.m.

—Discussion of Actions to be Proposed to the CFMC

12:00 p.m.–1:00 p.m.

—Lunch Break

1:00 p.m.–2:00 p.m.

—Continue Discussion of Actions to be Proposed to the CFMC

2:00 p.m.–4:00 p.m.

—Conclusions and Recommendations

4:00 p.m.

—Adjourn

The order of business may be adjusted as necessary to accommodate the completion of agenda items. The meeting will begin on July 25, 2025, at 9:30 a.m., AST and will end on July 25, 2025, at 4:00 p.m., AST. Other than the start time, interested parties should be aware that discussions may start earlier or later than indicated. In addition, the meeting may be extended from, or completed prior to the date established in this notice.

Special Accommodations

For any additional information on this public virtual meeting, please contact Diana Martino, Caribbean Fishery Management Council, 270 Muñoz Rivera Avenue, Suite 401, San Juan, Puerto Rico, 00918-1903, telephone: (787) 226-8849.

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

Dated: July 8, 2025.

Key Israel Marquez,

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

[FR Doc. 2025-12901 Filed 7-9-25; 8:45 am]

BILLING CODE 3510-22-P

COMMISSION OF FINE ARTS

Notice of Meeting

Per 45 CFR Chapter XXI § 2102.3, the next meeting of the U.S. Commission of Fine Arts is scheduled for July 17, 2025, at 9:00 a.m. and will be held via online videoconference. Items of discussion may include buildings, infrastructure, parks, memorials, and public art.

Draft agendas, the link to register for the online public meeting, and additional information regarding the Commission are available on our website: www.cfa.gov. Inquiries regarding the agenda, as well as any public testimony, should be addressed to Thomas Luebke, Secretary, U.S. Commission of Fine Arts, at the above address; by emailing cfastaff@cfa.gov; or by calling 202-504-2200. Individuals requiring sign language interpretation for the hearing impaired should contact the Secretary at least 10 days before the meeting date.

Dated July 3, 2025 in Washington, DC.
Zakiya N. Walters,
Administrative Officer.
 [FR Doc. 2025–12793 Filed 7–9–25; 8:45 am]
BILLING CODE 6330–01–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Proposed additions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed Additions to and Deletions from the Procurement List.

SUMMARY: The Committee is proposing to add product(s) and service(s) to the Procurement List that will be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

DATES: Comments must be received on or before: August 10, 2025.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 355 E Street SW, Suite 325, Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322 or email CMTEFedReg@AbilityOne.gov.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 8503 (a)(2) and 41 CFR 51–2.3. Its purpose is to provide interested persons an opportunity to submit comments on the proposed actions.

Additions

In accordance with 41 CFR 51–2.4(b), Government personnel within the contracting activity have identified this as a product requirement not applicable to other Federal entities and has requested the Committee consider granting a purchase or distribution preference if the product is added to the Procurement List. *See* 71 FR 69536 (Dec. 1, 2006). If the Committee grants this request, the products listed below will not be available through the U.S. AbilityOne Commission's Commercial Distribution Program. The Committee will consider this request along with relevant comments received from interested parties.

The following product(s) are proposed for addition to the Procurement List for production by the nonprofit agencies listed:

Product(s)

NSN(s)—Product Name(s): 750061601N—

Copy Paper, Premium Multi-Purpose, 8.5" x 11", 2500 Sheet Convenience Pack, 30% Recycled; 750061602N—Copy Paper, Premium Multi-Purpose, Bulk, 8.5" x 11", 30% Recycled

Authorized Source of Supply: Association for Vision Rehabilitation and Employment, Inc., Binghamton, NY

Mandatory For: Bureau of the Census

Contracting Activity: BUREAU OF THE CENSUS, DEPT OF COMM/BUREAU OF THE CENSUS

Distribution: C-List in accordance with 41 CFR 51–5.3(b), the Committee intends to add these services requirement to the Procurement List as a mandatory purchase only for contracting activities and locations listed, with the proposed qualified nonprofit agencies as the authorized source of supply. Prior to adding the service to the Procurement List, the Committee will consider other pertinent information, including information from Government personnel and relevant comments from interested parties regarding the Committee's intent to geographically limit this services requirement.

The following services(s) are proposed for addition to the Procurement List for delivery by the nonprofit agencies listed:

Service(s)

Service Type: Civil Engineering Base Maintenance Support

Mandatory for: US Air Force, United States Air Force Academy (includes Farish Recreational Area and Bullseye Auxiliary Airfield), USAF Academy, CO

Authorized Source of Supply: Skookum Educational Programs, Bremerton, WA

Contracting Activity: DEPT OF THE AIR FORCE, FA7000 10 CONS LGC

Service Type: Administrative Support Service

Mandatory for: US Census Bureau, National Processing Center, Jeffersonville, IN and US Census Bureau Headquarters, Suitland, MD

Authorized Source of Supply: ServiceSource, Inc., Oakton, VA

Contracting Activity: US CENSUS BUREAU, DEPT OF COMMERCE CENSUS

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2025–12835 Filed 7–9–25; 8:45 am]

BILLING CODE 6353–01–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Additions and Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Additions to and deletions from the Procurement List.

SUMMARY: This action adds service(s) to the Procurement List that will be

furnished by nonprofit agencies employing persons who are blind or have other severe disabilities, and deletes product(s) and service(s) from the Procurement List previously furnished by such agencies.

DATES: *Date added to and deleted from the Procurement List:* August 10, 2025.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 355 E Street SW, Suite 325, Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322 or email CMTEFedReg@AbilityOne.gov.

SUPPLEMENTARY INFORMATION:

Additions

On April 25, 2025, the Committee for Purchase From People Who Are Blind or Severely Disabled (operating as the U.S. AbilityOne Commission) published an initial notice of proposed additions to the Procurement List. (90 FR 17423). The Committee determined that the service listed below is suitable for procurement by the Federal Government and has added this service to the Procurement List as a mandatory purchase for contracting activity listed. In accordance with 41 CFR 51–5.3(b), the mandatory purchase requirement is limited to the contracting activity at location listed, and in accordance with 41 CFR 51–5.2, the Committee has authorized nonprofit agency listed as the mandatory source of supply.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the service(s) and impact of the additions on the current or most recent contractors, the Committee has determined that the service(s) listed below are suitable for procurement by the Federal Government under 41 U.S.C. 8501–8506 and 41 CFR 51–2.4.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the service(s) to the Government.

2. The action will result in authorizing small entities to furnish the service(s) to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-

O'Day Act (41 U.S.C. 8501–8506) in connection with the service(s) proposed for addition to the Procurement List.

End of Certification

Accordingly, the following service(s) are added to the Procurement List:

Service(s)

Service Type: Mailroom Operation

Mandatory for: US Air Force, Official Mail Center, Kirtland Air Force Base, NM

Mandatory for: US Air Force, Postal Service Center, Kirtland Air Force Base, NM

Authorized Source of Supply: VersAbility Resources, Inc., Hampton, VA

Contracting Activity: DEPT OF THE AIR FORCE, FA9401 AFNWC PZI

Deletions

On June 6, 2025 (90 FR 24103), the Committee for Purchase From People Who Are Blind or Severely Disabled published notice of proposed deletions from the Procurement List. This notice is published pursuant to 41 U.S.C. 8503(a)(2) and 41 CFR 51–2.3.

After consideration of the relevant matter presented, the Committee has determined that the product(s) and service(s) listed below are no longer suitable for procurement by the Federal Government under 41 U.S.C. 8501–8506 and 41 CFR 51–2.4.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in additional reporting, recordkeeping or other compliance requirements for small entities.
2. The action may result in authorizing small entities to furnish the product(s) and service(s) to the Government.
3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 8501–8506) in connection with the product(s) and service(s) deleted from the Procurement List.

End of Certification

Accordingly, the following product(s) and service(s) are deleted from the Procurement List:

NSN(s)—Product Name(s): 7920–01–383–7936—Sponge, Olive Drab

Authorized Source of Supply: Mississippi Industries For The Blind (INC), Jackson, MS

Contracting Activity: GSA/FSS GREATER SOUTHWEST ACQUISITI, FORT WORTH, TX

NSN(s)—Product Name(s):

5340–01–043–5409—Strap, Support, Assembly, Green, Ratchet Buckle, 1–3/4" W x 5' L and 19' L

5340–01–461–1429—Strap, Support, 1.5" W x 23.5' L

Authorized Source of Supply: Mississippi Industries For The Blind (INC), Jackson, MS

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s): 6850–01–598–1933—Ice Melt/De-Icer, 40 lbs.

Authorized Source of Supply: BOSMA Enterprises, Indianapolis, IN

Contracting Activity: DLA AVIATION, RICHMOND, VA

NSN(s)—Product Name(s):

7210–00–299–9611—Sheet, Bed

8455–01–078–0745—Scarf, Branch of Service, Unattached, USAF and USA, Woodland

8465–01–103–0659—Cover, Field Pack, 6-Color Desert Camouflage

8465–01–327–5361—Cover, Field Pack, 3-Color Desert Camouflage

Authorized Source of Supply: VisionCorps, Lancaster, PA

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s):

8465–01–103–0659—Cover, Field Pack, 6-Color Desert Camouflage

8465–01–327–5361—Cover, Field Pack, 3-Color Desert Camouflage

Authorized Source of Supply: Envision, Inc., Wichita, KS

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s):

8465–01–103–0659—Cover, Field Pack, 6-Color Desert Camouflage

8465–01–327–5361—Cover, Field Pack, 3-Color Desert Camouflage

Authorized Source of Supply: Central Association for the Blind and Visually Impaired, Utica, NY

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s):

8465–01–103–0659—Cover, Field Pack, 6-Color Desert Camouflage

8465–01–327–5361—Cover, Field Pack, 3-Color Desert Camouflage

Authorized Source of Supply: Lions Volunteer Blind Industries, Inc., Morristown, TN

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s): 8970–01–576–1950—Kit, Remote Feeding and Cleaning

Authorized Source of Supply: NEWVIEW Oklahoma, Inc., Oklahoma City, OK

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s): 6220–01–266–1651—Spotlight, .52 AMPS 28V BA15S bulb, yellow/white output, HMMWV

Authorized Source of Supply: Cincinnati Association For The Blind and Visually Impaired, Cincinnati, OH

Contracting Activity: DLA AVIATION, RICHMOND, VA

NSN(s)—Product Name(s):

8470–01–529–6602—Suspension Assembly, Ground Troop-Parachutist Helmet, Foliage Green, Large

8470–01–529–6609—Suspension Assembly, Ground Troop-Parachutist Helmet, Foliage Green, X-Large

8470–01–442–2969—New Cumberland

8470–01–092–7516—Suspension Assembly, Ground Troop, Parachutist, X-Small

8470–01–092–7517—Suspension Assembly, Ground Troop, Parachutist, Small

8470–01–092–7518—Suspension Assembly, Ground Troop, Parachutist, Medium

8470–01–092–7519—Suspension Assembly, Ground Troop, Parachutist, Large

Authorized Source of Supply: Winston-Salem Industries for the Blind, Inc, Winston-Salem, NC

Contracting Activity: DLA TROOP SUPPORT, PHILADELPHIA, PA

NSN(s)—Product Name(s): PSIN 38—Pouchfastener, Swivel Assembly

Authorized Source of Supply: Mississippi Industries For The Blind (INC), Jackson, MS
Contracting Activity: U.S. Postal Service, Washington, DC, Washington, DC

Service(s)

Service Type: IT Services (also called EITS)

Mandatory for: Department of Defense, Defense Human Resources Activity, Defense Manpower Data Center, Alexandria, VA

Authorized Source of Supply: Global Connections to Employment, Inc.

Contracting Activity: General Services Administration Federal Acquisition Service, GSAFAS AAS Region 3, 473247QFMA

Service Type: Medical Transcription

Mandatory for: Department of Veterans Affairs, VA Loma Linda Healthcare System, 11201 Benton Street, Loma Linda, CA

Authorized Source of Supply: Goodwill Industries of San Antonio Contract Services, San Antonio, TX

Contracting Activity: VETERANS AFFAIRS, DEPARTMENT OF, 262–NETWORK CONTRACT OFFICE 22

Service Type: Janitorial/Custodial

Mandatory for: Department of Veterans Affairs, Greenville Outpatient Clinic, Greenville, SC

Contracting Activity: VETERANS AFFAIRS, DEPARTMENT OF, 247–NETWORK CONTRACT OFFICE 7

Service Type: Switchboard Operation

Mandatory for: Department of Veterans Affairs, Central Alabama Veterans Health Care System, Veterans Affairs Medical Center, Tuskegee, AL

Authorized Source of Supply: Bobby Dodd Institute, Inc., Atlanta, GA

Contracting Activity: VETERANS AFFAIRS, DEPARTMENT OF, 247–NETWORK CONTRACT OFC 7(00247)

Service Type: Janitorial Service

Mandatory for: U.S. Forest Service, McCloud Ranger Station, McCloud, CA; Mt. Shasta

Ranger Station, Mt. Shasta, CA
Contracting Activity: FOREST SERVICE,
 USDA FOREST SERVICE
Service Type: Document Destruction Service
Mandatory for: US Department of Labor,
 Office of Workers' Compensation
 Programs, Charles Bennett Federal
 Building, Jacksonville, FL
Authorized Source of Supply: Challenge
 Enterprises of North Florida, Inc., Green
 Cove Springs, FL
Contracting Activity: Office of the Assistant
 Secretary For Administration and
 Management, DOL—CAS Division 3
 Procurement
Service Type: Switchboard Operation
Mandatory for: Department of Veterans
 Affairs, Southeast Louisiana Veterans
 Healthcare System, New Orleans, LA
Authorized Source of Supply: Goodworks,
 Inc., New Orleans, LA
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 256—NETWORK
 CONTRACT OFC 16(00256)
Service Type: Food Service Attendant
Mandatory for: US Navy, Naval Air Station
 Jacksonville, Flight Line Cafe,
 Jacksonville, FL
Authorized Source of Supply: GINFL
 Services, Inc., Jacksonville, FL
Contracting Activity: DEPT OF THE NAVY,
 NAVSUP FLT LOG CTR JACKSONVILLE
Service Type: Switchboard Operation
Mandatory for:
 Department of Veterans Affairs, Veterans
 Affairs Medical Center, 1670 Clairmont Road,
 Decatur, GA
 Department of Veterans Affairs, Veterans
 Affairs Medical Center, 200 East Ponce
 DeLeon Avenue, Decatur, GA
Authorized Source of Supply: Bobby Dodd
 Institute, Inc., Atlanta, GA
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 508—ATLANTA
Service Type: Switchboard Operation
Mandatory for: Department of Veterans
 Affairs, Carl Vinson VA Medical Center,
 Dublin, GA
Authorized Source of Supply: Bobby Dodd
 Institute, Inc., Atlanta, GA
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 247—NETWORK
 CONTRACT OFC 7(00247)
Service Type: Grounds Maintenance
Mandatory for: US Army Reserve, Fort
 Douglas Cemetery, Salt Lake City, UT
Authorized Source of Supply: Columbus
 Foundation, Inc., Salt Lake City, UT
Contracting Activity: DEPT OF THE ARMY,
 W6QM MICC FT MCCOY (RC)
Service Type: Administrative Service
Mandatory for: Federal Trade Commission,
 Headquarters, Washington, DC
Authorized Source of Supply: Melwood
 Horticultural Training Center, Inc.,
 Upper Marlboro, MD
Contracting Activity: FEDERAL TRADE
 COMMISSION, OFFICE OF
 ACQUISITION
Service Type: Switchboard Operation
Mandatory for: Department of Veterans
 Affairs, VA Palo Alto Health Care
 System, Palo Alto, CA
Contracting Activity: VETERANS AFFAIRS,

DEPARTMENT OF, 261—NETWORK
 CONTRACT OFC21 (00261)
Service Type: Janitorial/Custodial
Mandatory for: USMA, Pershing Center,
 Buildings 2101, 2104 and 2107, West
 Point, NY
Authorized Source of Supply: Access:
 Supports for Living Inc., Middletown,
 NY
Contracting Activity: DEPT OF THE ARMY,
 W6QM MICC—WEST POINT
Service Type: Janitorial/Custodial
Mandatory for: Department of Veterans
 Affairs, Bakersfield Community Based
 Outpatient Clinic, Bakersfield, CA
Authorized Source of Supply: Bakersfield
 Arc, Inc., Bakersfield, CA
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 262—NETWORK
 CONTRACT OFFICE 22
Service Type: Telephone Switchboard
 Operations
Mandatory for: Veterans Affairs Medical
 Center, Hampton, VA
Authorized Source of Supply: VersAbility
 Resources, Inc., Hampton, VA
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 590—HAMPTON
Service Type: Medical Transcription
Mandatory for: Department of Veterans
 Affairs, VA Las Vegas Healthcare
 System, 6900 North Pecos Road, North
 Las Vegas, NV
Authorized Source of Supply: Goodwill
 Industries of San Antonio Contract
 Services, San Antonio, TX
Contracting Activity: VETERANS AFFAIRS,
 DEPARTMENT OF, 262—NETWORK
 CONTRACT OFFICE 22
Service Type: Mailroom Operation &
 Administrative Supp
Mandatory for: US Army, CCDC Aviation and
 Missile Center, Huntsville, AL
Authorized Source of Supply: Huntsville
 Rehabilitation Foundation, Inc.,
 Huntsville, AL
Contracting Activity: DEPT OF THE ARMY,
 W6QK ACC—RSA

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2025–12836 Filed 7–9–25; 8:45 am]

BILLING CODE 6353–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #2

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

Docket Numbers: ER25–2788–001.
Applicants: PJM Interconnection,
 L.L.C.

Description: Tariff Amendment:
 Amendment to ISA, SA No. 6834;
 Queue No. AE2–113—Errata Filing to be
 effective 9/2/2025.

Filed Date: 7/3/25.

Accession Number: 20250703–5136.
Comment Date: 5 p.m. ET 7/24/25.
Docket Numbers: ER25–2789–000.
Applicants: California Independent
 System Operator Corporation.
Description: § 205(d) Rate Filing:
 2025–07–03 WEIM Implementation
 Agreement between IID & CAISO to be
 effective 9/2/2025.
Filed Date: 7/3/25.
Accession Number: 20250703–5122.
Comment Date: 5 p.m. ET 7/24/25.
Docket Numbers: ER25–2790–000.
Applicants: PJM Interconnection,
 L.L.C.
Description: § 205(d) Rate Filing:
 Amendment to WMPA, Service
 Agreement No. 6868; Queue No. AF2–
 165 to be effective 9/6/2025.
Filed Date: 7/7/25.
Accession Number: 20250707–5024.
Comment Date: 5 p.m. ET 7/28/25.
Docket Numbers: ER25–2791–000.
Applicants: Lakeside Solar, LLC.
Description: Request for Limited and
 Prospective Waiver, et al. of Lakeside
 Solar, LLC.
Filed Date: 7/3/25.
Accession Number: 20250703–5177.
Comment Date: 5 p.m. ET 7/24/25.
Docket Numbers: ER25–2792–000.
Applicants: Midcontinent
 Independent System Operator, Inc.,
 American Transmission Company LLC.
Description: § 205(d) Rate Filing:
 American Transmission Company LLC
 submits tariff filing per 35.13(a)(2)(iii):
 2025–07–07 SA 4333 ATC-Degas 1st
 Rev ESA to be effective 7/8/2025.
Filed Date: 7/7/25.
Accession Number: 20250707–5039.
Comment Date: 5 p.m. ET 7/28/25.
Docket Numbers: ER25–2793–000.
Applicants: PJM Interconnection,
 L.L.C.
Description: § 205(d) Rate Filing:
 Original CSA Service Agreement No.
 7705; Project Identifier No. J982 to be
 effective 6/6/2025.
Filed Date: 7/7/25.
Accession Number: 20250707–5062.
Comment Date: 5 p.m. ET 7/28/25.
Docket Numbers: ER25–2794–000.
Applicants: PJM Interconnection,
 L.L.C.
Description: § 205(d) Rate Filing:
 Original CSA, Service Agreement No.
 7704; Project Identifier No. MISO J1181
 to be effective 6/6/2025.
Filed Date: 7/7/25.
Accession Number: 20250707–5066.
Comment Date: 5 p.m. ET 7/28/25.
Docket Numbers: ER25–2795–000.
Applicants: PJM Interconnection,
 L.L.C.
Description: § 205(d) Rate Filing:
 Original CSA Service Agreement No.

7706; Project Identifier No. J1084 to be effective 6/6/2025.

Filed Date: 7/7/25.

Accession Number: 20250707–5077.

Comment Date: 5 p.m. ET 7/28/25.

Docket Numbers: ER25–2796–000.

Applicants: Midcontinent

Independent System Operator, Inc., Ameren Transmission Company of Illinois.

Description: § 205(d) Rate Filing: Ameren Transmission Company of Illinois submits tariff filing per 35.13(a)(2)(iii): 2025–07–07 SA 4492 ATXI-Four Creeks E&P (J2275) to be effective 7/8/2025.

Filed Date: 7/7/25.

Accession Number: 20250707–5093.

Comment Date: 5 p.m. ET 7/28/25.

Docket Numbers: ER25–2797–000.

Applicants: Dodge County Wind, LLC.

Description: § 205(d) Rate Filing: Application for Market-Based Rate Authorization—Dodge County Wind, LLC to be effective 9/6/2025.

Filed Date: 7/7/25.

Accession Number: 20250707–5119.

Comment Date: 5 p.m. ET 7/28/25.

Docket Numbers: ER25–2798–000.

Applicants: PJM Interconnection, L.L.C.

Description: Tariff Amendment: Cancellation of NSA, SA No. 7076; Queue No. AD1–031 to be effective 8/1/2025.

Filed Date: 7/7/25.

Accession Number: 20250707–5121.

Comment Date: 5 p.m. ET 7/28/25.

Docket Numbers: ER25–2799–000.

Applicants: Power Authority of the State of New York, New York Independent System Operator, Inc.

Description: § 205(d) Rate Filing: New York Independent System Operator, Inc. submits tariff filing per 35.13(a)(2)(iii): NYISO–NYPA 205: Second Amended LGIA Cider Solar SA2773 (CEII) to be effective 6/20/2025.

Filed Date: 7/7/25.

Accession Number: 20250707–5123.

Comment Date: 5 p.m. ET 7/28/25.

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.

Dated: July 7, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025–12848 Filed 7–9–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2009–185]

Virginia Electric and Power Company; Notice of Application for Non-Project Water Withdrawal Accepted for Filing, Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

a. *Application Type:* Non-Project Use Water Withdrawal.

b. *Project No:* P–2009–185.

c. *Date Filed:* April 7, 2025, and supplemented June 23, 2025.

d. *Applicant:* Virginia Electric and Power Company, dba Dominion Virginia Power/Dominion North Carolina Power.

e. *Name of Project:* Roanoke Rapids & Gaston Hydroelectric Project.

f. *Location:* The Roanoke Rapids and Gaston Hydroelectric Project is located on the Roanoke River, immediately downstream from the John H. Kerr dam and reservoir, which is owned and operated by the U.S. Army Corps of Engineers (Corps). The project straddles the Virginia/North Carolina border in Brunswick and Mecklenburg Counties, Virginia, and in Halifax, Northampton, and Warren Counties, North Carolina. The project occupies federal land that is administered by the Corps.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791a–825r.

h. *Applicant Contact:* Corwin Chamberlin, Regulatory Support Consultant, Dominion Energy, 600 E Canal Street, Richmond, VA 23219, corwin.d.chamberlain@dominionenergy.com, (804) 837–5587.

i. *FERC Contact:* Michael Calloway, (202) 502–8041, michael.calloway@ferc.gov.

j. *Cooperating Agencies:* With this notice, the Commission is inviting federal, state, local, and Tribal agencies with jurisdiction and/or special expertise with respect to environmental issues affected by the proposal, that wish to cooperate in the preparation of any environmental document, if applicable, to follow the instructions for filing such requests described in item k below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of any environmental document cannot also intervene. See 94 FERC ¶ 61,076 (2001).

k. *Water Quality Certification:* A water quality certificate under section 401 of the Clean Water Act is required for this proposal from Virginia Department of Environmental Quality. The applicant must file no later than 60 days following the date of issuance of this notice either: (1) a copy of the request for water quality certification submitted to the Virginia Department of Environmental Quality; or (2) a copy of the water quality certification or evidence of waiver of water quality certification.

l. *Deadline for filing comments, motions to intervene, and protests:* August 6, 2025.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, and protests using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208–3676 (toll free), or (202) 502–8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852. The first page of any filing should include the

docket number P–2009–185. Comments emailed to Commission staff are not considered part of the Commission record.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person whose name appears on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

m. Description of Request: The licensee is proposing to permit Roanoke River Service Authority to increase its existing approved water withdrawal from 7 to 9 million gallons per day from Lake Gaston (the project reservoir) for municipal purposes. The application also proposes to increase the footprint of its pumping control building to accommodate new electrical control equipment. The initial approval order for the existing withdrawal, which the application seeks to increase, was issued by the Commission on August 27, 1997.

n. Locations of the Application: This filing may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1–866–208–3676 or email FERCOnlineSupport@ferc.gov, for TTY, call (202) 502–8659. Agencies may obtain copies of the application directly from the applicant.

o. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

p. Comments, Protests, or Motions to Intervene: Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received

on or before the specified comment date for the particular application.

q. Filing and Service of Documents: Any filing must (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

r. 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.

Dated: July 7, 2025.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2025–12870 Filed 7–9–25; 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 electric rate filings:

Docket Numbers: ER15–1582–023; ER15–760–021; ER15–762–024; ER15–1579–022; ER15–1914–024; ER15–2679–016; ER15–2680–020; ER16–468–018; ER16–474–019; ER16–890–019; ER16–1255–021; ER16–1609–010; ER16–1738–018; ER16–1901–018; ER16–1955–018; ER16–1956–018; ER16–1973–018; ER16–2201–017; ER16–2224–017; ER10–3145–019; ER10–3162–011; ER11–2701–020; ER16–2541–013; ER16–2578–018; ER17–306–017; ER17–544–017; ER17–1864–016; ER17–1871–016; ER17–1909–016; ER18–1667–013;

ER18–2327–011; ER18–2492–014; ER19–846–013; ER19–847–013; ER19–1179–007; ER19–1473–008; ER19–1474–007; ER19–2527–006; ER20–902–010; ER20–1593–010; ER20–1594–009; ER20–1596–010; ER20–1597–010; ER20–1599–010; ER20–1629–011; ER20–2065–008; ER20–2066–008; ER20–2519–007; ER21–1488–008; ER21–2156–008; ER21–2289–003; ER21–2766–007; ER22–414–011; ER22–799–008; ER23–48–006; ER23–937–005; ER23–1165–004; ER23–1319–005; ER23–1589–005; ER23–1668–006; ER23–1669–006; ER23–2440–004; ER23–2441–005; ER24–55–005; ER24–1035–005; ER24–1697–003; ER24–1698–004; ER24–2148–003; ER25–451–002; ER10–3120–018.

Applicants: AES Huntington Beach, L.L.C., 50LW 8me LLC, McFarland Storage C, LLC, AES ES Alamitos 2, LLC, AES Westwing II ES, LLC, 20SD 8me LLC, Silver Peak Energy, LLC, Chevelon Butte RE II LLC, McFarland Solar B, LLC, Raceway Solar 1, LLC, Estrella Solar, LLC, AES ES Westwing, LLC, Baldy Mesa Solar, LLC, McFarland Solar A, LLC, Chevelon Butte RE LLC, West Line Solar, LLC, Lancaster Area Battery Storage, LLC, AES Marketing and Trading, LLC, Central Line Solar, LLC, Clover Creek Solar, LLC, Antelope Expansion 1B, LLC, Luna Storage, LLC, East Line Solar, LLC, Antelope Expansion 3B, LLC, Antelope Expansion 3A, LLC, AES ES Alamitos, LLC, Richmond Spider Solar, LLC, Pleinmont Solar 2, LLC, Pleinmont Solar 1, LLC, Highlander IA, LLC, Highlander Solar Energy Station 1, LLC, sPower Energy Marketing, LLC, Prevailing Wind Park, LLC, AES Huntington Beach Energy, LLC, AES Alamitos Energy, LLC, AES ES Gilbert, LLC, San Pablo Raceway, LLC, Antelope DSR 3, LLC, FTS Master Tenant 2, LLC, Riverhead Solar Farm, LLC, Antelope Expansion 2, LLC, Bayshore Solar C, LLC, Bayshore Solar B, LLC, Bayshore Solar A, LLC, Beacon Solar 1, LLC, Beacon Solar 3, LLC, North Lancaster Ranch LLC, Pioneer Wind Park I, LLC, Mountain View Power Partners IV, LLC, Mountain View Power Partners III, LLC, AES Alamitos, LLC, Solverde 1, LLC, Antelope DSR 1, LLC, Western Antelope Blue Sky Ranch B LLC, Western Antelope Dry Ranch LLC, Antelope DSR 2, LLC, Elevation Solar C LLC, Beacon Solar 4, LLC, ID SOLAR 1, LLC, Antelope Big Sky Ranch LLC, Summer Solar LLC, Central Antelope Dry Ranch C LLC, FTS Master Tenant 1, LLC, Sandstone Solar LLC, Latigo Wind Park, LLC, 87RL 8me LLC, 67RK 8me LLC, Sierra Solar Greenworks LLC, Western Antelope Blue Sky Ranch A LLC, 65HK 8me LLC.

Description: Updated Triennial Market Power Analysis for Southwest Region of 65HK 8me LLC et al.

Filed Date: 6/30/25.

Accession Number: 20250630–5371.

Comment Date: 5 p.m. ET 8/29/25.

Docket Numbers: ER20–391–014; ER21–2557–010; ER22–2662–010; ER22–2663–010; ER22–2664–010; ER23–1275–008; ER23–1276–008; ER24–1276–005; ER24–1277–002; ER24–2249–006; ER24–2250–005; ER24–2251–005; ER24–2854–004; ER24–2855–004; ER24–2856–004; ER25–938–002; ER25–939–002; ER25–940–002; ER25–1422–002.

Applicants: Aron Energy Prepay 57 LLC, Aron Energy Prepay 53 LLC, Aron Energy Prepay 52 LLC, Aron Energy Prepay 51 LLC, Aron Energy Prepay 46 LLC, Aron Energy Prepay 45 LLC, Aron Energy Prepay 44 LLC, Aron Energy Prepay 43 LLC, Aron Energy Prepay 42 LLC, Aron Energy Prepay 41 LLC, Aron Energy Prepay 36 LLC, Aron Energy Prepay 35 LLC, Aron Energy Prepay 22 LLC, Aron Energy Prepay 21 LLC, Aron Energy Prepay 16 LLC, Aron Energy Prepay 15 LLC, Aron Energy Prepay 14 LLC, Aron Energy Prepay 5 LLC, J. Aron & Company LLC.

Description: Updated Triennial Market Power Analysis for Southwest Region and Notice of Non-Material Change in Status of J. Aron & Company LLC, et al.

Filed Date: 6/30/25.

Accession Number: 20250630–5372.

Comment Date: 5 p.m. ET 8/29/25.

Docket Numbers: ER20–479–005; ER11–2657–014; ER19–2214–003; ER20–481–006; ER20–482–005; ER20–484–005; ER20–1650–006; ER20–2098–004; ER22–1523–004; ER22–1549–007; ER23–912–003; ER24–3018–001; ER24–3127–001.

Applicants: Sun Pond, LLC, Serrano Solar, LLC, Sun Streams Expansion, LLC, Sun Streams PVS, LLC, Sun Streams 2, LLC, Titan Solar 1, LLC, Little Bear Master Tenant, LLC, Little Bear Solar 5, LLC, Little Bear Solar 4, LLC, Little Bear Solar 3, LLC, Milford Wind Corridor Phase I, LLC, Milford Wind Corridor Phase II, LLC, Little Bear Solar 1, LLC.

Description: Triennial Market Power Analysis for Southwest Region of Little Bear Solar 1, LLC, et al.

Filed Date: 6/30/25.

Accession Number: 20250630–5370.

Comment Date: 5 p.m. ET 8/29/25.

Docket Numbers: ER21–1755–014; ER23–1642–011; ER14–2500–022; ER24–280–004.

Applicants: Hartree-Meadowlands Newark, LLC, Newark Energy Center, LLC, Stored Solar J&WE, LLC, Hartree Partners, LP.

Description: Updated Triennial Market Power Analysis for Southwest Region of Hartree Partners, LP, et al.

Filed Date: 6/30/25.

Accession Number: 20250630–5351.

Comment Date: 5 p.m. ET 8/29/25.

Docket Numbers: ER23–327–003; ER15–1066–006; ER16–892–005; ER16–893–006; ER16–1371–007; ER17–43–005; ER17–44–005; ER17–239–006; ER17–2318–005; ER18–697–004; ER18–2516–004; ER20–2472–003; ER21–207–003; ER21–2911–003; ER21–2912–003; ER23–326–003; ER24–719–003; ER24–720–003; ER25–1107–002.

Applicants: SloughHouse Solar, LLC, SJS 1 Storage, LLC, San Juan Solar 1, LLC, Arroyo Solar LLC, Drew Solar-CA, LLC, Drew Solar, LLC, Rancho Seco Solar, LLC, Rancho Seco Solar II LLC, Willow Springs Solar, LLC, Gray Hawk Solar, LLC, Cuyama Solar, LLC, TPE Alta Luna, LLC, Portal Ridge Solar C, LLC, Portal Ridge Solar B, LLC, 63SU 8ME LLC, 62SK 8ME LLC, Red Horse III, LLC, Red Horse Wind 2, LLC, Arroyo Energy Storage LLC.

Description: Triennial Market Power Analysis for Southwest Region of Arroyo Energy Storage LLC, et al.

Filed Date: 6/30/25.

Accession Number: 20250630–5373.

Comment Date: 5 p.m. ET 8/29/25.

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

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

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

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.

Dated: July 7, 2025.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2025–12847 Filed 7–9–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP25–19–000]

Southern Star Central Gas Pipeline, Inc.; Notice of Revised Schedule for Environmental Review of the Cedar Vale Compressor Station Project

This notice identifies the Federal Energy Regulatory Commission (FERC or Commission) staff's revised schedule for the completion of the environmental assessment (EA) for Southern Star Central Gas Pipeline, Inc. (Southern Star) Cedar Vale Compressor Station Project (Project).¹ The first notice of schedule, issued on January 16, 2025, identified July 31, 2025 as the EA issuance date. However, Commission staff required additional time to further analyze alternative sites for the proposed compressor station. As a result, staff has revised the schedule for issuance of the EA. The EA will be issued for a 30-day comment period.

Schedule for Environmental Review

Issuance of the EA—September 19, 2025
90-day Federal Authorization Decision
Deadline²—December 18, 2025

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

Additional Information

In order to receive notification of the issuance of the EA and to keep track of all formal issuances and submittals in specific dockets, the Commission offers a free service called eSubscription. This can reduce the amount of time you

¹ For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX–019–20–000–1736843968.

² 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.

spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to <https://www.ferc.gov/ferc-online/overview> to register for eSubscription.

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.

Additional information about the Project is available from the Commission's Office of External Affairs at (866) 208-FERC or on the FERC website (www.ferc.gov). Using the "eLibrary" link, select "General Search" from the eLibrary menu, enter the selected date range and "Docket Number" excluding the last three digits (*i.e.*, CP25-19), 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. 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: July 7, 2025.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2025-12872 Filed 7-9-25; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-12882-01-OW]

National Drinking Water Advisory Council; Meeting

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of a public meeting.

SUMMARY: The U.S. Environmental Protection Agency's (EPA) Office of Ground Water and Drinking Water is announcing a meeting of the National Drinking Water Advisory Council (NDWAC or Council) as authorized under the Safe Drinking Water Act (SDWA). The purpose of the meeting is for EPA to consult with the NDWAC as required by the SDWA on proposed

revisions to the PFAS National Primary Drinking Water Regulation. Additional details will be provided in the meeting agenda, which will be posted on EPA's NDWAC website prior to the meeting. See the **SUPPLEMENTARY INFORMATION** section of this announcement for more information.

DATES: The meeting will be held on July 28, 2025, from 1:00 p.m. to 4:30 p.m., Eastern time.

ADDRESSES: This will be a virtual meeting. There will be no in-person gathering for this meeting. For more information about attending, providing oral statements, and accessibility for the meeting, as well as sending written comments, see the **SUPPLEMENTARY INFORMATION** section of this announcement.

FOR FURTHER INFORMATION CONTACT:

Tracey Ward, NDWAC Designated Federal Officer, Office of Ground Water and Drinking Water (Mail Code 4601), U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue NW, Washington, DC 20460; telephone number: (202) 890-9864; email address: ward.tracey@epa.gov.

SUPPLEMENTARY INFORMATION:

Attending the Meeting: The meeting will be open to the general public. The meeting agenda and information on how to register for and attend the meeting online will be provided on EPA's website at: <https://www.epa.gov/ndwac> prior to the meeting.

Oral Statements: EPA will allocate one hour for the public to present oral comments during the meeting. Oral statements will be limited to three minutes per person during the public comment period. It is preferred that only one person present a statement on behalf of a group or organization. Persons interested in presenting an oral statement should send an email to Tracey Ward at ward.tracey@epa.gov by noon, Eastern time, on July 21, 2025.

Written Statements: Any person who wishes to file a written statement can do so before or after the Council meeting. Send written statements by email to ward.tracey@epa.gov or see the **FOR FURTHER INFORMATION CONTACT** section if sending statements by mail. Written statements received by noon, Eastern time, on July 21, 2025, will be distributed to all members of the Council prior to the meeting. Statements received after that time will become part of the permanent file for the meeting and will be forwarded to the Council members after conclusion of the meeting. Members of the public should be aware that their personal contact information, if included in any written comments, may be posted to the

NDWAC website. Copyrighted material will not be posted without the explicit permission of the copyright holder.

Accessibility: For information on access or services for individuals with disabilities, or to request accommodations for a disability, please contact Tracey Ward by email at ward.tracey@epa.gov, or by phone at (202) 890-9864, preferably at least 10 days prior to the meeting to allow as much time as possible to process your request.

National Drinking Water Advisory Council: The NDWAC was created by Congress on December 16, 1974, as part of the Safe Drinking Water Act of 1974, Public Law 93-523, 42 U.S.C. 300j-5, and is operated in accordance with the provisions of the Federal Advisory Committee Act, as amended, 5 U.S.C. 10. The NDWAC was established to advise, consult with, and make recommendations to the EPA Administrator on matters relating to activities, functions, policies, and regulations under the SDWA. General information concerning the NDWAC is available at: <https://www.epa.gov/ndwac>.

Jennifer L. McLain,

Director, Office of Ground Water and Drinking Water.

[FR Doc. 2025-12889 Filed 7-9-25; 8:45 am]

BILLING CODE 6560-50-P

FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060-1092; FR ID 302086]

Information Collection Being Reviewed by the Federal Communications Commission

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 Commission) invites the general public and other Federal agencies to take this opportunity to comment on the following information collections. Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the

information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection 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 OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

DATES: Written PRA comments should be submitted on or before September 8, 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 Cathy Williams, FCC, via email to *PRA@fcc.gov* and to *Cathy.Williams@fcc.gov*.

FOR FURTHER INFORMATION CONTACT: For additional information about the information collection, contact Cathy Williams at (202) 418–2918.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 3060–1092.

Title: Interim Procedures for Filing Applications Seeking Approval for Designated Entity Reportable Eligibility Events and Annual Reports.

Form Numbers: FCC Forms 609–T and 611–T.

Type of Review: Extension of a currently approved collection.

Respondents: Business or other for-profit entities; Not-for profit institutions; and State, Local and Tribal Governments.

Number of Respondents: 1,100 respondents; 2,750 responses.

Estimated Time per Response: .50 hours to 6 hours.

Frequency of Response: On occasion and annual reporting requirements.

Obligation to Respond: Required to obtain or retain benefits. Statutory authority for this information collection is contained in 47 U.S.C. 4(i), 308(b), 309(j)(3) and 309(j)(4).

Total Annual Burden: 7,288 hours.

Total Annual Cost: \$2,223,375.

Needs and Uses: The Commission will submit this expiring information collection to the Office of Management and Budget (OMB) after this comment period to obtain the three year clearance from them. FCC Form 609–T is used by Designated Entities (DEs) to request prior Commission approval pursuant to Section 1.2114 of the Commission's rules for any reportable eligibility event. The data collected on the form is used by the FCC to determine whether the

public interest would be served by the approval of the reportable eligibility event.

FCC Form 611–T is used by DE licensees to file an annual report, pursuant to Section 1.2110(n) of the Commission's rules, related to eligibility for designated entity benefits.

The information collected will be used to ensure that only legitimate small businesses reap the benefits of the Commission's designated entity program. Further, this information will assist the Commission in preventing companies from circumventing the objectives of the designated entity eligibility rules by allowing us to review: (1) The FCC 609–T applications seeking approval for "reportable eligibility events" and (2) the FCC Form 611–T annual reports to ensure that licensees receiving designated entity benefits are in compliance with the Commission's policies and rules.

Federal Communications Commission.

Marlene Dortch,
Secretary.

[FR Doc. 2025–12818 Filed 7–9–25; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL ELECTION COMMISSION

Sunshine Act Meetings

TIME AND DATE: Tuesday, July 15, 2025 at 10:30 a.m.

PLACE: 1050 First Street NE, Washington, DC and Virtual (This meeting will be a hybrid meeting).

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Matters concerning participation in civil actions or proceedings or arbitration.

* * * * *

CONTACT PERSON FOR MORE INFORMATION:

Myles Martin, Deputy Press Officer,
Telephone: (202) 694–1221.

(Authority: Government in the Sunshine Act, 5 U.S.C. 552b.)

Laura E. Sinram,

Secretary and Clerk of the Commission.

[FR Doc. 2025–12886 Filed 7–8–25; 4:15 pm]

BILLING CODE 6715–01–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise and extend for three years the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031, FFIEC 041, and FFIEC 051), which is currently an approved collection of information. The agencies are proposing revisions to the Call Report related to proposed revisions to the enhanced supplementary leverage ratio standard applicable to depository institution subsidiaries of global systemically important bank holding companies under the agencies' regulatory capital rules.

DATES: Comments must be submitted on or before September 8, 2025.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments will be shared among the agencies.

OCC: You may submit comments by any of the following methods:

- *Email:* painfo@occ.treas.gov.
- *Mail:* Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557–0081, 400 7th Street SW, Suite 3E–218, Washington, DC 20219.

- *Hand Delivery/Courier:* 400 7th Street SW, Suite 3E–218, Washington, DC 20219.

Instructions: You must include "OCC" as the agency name and "1557–

0081” in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by the following method:

- **Viewing Comments Electronically:** Go to www.reginfo.gov. Hover over the “Information Collection Review” drop down menu and select “Information Collection Review.” Underneath the “Currently under Review” section heading, from the drop-down menu select “Department of Treasury” and then click “submit.” This information collection can be located by searching by OMB control number “1557–0081.” Upon finding the appropriate information collection, click on the related “ICR Reference Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating www.reginfo.gov, please contact the Regulatory Information Service Center at (202) 482–7340.

Board: You may submit comments, which should refer to “Call Report Revisions,” by any of the following methods:

- **Agency Website:** <https://www.federalreserve.gov>. Follow the instructions for submitting comments at: <https://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- **Email:** regs.comments@federalreserve.gov. Include “Call Report Revisions” in the subject line of the message.

- **Fax:** (202) 395–6974.

- **Mail:** Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

All public comments are available on the Board’s website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be

edited to remove any identifying or contact information.

FDIC: You may submit comments, which should refer to “Call Report Revisions OMB Control No. 3064–0052,” by any of the following methods:

- **Agency Website:** <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Follow the instructions for submitting comments on the FDIC’s website.

- **Email:** comments@FDIC.gov. Include “Call Report Revisions OMB Control No. 3064–0052” in the subject line of the message.

- **Mail:** Robert Meiers, Regulatory Attorney, MB–3013, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

- **Hand Delivery:** Comments may be hand delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street NW) on business days between 7 a.m. and 5 p.m.

- **Public Inspection:** All comments received, including any personal information provided, will be posted without change to <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of this document will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed revisions to the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the report forms for the Call Report can be obtained at the FFIEC’s website ([https://](https://www.ffiec.gov/resources/reporting-forms)

www.ffiec.gov/resources/reporting-forms).

OCC: Shaquita Merritt, Clearance Officer, (202) 649–5490, Chief Counsel’s Office, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452–3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263–4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898–3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Call Report

The agencies propose to extend for three years, with revision, their information collections associated with the FFIEC 031, FFIEC 041, and FFIEC 051 Call Report.

Report Title: Consolidated Reports of Condition and Income (Call Report).

Form Number: FFIEC 031 (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices), FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only), and FFIEC 051 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than \$5 Billion).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

OCC

OMB Control No.: 1557–0081.

Estimated Number of Respondents: 984 national banks and federal savings associations.

Estimated Average Burden per Response: 41.36 burden hours per quarter to file.

Estimated Total Annual Burden: 162,793 burden hours to file.

Board

OMB Control No.: 7100–0036.

Estimated Number of Respondents: 709 State member banks.

Estimated Average Burden per Response: 45.31 burden hours per quarter to file.

Estimated Total Annual Burden: 128,499 burden hours to file.

FDIC

OMB Control No.: 3064–0052.

Estimated Number of Respondents: 2,825 insured State nonmember banks and State savings associations.

Estimated Average Burden per Response: 39.17 burden hours per quarter to file.

Estimated Total Annual Burden: 442,621 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports for each agency. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 86.25 (FFIEC 031), 55.56 (FFIEC 041), and 34.99 (FFIEC 051). The changes to the Call Report forms and instructions proposed in this notice would result in an estimated increase in burden hours per quarter for the FFIEC 031 of 0.13 hours. There would be no burden change for the FFIEC 041 or FFIEC 051. The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (for example, size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices).

Type of Review: Extension and revision of currently approved collections. In addition to the proposed revisions discussed below, the Call Report is periodically updated to clarify instructional guidance and correct grammatical and typographical errors on the forms and instructions which are published on the FFIEC website.¹ These non-substantive updates may also be commented upon.

Legal Basis and Need for Collections

The Call Report information collections are mandatory: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (State member banks), 12 U.S.C. 1817 (insured State nonmember commercial and savings banks), and 12 U.S.C. 1464 (Federal and State savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and

the financial system and protecting consumer financial rights, as well as agency-specific missions affecting federal and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering Federal deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate the risk-based assessments for insured depository institutions.

II. Current Actions

A. Background

On June 27, 2025, the agencies requested comment on a notice of proposed rulemaking titled "Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies" (capital proposal).² The capital proposal would modify the enhanced supplementary leverage ratio (eSLR) buffer standard applicable to U.S. top-tier bank holding companies identified as global systemically important bank holding companies (GSIBs), to equal 50 percent of the bank holding company's most recent method 1 GSIB surcharge under the Board's GSIB surcharge framework, rather than the current leverage buffer standard of two percent.³ The capital proposal would also modify the eSLR standard for depository institution subsidiaries of GSIBs from the current six percent "well capitalized" threshold under the prompt corrective action framework to an eSLR buffer standard equal to 50

percent of the most recent bank holding company GSIB's method 1 surcharge. In this notice, the agencies are proposing revisions to the Call Report applicable to depository institution subsidiaries of GSIBs consistent with the capital proposal.

Additionally, in the capital proposal, the Board sought comment on an additional potential modification of excluding Treasury securities that are reported as trading assets on the organizations' balance sheets and that are held at broker-dealer subsidiaries (and foreign equivalents thereof) that are not subsidiaries of a depository institution from the calculation of total leverage exposure for depository institution holding companies.

B. Call Report

For the FFIEC 031 version of the Call Report form, the agencies are proposing to add two new line items to Schedule RC-R, Regulatory Capital, Part I, Regulatory Capital Components and Ratios, to reflect leverage buffer requirements, as applicable, under the capital proposal. Specifically, the agencies would add new line items 56.a, "Leverage buffer standard," and 56.b, "Leverage buffer." These line items would be reported only by respondents that are depository institution subsidiaries of GSIBs. The agencies additionally would revise the Call Report instructions consistent with the capital proposal, including the additional criteria for a depository institution subsidiary of a GSIB to report on Schedule RC-R, Part I, line items 53, "Eligible retained income," and 54, "Distributions and discretionary bonus payments during the quarter," based on the depository institution's leverage buffer standard that would be reported in item 56.a and leverage buffer that would be reported in item 56.b.

III. Timing

The proposed revisions to the Call Report forms and instructions are proposed to become effective with the first report date following the effective date of the capital proposal, if finalized. In addition, the agencies plan to revise the reporting changes proposed in this notice to align with any changes made to any final version of the capital proposal. The contents of any final version of the capital proposal may inform the agencies as to whether they should propose revisions to other FFIEC or Board report forms, such as the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101).

² <https://www.occ.gov/news-issuances/news-releases/2025/nr-ia-2025-59.html>, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20250627a.htm>, <https://www.fdic.gov/news/financial-institution-letters/2025/notice-proposed-rulemaking-modifications-enhanced>.

³ The Board's capital rule requires a U.S. GSIB to calculate its GSIB risk-based surcharge in two ways, known as "method 1" and "method 2," and apply the higher of the two results. See 12 CFR 217.402.

¹ <https://www.ffiec.gov/resources/reporting-forms>.

The agencies invite comment on any difficulties that institutions would expect to encounter in implementing the systems changes necessary to accommodate the proposed revisions to the Call Report consistent with this effective date.

IV. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

(a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;

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

(d) Ways to minimize the burden of information collections 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.

Comments submitted in response to this joint notice will be shared among the agencies.

Dated: July 1, 2025.

Patrick T. Tierney,

Assistant Director, Office of the Comptroller of the Currency.

Benjamin W. McDonough,

Deputy Secretary and Ombuds of the Board.

Dated at Washington, DC, on July 2, 2025.

Federal Deposit Insurance Corporation

Jennifer M. Jones

Deputy Executive Secretary.

[FR Doc. 2025-12788 Filed 7-9-25; 8:45 am]

BILLING CODE 4810-33-6210-01-6714-01-P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or

bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at <https://www.federalreserve.gov/foia/request.htm>. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)).

Comments 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 August 11, 2025.

A. Federal Reserve Bank of Minneapolis (Mark Nagle, Assistant Vice President) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291. Comments can also be sent electronically to MA@mpls.frb.org:

1. *Security State Agency of Aitkin, Inc., Aitkin, Minnesota*; to acquire Randall Bancorp, Inc., and thereby indirectly acquire Randall State Bank, both of Randall, Minnesota.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2025-12878 Filed 7-9-25; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day-25-1369]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled "Performance Monitoring of CDC's Core State Injury Prevention Program" to the Office of Management and Budget (OMB) for review and approval. CDC previously published a "Proposed Data Collection Submitted for Public Comment and Recommendations" notice on December 3, 2024 to obtain comments from the public and affected agencies. CDC received one comment related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

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

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open

for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Performance Monitoring of CDC’s Core State Injury Prevention Program (OMB Control No. 0920–1369, Exp. 9/30/2025)—Revision—National Center for Injury Prevention and Control (NCIPC), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

This collection will continue to collect performance monitoring data via a web-based Partners’ Portal. This data is needed to monitor the cooperative agreement program funded under the Core State Injury Prevention Program (Core SIPP). Monitoring the impact of population-based strategies and identifying new insights and innovative solutions to health problems are two of the noted public health activities that all public health systems should undertake. For NCIPC/CDC, these objectives cannot

be satisfied without the systematic collection of data and information from state health departments. The information collection will enable the accurate, reliable, uniform, and timely submission of each awardee’s progress report and injury indicators, including strategies and performance measures.

Information to be collected will provide crucial data for program performance monitoring and provide CDC with the capacity to respond in a timely manner to requests for information about the program from the Department of Health and Human Services (HHS), the White House, Congress, and other sources. Information to be collected will also strengthen CDC’s ability to monitor awardee progress, provide data-driven technical assistance, and disseminate the most current surveillance data on unintentional and intentional injuries. The information collection plan proposed here will also generate a variety of routine and customizable reports. State specific reports will allow each awardee to summarize activities and progress towards meeting strategies and performance measure targets related to the reduction and prevention of unintentional and intentional injuries. NCIPC will also have the capacity to generate reports that describe activities

and health outcomes across multiple recipients, which will enable better reporting of trends and provision of technical assistance through linking partners across state health departments and collaborating divisions within CDC.

Program recipients will continue to use the information collected to manage and coordinate their activities and to improve their efforts to prevent and control injuries. The Partners’ Portal allows recipients to fulfill their annual reporting obligations efficiently by employing user-friendly, easily accessible web-based instruments to collect necessary information for both progress reports and continuation applications including work plans. This approach enables recipients to save pertinent information from one reporting period to the next and reduces the administrative burden on the annual continuation application and the performance monitoring process.

Recipients will report progress and activity information to CDC on an annual schedule using a web-based Partners’ Portal. No research design or human subjects are involved. The data will be analyzed using descriptive and summary statistics as well as qualitative summaries. CDC requests OMB approval for an estimated annualized burden of 286 hours.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Core SIPP Program Recipients	Annual Progress Report	26	1	11

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2025–12845 Filed 7–9–25; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–25–1447]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted a Change Request for the information collection request titled “Generic Clearance for the Collection of

Minimal Data Necessary for Case Data During an Emergency Response” to the Office of Management and Budget (OMB) for review and approval.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

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

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written

comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Generic Clearance for the Collection of Minimal Data Necessary for Case Data During an Emergency Response (OMB Control No. 0920–1447, Exp. 10/31/2027)—Change Request—Office of Public Health Data, Surveillance, and Technology (OPHDST), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Generic Clearance for the Collection of Minimal Data Necessary for Case Data During an Emergency Response is a Generic Information Collection Request (ICR) that is designed to facilitate standardized, rapid, and consistent data exchange between state, tribal, local, and territorial (STLT) health departments and CDC on confirmed, probable, and suspected cases during a public health emergency response.

CDC requests approval for a Non-Substantive Change Request for the

Generic Clearance for the Collection of Minimal Data Necessary for Case Data During an Emergency Response. This request includes addition of the following 11 new data elements: Age Units—Other, Race Category—Other, Ethnic Group—Other, Person Address County—Other, Person Address State—Other, Case Disease Imported Code—Other, Disability Type—Other, Outbreak Case Status, CDC Outbreak Name, First Date of Exposure, and Last Date of Exposure.

Seven of the 11 added data elements are ‘other’ data elements. These data elements are associated with a coded data element of a similar name (e.g., Age Units and Age Units Other). These added fields give jurisdictions the option to send either coded data elements in the coded field or text data in the text field. This makes it easier for jurisdictions as they do not need to map to the CDC value set in order for data to be sent. First and Last Date of Exposure are important data elements to collect as understanding the time from exposure to symptom onset or infection provides important information for responding to and modeling outbreaks. Outbreak Case Status is critical as a definition of a case can differ in an outbreak and in routine data collection and it is very important to know

whether a case meets the outbreak definition in addition to whether the case meets the routine definition. CDC Outbreak Name is important so that outbreaks that cross state lines can be tracked as a single outbreak, whereas the previously approved ‘Case Outbreak Name’ is state-assigned and could differ for the same outbreak.

CDC projects 10 emergency responses annually that will require states, territories, freely associated states, and cities to submit case data to CDC daily. The annual burden estimates below include the time that states, territories, freely associated states, and cities will incur to submit confirmed, probable, and suspected case data (MDN and response-specific data elements) for diseases or conditions for 10 emergency responses. The average burden per response of 30 minutes is the same regardless of the number of data elements. The number of data elements will fluctuate by emergency response since each emergency response may require a different number of response-specific data elements depending on the condition. Therefore, the addition of 11 new data elements will not affect the affect the previously approved burden. The estimated annual burden for the 60 respondents is 109,510 hours.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
States	Submission of case data	50	3,650	30/60
Territories	Submission of case data	5	3,650	30/60
Freely Associated States	Submission of case data	3	3,650	30/60
Cities	Submission of case data	2	3,650	30/60

Jeffrey M. Zirger,
Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.
[FR Doc. 2025–12846 Filed 7–9–25; 8:45 am]
BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Document Identifier: OS–4040–0005]

Agency Information Collection Request. 60-Day Public Comment Request

AGENCY: Office of the Secretary, HHS.
ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork

Reduction Act of 1995, the Office of the Secretary (OS), Department of Health and Human Services, is publishing the following summary of a proposed collection for public comment.

DATES: Comments on the ICR must be received on or before September 8, 2025.

ADDRESSES: Submit your comments to sagal.musa@hhs.gov or by calling 202–578–5441.

FOR FURTHER INFORMATION CONTACT:

When submitting comments or requesting information, please include the document identifier 4040–0005–60D and project title for reference, to Sagal Musa, email: sagal.musa@hhs.gov or call 202–578–5441, the Reports Clearance Officer.

SUPPLEMENTARY INFORMATION: Interested persons are invited to send comments

regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency’s functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Title of the Collection: Application for Federal Domestic Assistance—Individual.

Type of Collection: Extension.
OMB No.: 4040–0005.

Abstract: The Application for Federal Assistance—Individual form provides the Federal grant-making agencies an

alternative to the Standard Form 424 data set and form. Agencies may use Application for Federal Assistance—Individual form for grant programs not required to collect all the data that is

required on the SF-424 core data set and form.

Type of Respondent: The Application for Federal Assistance—Individual form is used by organizations to apply for Federal financial assistance in the form

of grants. This form is submitted to the Federal grant-making agencies for evaluation and review. This IC expires on February 26, 2026. *Grants.gov* seeks a three-year clearance of these collections.

ANNUALIZED BURDEN HOUR TABLE

Forms (if necessary)	Respondents (if necessary)	Number of respondents	Number of responses per respondents	Average burden per response	Total burden hours
Application for Federal Assistance—Individual	Grant Applicants	5,403	1	1	5,403
Total .....	.....	5,403	1	1	5,403

Catherine Howard,

Paperwork Reduction Act Reports Clearance Officer, Department of Health and Human Services, Office of the Secretary.

[FR Doc. 2025-12796 Filed 7-9-25; 8:45 am]

BILLING CODE 4151-AE-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Document Identifier: OS-4040-0020]

Agency Information Collection Request. 60-Day Public Comment Request

AGENCY: Office of the Secretary, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995, the Office of the Secretary (OS), Department of Health and Human Services, is publishing the following summary of a proposed collection for public comment.

DATES: Comments on the ICR must be received on or before September 8, 2025.

ADDRESSES: Submit your comments to *sagal.musa@hhs.gov* or by calling 202-578-5441.

FOR FURTHER INFORMATION CONTACT:

When submitting comments or requesting information, please include the document identifier 4040-0020-60D and project title for reference, to Sagal Musa, email: *sagal.musa@hhs.gov* or call 202-578-544, the Reports Clearance Officer.

SUPPLEMENTARY INFORMATION: Interested persons are invited to send comments regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Title of the Collection: SF-424 Mandatory Form.

Type of Collection: Extension.

OMB No.: 4040-0020.

Abstract: The Standard 424 Mandatory form provides the Federal grant-making agencies an alternative to the Standard Form 424 data set and form. Agencies may use SF-424 Mandatory Form for grant programs not required to collect all the data that is required on the SF-424 core data set and form.

Type of Respondent: The SF-424 Mandatory form is used by organizations to apply for Federal financial assistance in the form of grants. This form is submitted to the Federal grant-making agencies for evaluation and review. This IC expires on February 26, 2026. *Grants.gov* seeks a three-year clearance of these collections.

ANNUALIZED BURDEN HOUR TABLE

Forms (if necessary)	Respondents (if necessary)	Number of respondents	Number of responses per respondents	Average burden per response	Total burden hours
SF424 Mandatory Form	Grant Applicants	5,761	1	1	5,761
Total .....	.....	5,761	1	1	5,761

Catherine Howard,

Paperwork Reduction Act Reports Clearance Officer, Department of Health and Human Services, Office of the Secretary.

[FR Doc. 2025-12797 Filed 7-9-25; 8:45 am]

BILLING CODE 4151-AE-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Document Identifier: OS-4040-0004]

Agency Information Collection Request. 60-Day Public Comment Request

AGENCY: Office of the Secretary, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork

Reduction Act of 1995, the Office of the Secretary (OS), Department of Health and Human Services, is publishing the following summary of a proposed collection for public comment.

DATES: Comments on the ICR must be received on or before September 8, 2025.

ADDRESSES: Submit your comments to *sagal.musa@hhs.gov* or by calling 202-578-5441.

FOR FURTHER INFORMATION CONTACT:

When submitting comments or requesting information, please include the document identifier 4040–0004–60D and project title for reference, to Sagal Musa, email: sagal.musa@hhs.gov or call 202–578–5441, the Reports Clearance Officer.

SUPPLEMENTARY INFORMATION: Interested persons are invited to send comments regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information

collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Title of the Collection: Application for Federal Assistance (SF–424).

Type of Collection: Extension.

OMB No.: 4040–0004.

Abstract: The Application for Federal Assistance (SF–424) form standardizes

the process for organizations seeking federal financial assistance, allowing consistent collection of information on eligibility, funding requests, and project objectives. This form supports federal agencies in efficiently evaluating grant applications, ensuring compliance, and allocating resources effectively. This form is submitted to the Federal grant-making agencies for evaluation and review. This IC expires on November 25, 2025. *Grants.gov* is seeking a three-year clearance of these collections.

ANNUALIZED BURDEN HOUR TABLE

Forms (if necessary)	Respondents (if necessary)	Number of respondents	Number of responses per respondents	Average burden per response	Total burden hours
Application for Federal Assistance (SF–424)	Grant Applicants	20,803	1	1	20,803
Total .....	.....	20,803	1	1	20,803

Catherine Howard,

Paperwork Reduction Act Reports Clearance Officer, Department of Health and Human Services, Office of the Secretary.

[FR Doc. 2025–12795 Filed 7–9–25; 8:45 am]

BILLING CODE 4151–AE–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Document Identifier: OS–4040–0001]

Agency Information Collection Request. 60-Day Public Comment Request

AGENCY: Office of the Secretary, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995, the Office of the Secretary (OS), Department of Health and Human Services, is publishing the following summary of a proposed collection for public comment.

DATES: Comments on the ICR must be received on or before September 8, 2025.

ADDRESSES: Submit your comments to sagal.musa@hhs.gov or by calling 202–578–5441.

FOR FURTHER INFORMATION CONTACT:

When submitting comments or requesting information, please include the document identifier 4040–0001–60D and project title for reference, to Sagal Musa, email: sagal.musa@hhs.gov or call 202–578–5441, the Reports Clearance Officer.

SUPPLEMENTARY INFORMATION: Interested persons are invited to send comments regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Title of the Collection: Application for Federal Assistance SF 424 R&R forms.

Type of Collection: Extension.

OMB No.: 4040–0001.

Abstract: The SF–424 R&R family of forms provides the Federal grant-making agencies an alternative to the Standard Form 424 data set and form. Agencies may use the SF–424 R&R forms for grant programs not required to collect all the data that is required on the SF–424 core data set and form. This 4040–0001 collection encompasses 18 forms.

Type of Respondent: The SF–424 R&R family of forms are used by organizations to apply for Federal financial assistance in the form of grants. These forms are submitted to the Federal grant-making agencies for evaluation and review. This IC expires on November 30, 2025. *Grants.gov* seeks a three-year clearance of these collections.

ANNUALIZED BURDEN HOUR TABLE

Forms (if necessary)	Respondents (if necessary)	Number of respondents	Number of responses per respondents	Average burden per response	Total burden hours
SF–424 R&R Multi-Project Cover	Grant Applicants	4,614	1	1	4,614
SF424 (R&R)	Grant Applicants	165,183	1	1	165,183
SBIR/STTR Information	Grant Applicants	17,183	1	1	17,183
RR FedNonFed Budget	Grant Applicants	3,456	1	1	3,456
Research and Related Senior/Key Person Profile (Expanded	Grant Applicants	160,337	1	1	160,337
Research And Related Other Project Information	Grant Applicants	150,662	1	1	150,662
Research & Related Budget	Grant Applicants	104,432	1	1	104,432
Research & Related Subaward Budget (Total Fed + Non-Fed)	Grant Applicants	827	1	1	827
Attachment(s) Form.					

ANNUALIZED BURDEN HOUR TABLE—Continued

Forms (if necessary)	Respondents (if necessary)	Number of respondents	Number of responses per respondents	Average burden per response	Total burden hours
Research & Related Subaward Budget (Total Fed + Non-Fed) 5 YR 30 ATT.	Grant Applicants	303	1	1	303
Research & Related Senior/Key Person Profile	Grant Applicants	265	1	1	265
Research & Related Personal Data	Grant Applicants	24,012	1	1	24,012
Research & Related Multi-Project 10 Year Budget	Grant Applicants	4,606	1	1	4,606
Research & Related Budget 10YR	Grant Applicants	20,652	1	1	20,652
R&R Subaward Budget Attachment(s) Form 5 YR 30 ATT	Grant Applicants	37,048	1	1	37,048
R&R Subaward Budget Attachment(s) Form 10 YR 30 ATT ...	Grant Applicants	2,707	1	1	2,707
R&R Subaward Budget Attachment(s) Form	Grant Applicants	3,138	1	1	3,138
R&R R Multi-Project Subaward Budget Attachment(s) Form 10 YR 30 ATT.	Grant Applicants	4,606	1	1	4,606
Total .....	.....	704,377	1	1	704,377

Catherine Howard,

*Paperwork Reduction Act Reports Clearance
Officer, Department of Health and Human
Services, Office of the Secretary.*

[FR Doc. 2025–12799 Filed 7–9–25; 8:45 am]

BILLING CODE 4151–AE–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Office of the Director, Notice of Charter Renewal

In accordance with Title 41 of the U.S. Code of Federal Regulations, Section 102–3.65(a), notice is hereby given that the charter for the Advisory Committee to the Director, National Institutes of Health, was renewed for an additional two-year period on May 31, 2027.

It is determined that the Advisory Committee to the Director, National Institutes of Health, is in the public interest in connection with the performance of duties imposed on the National Institutes of Health by law, and that these duties can best be performed through the advice and counsel of this group.

Inquiries may be directed to Patricia Brandt Hansberger, Acting Director, Office of Federal Advisory Committee Policy, Office of the Director, National Institutes of Health, 6701 Democracy Boulevard, Suite 1000, Bethesda, Maryland 20892 (Mail code 4875), Telephone (301) 594–2492, or Patricia.Hansberger@nih.gov.

Dated: July 8, 2025.

David W. Freeman,

*Supervisory Program Analyst, Office of
Federal Advisory Committee Policy.*

[FR Doc. 2025–12898 Filed 7–9–25; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Proposed Collection; 60-Day Comment Request; Promoting Objectivity in Research 42 CFR Part 50 Subpart F and Responsible Prospective Contractors 45 CFR Part 94 (NIH/OD)

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995 to provide opportunity for public comment on proposed data collection projects, the National Institutes of Health, Office of Policy and Extramural Research Administration (OPERA), Office of Extramural Research (OER) will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval.

DATES: Comments regarding this information collection are best assured of having their full effect if received within 60 days of the date of this publication.

FOR FURTHER INFORMATION CONTACT: To obtain a copy of the data collection plans and instruments, submit comments in writing, or request more information on the proposed project, contact: Brian E. Sass-Hurst, Acting Director, Division of Grants Compliance and Oversight, Office of Policy for Extramural Research Administration, National Institutes of Health, 6705 Rockledge Drive, Suite 800, or call non-toll-free number (301) 827–7581 or Email your request, including your address to Brian.Sass-Hurst@nih.gov. Formal requests for additional plans and

instruments must be requested in writing.

SUPPLEMENTARY INFORMATION: Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires: written comments and/or suggestions from the public and affected agencies are invited to address one or more of the following points: (1) Whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (2) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and (4) Ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Proposed Collection Title: Promoting Objectivity in Research 42 CFR part 50 Subpart F and Responsible Prospective Contractors 45 CFR part 94, 0925–0417, expiration date 06/30/2025, EXTENSION, Office of Policy and Extramural Research Administration (OPERA), Office of Extramural Research (OER), Office of the Director (OD), National Institutes of Health (NIH).

Need and Use of Information Collection: This request is for an Extension of a currently approved collection resulting from regulations regarding Promoting Objectivity in Research (42 CFR part 50, subpart F) and Responsible Prospective Contractors (45 CFR part 94). The purpose of these regulations is to promote objectivity in research by requiring institutions to establish standards to ensure that there is no

reasonable expectation that the design, conduct, or reporting of Public Health Service (PHS) funded research will be

biased by any Investigator financial conflict of interest (FCOI).
OMB approval is requested for 3 years. There are no costs to respondents

other than their time. The total estimated annualized burden hours are 680,473.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents based on applicable section of regulation	Number of respondents	Number of responses per respondent	Average burden per response (in hrs.)	Total annual burden hours
Reporting				
Initial Reports under 42 CFR 50.605(b)(1) and (b)(3) or 45 CFR 94.5(b)(1) and (b)(3) from awardee Institutions.	1,128	1	2	2,256
Subsequent Reports under 42 CFR 50.605(a)(3)(iii) and (b)(2) or 45 CFR 94.5(a)(3)(iii) and (b)(2) from awardee Institutions.	50 FCOI reports as in 42 CFR 50.605(a)(3)(ii) and 45 CFR 94.5(a)(3)(ii). 5 mitigation reports	1	2	100 10
Annual Report under 42 CFR 50.605(b)(4) or 45 CFR 94.5(b)(4) from awardee Institutions.	2,712	1	2 1	2,712
Subsequent Reports under 42 CFR 50.606(a) or 45 CFR 94.6 from awardee Institutions.	20	1	10	200
Record Keeping				
Under 42 CFR 50.604(i) or 45 CFR 94.4(i) from awardee institutions.	2,000	1	4	8,000
Disclosure				
Under 42 CFR 50.604(a) or 45 CFR 94.4 for Investigators.	3,000	1	81	243,000
Under 42 CFR 50.604(b) or 45 CFR 94.4(e)(1) for Investigators.	38,000	1	30/60	19,000
Under 42 CFR 50.604(b) or 45 CFR 94.4(e)(1) for Institutions.	2,000	1	6	12,000
Under 42 CFR 50.604(c)(1) or 45 CFR 94.4(c)(1) from subrecipients.	500	1	1	500
Under 42 CFR 50.604(d) or 45 CFR 94.4 for Institutions.	¹ 3,000	1	1	3,000
Under 42 CFR 50.604(e)(1) or 45 CFR 94.4(e)(1) for Investigators.	38,000	1	4	152,000
Under 42 CFR 50.604(e)(2) or 45 CFR 94.4(e)(2) for Investigators.	38,000	1	1	38,000
Under 42 CFR 50.604(e)(3) or 45 CFR 94.4(e)(3) for Investigators.	1,128	1	30/60	564
Under 42 CFR 50.604(f) or 45 CFR 94.4(f) for institutions.	2,000	1	1	2,000
Under 42 CFR 50.605(a)(1) or 45 CFR 94.5(a)(1) for Institutions.	² 2,000	1	82	164,000
Under 42 CFR 50.605(a)(3) or 45 CFR 94.5(a)(3) for Institutions.	³ 500	1	3	1,500
Under 42 CFR 50.605(a)(3)(i) or 45 CFR 94.5(a)(3)(i)	⁴ 50	1	80	4,000
Under 42 CFR 50.605(a)(3)(ii) or 45 CFR 94.5(a)(3)(ii).	⁵ 50	1	80	4,000
Under 42 CFR 50.605(a)(3)(iii) or 45 CFR 94.5(a)(3)(iii).	50	1	1	50
Under 42 CFR 50.605(a)(4) or 45 CFR 94.5(a)(4)	1,128	1	12	13,536
Public Website Posting under 42 CFR 50.605(a)(5) or 45 CFR 94.5(a)(5) from awardee Institutions.	2,000	1	5	10,000
Under 42 CFR 50.606(c) or 45 CFR 94.6(c)	⁶ 50	⁷ 63	18/60	45
Total	137,371	137,371	.....	680,473

¹ Assuming that 3000 institutions solicit disclosures on an annual basis to all Investigators.

² Although an estimated 1,128 reports of Financial Conflict of Interest are expected annually, the 2,000 responding Institutions must review all financial disclosures associated with PHS-funded awards to determine whether any financial conflicts of interest exist. Thus, the review burden of 76,000 hours is based upon estimates that it will take on the average 2 hours for an institutional official(s) to

review each of 38,000 financial disclosures associated with PHS funded awards. The burden for developing a management plan for identified FCOI is estimated at 80 hours × 1,128 cases = 90,240 hours.

³ Assuming that this is a rare occurrence based on prior experience.

⁴ Assuming only a fraction of the newly identified SFIs will constitute FCOI.

⁵ Assuming only a fraction of the newly identified SFIs will constitute FCOI.

⁶ Number based on 50.605/94.5(a)(3)(i)—of those only a fraction will relate to a project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment, but we are calculating the maximum estimated burden.

⁷ Assuming an average of 3 publications annually.

Dated: July 3, 2025.

Jon Lorsch,

Acting NIH Deputy Director for Extramural Research, National Institutes of Health.

[FR Doc. 2025-12897 Filed 7-9-25; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Proposed Collection; 60-day Comment Request; Generic Clearance for Conferences, Meetings, Workshops, Poster Sessions and Registrations (Office of the Director)

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995 to provide opportunity for public comment on proposed data collection projects, the National Institutes of Health Office of the Director (OD) will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval.

DATES: Comments regarding this information collection are best assured of having their full effect if received within 60 days of the date of this publication.

FOR FURTHER INFORMATION CONTACT: To obtain a copy of the data collection plans and instruments, submit comments in writing, or request more information on the proposed project, contact: Ms. Mikia P. Currie, Chief, Project Clearance Branch (PCB), Office

of Policy for Extramural Research Administration, 6705 Rockledge Drive, Suite 803-B, Bethesda, Maryland 20892 or call non-toll-free number (301) 435-0941 or Email your request, including your address to: curriem@mail.nih.gov. Formal requests for additional plans and instruments must be requested in writing.

SUPPLEMENTARY INFORMATION: Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires: written comments and/or suggestions from the public and affected agencies are invited to address one or more of the following points: (1) Whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (2) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and (4) Ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Proposed Collection Title: Generic Clearance for Conferences, Meetings, Workshops, Poster Sessions and Registrations, exp., date 09/30/2025 Extension, Office of the Director (OD), National Institutes of Health (NIH).

Need and Use of Information Collection: The information collection encompassed by this generic clearance continues to allow NIH to select the most appropriate participants for non-

grantee activities sponsored, organized, and run by NIH staff, according to the type and purpose of the activity. For example, NIH may develop an application process or information collection to select a limited number of researchers to participate in a poster session, identify speakers and panelists with desired expertise on a specific topic to be covered at a meeting, or determine which researchers would mostly likely benefit from a training course or other opportunity. For NIH to plan and conduct activities that are timely for participants in their field of research, it is often necessary for such information to be collected within a relatively short turnaround time. In general, submitted abstracts or other application materials will be reviewed by an internal NIH committee responsible for planning the activities. This committee will be responsible for selecting and notifying participants. The information collected for these activities generally include title, author(s), and institution/organization, poster size and character limitations along with other requirements. This information is necessary to identify attendees eligible, present research, speak on panels, and discuss innovative approaches to science and technology for poster presentations among their peers. The registration form collects information from interested parties to register them and obtain the necessary qualifications for conferences, meetings, workshops, poster sessions, presentations and panels.

OMB approval is requested for 3 years. There are no costs to respondents other than their time. The total estimated annualized burden hours are 8,075.

ESTIMATED ANNUALIZED BURDEN TABLE

Type of activity/form	Number of respondents	Number of responses per respondent	Average burden (in hours) per response	Total burden hours
Conferences	2,000	1	1	2,000
Meetings	2,000	1	45/60	1,500
Workshops	2,000	1	30/60	1,000
Poster Session	1,000	1	1	1,000
Panels	1,000	1	30/60	500
Presentations	1,000	1	1	1,000
Common Registration Form	1,500	1	3/60	75
Common Abstract Form	1,000	1	1	1,000
Total .....	.....	11,500	.....	8,075

Dated: July 3, 2025.

Jon Lorsch,

Acting NIH Deputy Director for Extramural Research, National Institutes of Health.

[FR Doc. 2025-12891 Filed 7-9-25; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: National Center for Advancing Translational Sciences.

Date: August 7, 2025.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Shakeel Ahmad, Ph.D., Scientific Review Officer, Research Technology and Contract Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W102, Rockville, MD 20850, 240-276-6442, ahmads@mail.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Member Conflict: Topics in Fungal, Parasitic, and Bacterial Disease.

Date: August 7, 2025.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge I, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Robert C. Unfer, Ph.D., Scientific Review Officer, Scientific Review Program, Division of Extramural Activities, Room 3F40A, National Institutes of Health, NIAID, 5601 Fishers Lane, MSC 9834, Bethesda, MD 20892-9834, (240) 669-5035, robert.unfer@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Project: Alzheimer's Disease and Aging.

Date: August 12-13, 2025.

Time: 9:30 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Rekha Dhanwani, Ph.D., Scientific Review Officer, Scientific Review Program, DEA/NIAID/NIH/DHHS, 5601 Fishers Lane, MSC-9823, Rockville, MD 20892, (240) 627-3076, rekha.dhanwani@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Member Conflict: Topics in the Effects of HIV Infection and/or ART on End Organ Diseases.

Date: August 12, 2025.

Time: 1:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Ann-Marie Michelle Roy, Ph.D., SSRO, Microbiology Research Review Branch B, Program Management & Operations Branch, DEA/SRP RM 3E71, National Institutes of Health, NIAID, 5601 Fishers Lane, Rockville, MD 20852, (301) 761-3100, ann-marie.brighenti@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Neuroimmunology and Glia in Brain Physiology and Diseases.

Date: August 13, 2025.

Time: 9:00 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Maurizio Grimaldi, CL PHARM, Ph.D., MD, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20817, (301) 594-2636, maurizio.grimaldi@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Chronic Inflammation and Neuroimmunology of Viral Infection.

Date: August 14, 2025.

Time: 9:00 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Iqbal Sayeed, Ph.D., Scientific Review Officer, Scientific Review Branch, Division of Extramural Activities, NINDS/NIH NSC, 6001 Executive Blvd., Suite 3208, MSC 9529, Bethesda, MD 20892, (301) 496-9223, iqbal.sayeed@nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333,

93.337, 93.393-93.396, 93.837-93.844, 93.846-93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: July 7, 2025.

Sterlyn H Gibson,

Program Specialist, Office of Federal Advisory Committee Policy.

[FR Doc. 2025-12790 Filed 7-9-25; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Submission for OMB Review; 30-Day Comment Request NIH Electronic Application System for NIH Certificates of Confidentiality (CoC)

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995 to provide opportunity for public comment on proposed data collection projects, the Office of Extramural Research (OER), in the Office of the Director (OD), the National Institutes of Health (NIH) will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval.

DATES: Comments regarding this information collection are best assured of having their full effect if received within 30-days of the date of this publication.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the data collection plans and instruments, contact: Dr. Pamela Reed Kearney, Director, Division of Human Subjects Research, OER, NIH, 6705 Rockledge Dr., Building Rockledge 1, Room 812-C, Bethesda, MD 20817, or call non-toll-free number (301) 402-2512 or email your request, including your address to: NIH-CoC-Coordinator@mail.nih.gov.

SUPPLEMENTARY INFORMATION: This proposed information collection was previously published in the **Federal**

Register on April 16, 2025, page 15989 (90 FR 15988) and allowed 60 days for public comment. No public comments were received. The purpose of this notice is to allow an additional 30 days for public comment. The Office of Extramural Research (OER), National Institutes of Health, may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

In compliance with Section 3507(a)(1)(D) of the Paperwork Reduction Act of 1995, the National Institutes of Health (NIH) has submitted to the Office of Management and Budget (OMB) a request for review and approval of the information collection listed below.

Proposed Collection: Electronic Application for NIH Certificates of Confidentiality (CoC E-application System), 0925-0689, REINSTATEMENT WITHOUT CHANGE, exp., date 04/30/2025. Office of Extramural Research

(OER), National Institutes of Health (NIH).

Need and Use of Information Collection: The purpose of this electronic system is to submit and process of requests for NIH to issue a discretionary Certificates of Confidentiality (CoC) to all research organizations that request a CoC from NIH. As described in the authorizing legislation (Section 301(d) of the Public Health Service Act, 42 U.S.C. 241(d)), CoCs are issued by the agencies of Department of Health and Human Services (DHHS), including NIH, to authorize researchers to protect the privacy of human research subjects by prohibiting them from releasing names and identifying characteristics of research participants to anyone not connected with the research, except in limited circumstances specified in the statute. At NIH, the issuance of CoCs has been delegated to the NIH Office of Extramural Research (OER) in the NIH Office of the Director. The NIH has been using an online CoC system to review requests and issue CoCs since 2015. The

current CoC request form includes 27 questions to collect information from research organizations and six Institutional Assurance statements to be affirmed by the Institutional Official. The information provided is used to determine eligibility for a CoC and to issue the CoC to the requesting organization. Eligible requesting organizations that provide legally binding affirmations that they will abide by the terms of the CoC are issued a Certificate of Confidentiality. This system has increased efficiency and reduced burden for both requesters and NIH staff who currently process these requests. NIH received 865 requests for CoCs from January 2024 through December 2024 and expects to receive approximately the same number of requests in subsequent years.

OMB approval is requested for three years. There are no costs to respondents other than their time. The total estimated annualized burden hours are 1,298.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Number of respondents	Number of responses per respondent	Average time per response (in hours)	Total annual burden hour
Individuals	865	1	90/60	1,298
Total .....	.....	865	.....	1,298

Dated: July 3, 2025.

Matthew Memoli,
Principal Deputy Director, National Institutes of Health.

[FR Doc. 2025-12890 Filed 7-9-25; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant

applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA Panel: Catalyze: Enabling Technologies and Product Definition.

Date: August 12, 2025.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Raul Covian, Ph.D., Scientific Review Officer, Blood and Vascular Branch, Office of Scientific Review, National Heart, Lung and Blood Institute, 6705 Rockledge Drive, Room 208 T, Bethesda, MD 20892, (301) 435-0000, raul.covian@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Member Conflict: Epidemiology and Population Health.

Date: August 12, 2025.

Time: 10:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Magnus A. Azuine, Ph.D., Scientific Review Officer, Scientific Review Branch, Eunice Kennedy Shriver National Institute of Child Health & Human Development, NIH, 6710B Rockledge Drive, Room 2125C, Bethesda, MD 20817, (301) 480-4645, magnus.azuine@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA-AI-24-068: New Therapeutic Strategies for Genital Herpes (R21/R33 Clinical Trial Not Allowed).

Date: August 12, 2025.

Time: 12:00 p.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Marci Scidmore, Ph.D., Scientific Review Officer, Scientific Review Program, Natl. Institute of Allergy & Infectious Diseases, National Institutes of Health, 5601 Fishers Lane, Room 3G76, Bethesda, MD 20892, (240) 627-3255, marci.scidmore@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel:

The Cellular and Molecular Biology of Complex Brain Disorders.
Date: August 13–14, 2025.
Time: 9:30 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Adem Can, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4190, MSC 7850, Bethesda, MD 20892, (301) 435–1042, cana2@csr.nih.gov.
Name of Committee: Center for Scientific Review Special Emphasis Panel; Development of Medical Countermeasures for Biodefense and Emerging Infectious Diseases, Research Area 001—Topic A: Therapeutics for AMR Bacterial or Fungal Pathogens.
Date: August 13–14, 2025.
Time: 10:00 a.m. to 1:00 p.m.
Agenda: To review and evaluate contract proposals.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Yong Gao, Ph.D., Scientific Review Officer, Scientific Review Program, Division of Extramural Activities, Room #3G13B, National Institutes of Health/NIAID, 5601 Fishers Lane, MSC 9834, Rockville, MD 20892–9834, (240) 669–5048, yong.gao@nih.gov.
Name of Committee: Center for Scientific Review Special Emphasis Panel; Research Education Program.
Date: August 14, 2025.
Time: 9:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Tori Stone, Ph.D., Scientific Review Officer, National Institutes of Health, National Institute of Diabetes and Digestive and K, Bethesda, MD 20892, (301) 827–0994, tori.stone@nih.gov.
Name of Committee: Center for Scientific Review Special Emphasis Panel; Specialized Centers of Research Excellence (SCORE) on Sex Differences.
Date: August 14–15, 2025.
Time: 10:00 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Nijaguna Prasad, Ph.D., Scientific Review Officer, Scientific Review Branch, National Institute on Aging, 5601 Fishers Lane, Suite 8B, Rockville, MD 20892, (301) 496–9667, prasadnb@nia.nih.gov.
Name of Committee: Center for Scientific Review Special Emphasis Panel; Development of Medical Countermeasures for Biodefense and Emerging Infectious Diseases, Research Area 001—Topic C: In Vitro Diagnostics for AMR Fungal Pathogens.
Date: August 15, 2025.
Time: 10:00 a.m. to 7:00 p.m.
Agenda: To review and evaluate contract proposals.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Yong Gao, Ph.D., Scientific Review Officer, Scientific Review Program, Division of Extramural Activities, Room #3G13B, National Institutes of Health/NIAID, 5601 Fishers Lane, MSC 9834, Rockville, MD 20892–9834, (240) 669–5048, yong.gao@nih.gov.
(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)
Dated: July 7, 2025.
Sterlyn H. Gibson,
Program Specialist, Office of Federal Advisory Committee Policy.
[FR Doc. 2025–12791 Filed 7–9–25; 8:45 am]
BILLING CODE 4140–01–P

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection
Accreditation and Approval of AmSpec LLC (Everett, MA) as a Commercial Gauger and Laboratory
AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.
ACTION: Notice of accreditation and approval of AmSpec LLC (Everett, MA), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec LLC (Everett, MA), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of August 29, 2024.
DATES: AmSpec LLC (Everett, MA) was approved and accredited as a commercial gauger and laboratory as of August 29, 2024. The next triennial inspection date will be scheduled for August 2027.
FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501A North, Washington, DC 20004, tel. 202–344–1060.
SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec LLC, 30 Commercial Street, Everett, MA 02149, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.
AmSpec LLC (Everett, MA) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec LLC (Everett, MA) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–04	D95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–14	D2622	Standard Test Method for Sulfur in Petroleum Products by Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27–20	D4057	Standard Practice for Manual Sampling of Petroleum and Petroleum Products.
27–21	D4177	Standard Practice for the Automatic Sampling of Petroleum and Petroleum Products.
27–48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27–50	D93	Standard Test Methods for Flash Point by Pensky-Martens Closed Cup Tester.

CBPL No.	ASTM	Title
27-53	D2709	Standard Test Method for Water and Sediment in Middle Distillate Fuels by Centrifuge.
27-54	D1796	Standard Test Method for Water and Sediment in Fuel Oils by the Centrifuge Method (Laboratory Procedure).
27-58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).
N/A	D3606	Standard Test Method for Determination of Benzene and Toluene in Spark Ignition Fuels by Gas Chromatography.
N/A	D5599	Standard Test Method for Determination of Oxygenates in Gasoline by Gas Chromatography and Oxygen Selective Flame Ionization Detection.
N/A	D5769	Standard Test Method for Determination of Benzene, Toluene, and Total Aromatics in Finished Gasolines by Gas Chromatography/Mass Spectrometry.

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344-1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Lina M. Acosta,

(A) Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2025-12862 Filed 7-9-25; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of September 4, 2024.

DATES: Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX) was approved and accredited as a commercial gauger and laboratory as of September 4, 2024. The next triennial inspection date will be scheduled for September 2027.

FOR FURTHER INFORMATION CONTACT: Mrs. Allison Blair, Laboratories and Scientific Services, U.S. Customs and Border Protection, 4150 Interwood

South Parkway, Houston, TX 77032, tel. 281-560-2900.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that Bureau Veritas Commodities and Trade, Inc., 4717 Santa Elena, Corpus Christi, Texas 78405, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
12	Calculations.
17	Marine Measurement.

Bureau Veritas Commodities and Trade, Inc. (Corpus Christi, TX) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27-03	D 4006	Standard Test Method for Water in Crude Oil by Distillation.
27-04	D 95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27-05	D 4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27-06	D 473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27-08	D 86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27-11	D 445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27-13	D 4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27-14	D 2622	Standard Test Method for Sulfur in Petroleum Products by Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27-46	D 5002	Standard Test Method for Density, Relative Density, and API Gravity of Crude Oils by Digital Density Analyzer.
27-48	D 4052	Standard Test Method for Density and Relative Density of Liquids by Digital Density Meter.
27-58	D 5191	Standard Test Method For Vapor Pressure of Petroleum Products (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560–2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Lina Acosta,
Acting Laboratory Director, Houston, Laboratories and Scientific Services.
[FR Doc. 2025–12857 Filed 7–9–25; 8:45 am]
BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of January 11, 2024.

DATES: Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA) was approved and accredited as a commercial gauger and laboratory as of January 11, 2024. The next triennial inspection date will be scheduled for January 2027.

FOR FURTHER INFORMATION CONTACT: Mrs. Allison Blair, Laboratories and Scientific Services, U.S. Customs and Border Protection, 4150 Interwood

South Parkway, Houston, TX 77032, tel. 281–560–2900.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that Bureau Veritas Commodities and Trade, Inc., 2119 SE Columbia Way, Vancouver, Washington 98661, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
12	Calculations.
17	Marine Measurement.

Bureau Veritas Commodities and Trade, Inc. (Vancouver, WA) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–01	D 287	Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method).
27–02	D 1298	Standard Test Method for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method.
27–03	D 4006	Standard Test Method for Water in Crude Oil by Distillation.
27–04	D 95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27–05	D 4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27–06	D 473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27–07	D 4807	Standard Test Method for Sediment in Crude Oil by Membrane Filtration.
27–08	D 86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D 445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–13	D 4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27–20	D 4057	Standard Practice for Manual Sampling of Petroleum and Petroleum Products.
27–48	D 4052	Standard Test Method for Density and Relative Density of Liquids by Digital Density Meter.
27–50	D 93	Standard Test Methods for Flash-Point by Pensky-Martens Closed Cup Tester.
27–53	D 2709	Standard Test Method for Water and Sediment in Middle Distillate Fuels by Centrifuge.
27–57	D 7039	Standard Test Method for Sulfur in Gasoline and Diesel Fuel by Monochromatic Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27–58	D 5191	Standard Test Method For Vapor Pressure of Petroleum Products (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560–2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

scientific/commercial-gaugers-and-laboratories.

Lina Acosta,

Acting Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2025–12865 Filed 7–9–25; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of AmSpec LLC (Rensselaer, NY) as a Commercial Gauger

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of approval of AmSpec LLC (Rensselaer, NY), as a commercial gauger.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec LLC (Rensselaer, NY), has been approved to gauge petroleum and certain petroleum products for customs purposes for the next three years as of September 11, 2024.

DATES: AmSpec LLC (Rensselaer, NY) was approved as a commercial gauger as of September 11, 2024. The next triennial inspection date will be scheduled for September 2027.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.13, that AmSpec LLC, 337 Columbia St., Rensselaer, NY 12144, has been approved to gauge petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.13.

AmSpec LLC (Rensselaer, NY) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

Anyone wishing to employ this entity to conduct gauger services should request and receive written assurances from the entity that it is approved by the U.S. Customs and Border Protection to conduct the specific gauger service requested. Alternatively, inquiries regarding the specific gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Lina M. Acosta,

(A) Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2025–12864 Filed 7–9–25; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of AmSpec LLC (Corpus Christi, TX) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of AmSpec LLC (Corpus Christi, TX), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec LLC (Corpus Christi, TX), has

been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of July 23, 2024.

DATES: AmSpec LLC (Corpus Christi, TX) was approved and accredited as a commercial gauger and laboratory as of July 23, 2024. The next triennial inspection date will be scheduled for July 2027.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec LLC, 301 N. Omaha Dr., Corpus Christi, TX 78408, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

AmSpec LLC (Corpus Christi, TX) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec LLC (Corpus Christi, TX) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–02	D1298	Standard Test Method for Density, Relative Density, or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method.
27–03	D4006	Standard Test Method for Water in Crude Oil by Distillation.
27–04	D95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27–05	D4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27–06	D473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–13	D4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.

CBPL No.	ASTM	Title
27-14	D2622	Standard Test Method for Sulfur in Petroleum Products by Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27-46	D5002	Standard Test Method for Density, Relative Density, and API Gravity of Crude Oils by Digital Density Analyzer.
27-48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27-58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).
N/A	D4007	Standard Test Method for Water and Sediment in Crude Oil by the Centrifuge Method (Laboratory Procedure).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344-1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Lina M. Acosta,
(A) Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2025-12859 Filed 7-9-25; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection
Accreditation and Approval of AmSpec LLC (Avenel, NJ) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.
ACTION: Notice of accreditation and approval of AmSpec LLC (Avenel, NJ), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec LLC (Avenel, NJ), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of August 22, 2024.

DATES: AmSpec LLC (Avenel, NJ) was approved and accredited as a commercial gauger and laboratory as of August 22, 2024. The next triennial inspection date will be scheduled for August 2027.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501A North, Washington, DC 20004, tel. 202-344-1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec LLC, 36 Mileed Way, Avenel, NJ 07001, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

AmSpec LLC (Avenel, NJ) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec LLC (Avenel, NJ) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27-01	D287	Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method).
27-02	D1298	Standard Test Method for Density, Relative Density, or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method.
27-03	D4006	Standard Test Method for Water in Crude Oil by Distillation.
27-04	D95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27-05	D4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27-06	D473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27-08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27-13	D4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27-14	D2622	Standard Test Method for Sulfur in Petroleum Products by Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27-48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27-50	D93	Standard Test Methods for Flash Point by Pensky-Martens Closed Cup Tester.
27-53	D2709	Standard Test Method for Water and Sediment in Middle Distillate Fuels by Centrifuge.
27-54	D1796	Standard Test Method for Water and Sediment in Fuel Oils by the Centrifuge Method (Laboratory Procedure).
27-58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and

gauger services should request and receive written assurances from the

entity that it is accredited or approved by the U.S. Customs and Border

Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Lina M. Acosta,

(A) Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2025–12861 Filed 7–9–25; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation of Markan Laboratories (Riverside, NJ) as a Commercial Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation of Markan Laboratories (Riverside, NJ), as a commercial laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that Markan Laboratories (Riverside, NJ), has been accredited to test certain sugar products for customs purposes for the next three years as of June 27, 2024.

DATES: Markan Laboratories (Riverside, NJ) was accredited as a commercial laboratory as of June 27, 2024. The next

triennial inspection date will be scheduled for June 2027.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12, that Markan Laboratories, 257–259 St. Mihiel Drive, Riverside, NJ 08075, has been accredited to test certain sugar products for customs purposes, in accordance with the provisions of 19 CFR 151.12.

Markan Laboratories (Riverside, NJ) is accredited for the following laboratory analysis procedures and methods for sugar products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and International Commission for Uniform Methods of Sugar Analysis (ICUMSA):

CBPL No.	ICUMSA		Title
	New method No.	Old method No.	
17–01	GS1–1 (2022)	GS1/2/3/9–1	Polarimetric Sucrose Content of Raw Sugar by VIS-Polarimetry.
17–02	GS2–1 (2022)	GS2/3–1	Polarimetric Sucrose Content of White Sugar by VIS-Polarimetry.
17–07	GS2–15 (2007)	GS2/1/3/9–15	The Determination of Sugar Moisture by Loss on Drying.
17–11	GS4–13 (2009)	GS4/3/8–13	The Determination of Refractometric Dry Substance (RDS %) of Molasses.
17–20	GS1–2 (2022)	GS1/2/3–2	Polarimetric Sucrose Content of Raw Sugar by NIR-Polarimetry.

Anyone wishing to employ this entity to conduct laboratory analyses should request and receive written assurances from the entity that it is accredited by the U.S. Customs and Border Protection to conduct the specific test requested. Alternatively, inquiries regarding the specific test this entity is accredited to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Patricia A. Coleman,

Acting Assistant Commissioner, Laboratories and Scientific Services.

[FR Doc. 2025–12863 Filed 7–9–25; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2025–0080]

State of Michigan Radiological Emergency Preparedness Plan

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice of receipt of plan; notice of availability.

SUMMARY: The Federal Emergency Management Agency (FEMA) is announcing the receipt of an application from the State of Michigan for the review and approval of the State's radiological emergency plan. For continued operation of nuclear power plants, the Nuclear Regulatory Commission requires approved licensee and State and local governments' radiological emergency response plans. Since FEMA has a responsibility for reviewing the State and local government off-site radiological emergency response plans, the State of Michigan has submitted its radiological

emergency response plan to the FEMA Region 5 office. The State's application also included the radiological emergency response plans for Allegan, Berrien and Van Buren counties. These plans support Holtec International's Palisades Nuclear Generating Station located in Van Buren County, Michigan.

DATES: This application was received on May 30, 2025.

ADDRESSES: The State's application is available for review at the FEMA Region 5 office located at 536 S Clark Street, 6th Floor, Chicago, IL 60605. Contact Sean O'Leary at sean.oleary@fema.dhs.gov to arrange to review the application in the office. A Freedom of Information Act (FOIA) request can be submitted to fema-foia@fema.dhs.gov. In accordance with the Department of Homeland Security's FOIA regulations, component agencies shall charge for processing requests under FOIA in accordance with the provisions of 6 CFR 5.11.¹

¹ 44 CFR 350.8 currently references 44 CFR 5.26. Section 5.26 was part of FEMA's FOIA regulations and was removed when the Department of Homeland Security (DHS) updated its own FOIA regulations, 6 CFR part 5, which also apply to FEMA. See 81 FR 83625 (Nov. 22, 2016).

FOR FURTHER INFORMATION CONTACT: Michael Chesney, Acting Regional Administrator, FEMA Region 5, 536 S Clark Street, 6th Floor, Chicago, IL 60605. Phone: 312-408-5501; email: FEMA-publiccomment-Palisades@fema.dhs.gov.

SUPPLEMENTARY INFORMATION: In support of the Federal requirement for radiological emergency response plans, FEMA’s regulations at 44 CFR part 350 describe the agency’s procedures for review and approval of State and local governments’ radiological emergency response plans. FEMA is publishing this notice pursuant to 44 CFR 350.8. The FEMA Region 5 office received the State’s application including the radiological emergency response plan for the State of Michigan on May 30, 2025.

The State’s application includes plans for local governments which are wholly or partially within the plume exposure pathway emergency planning zones of the nuclear plant. For the Palisades Nuclear Generating Station, plans are included for Allegan, Berrien, and Van Buren Counties.

FEMA’s regulations at 44 CFR 350.10 call for a public meeting prior to approval of the plans. Details of this meeting will be announced in advance. Local newspapers, radio, and television stations will provide notice to the public in advance of the meeting.

Authority: The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5121 *et seq.*; 6 U.S.C. 101 *et seq.*; and 44 CFR part 350.

Michael S. Chesney,
*Acting Regional Administrator, Region 5,
Federal Emergency Management Agency.*
[FR Doc. 2025-12892 Filed 7-9-25; 8:45 am]

BILLING CODE 9110-21-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS-R6-ES-2025-N004;
FXES11130600000-256-FF06E00000]

Endangered and Threatened Species;
Receipt of Recovery Permit
Applications

AGENCY: Fish and Wildlife Service,
Interior.

ACTION: Notice of receipt of permit applications; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service, have received applications for permits to conduct scientific research to promote conservation or other activities intended to enhance the propagation or survival of endangered or threatened species under the Endangered Species Act. We invite the public and local, State, Tribal, and Federal agencies to comment on these applications. Before issuing any of the requested permits, we will take into consideration any information that we receive during the public comment period.

DATES: We must receive written data or comments on or before August 11, 2025.

ADDRESSES: Use one of the following methods to request documents or submit comments. Requests and comments should specify the applicant’s name(s) and application number(s) (*e.g.*, Smith, PER0123456 or Jones, ES-056001):

- *Email:* permitsR6ES@fws.gov.
- *U.S. Mail:* Tom McDowell, Division Manager, Ecological Services, U.S. Fish and Wildlife Service, P.O. Box 25486 DFC, Denver, CO 80225.

FOR FURTHER INFORMATION CONTACT: Robert Krijgsman, Recovery Permits Coordinator, Ecological Services, 303-236-4347 (phone) or permitsR6ES@fws.gov (email). Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: We, the U.S. Fish and Wildlife Service, invite review and comment from the public and local, State, Tribal, and Federal agencies on applications we have received for permits to conduct certain activities with endangered and threatened species under section 10(a)(1)(A) of the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), and our regulations in the Code of Federal Regulations (CFR) at 50 CFR part 17. Documents and

other information submitted with the applications are available for review, subject to the requirements of the Privacy Act of 1974, as amended (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552).

Background

With some exceptions, the ESA prohibits take of listed species unless a Federal permit is issued that authorizes such take. The ESA’s definition of “take” includes such activities as pursuing, harassing, trapping, capturing, or collecting, in addition to hunting, shooting, harming, wounding, or killing.

ESA recovery permit issued by us under section 10(a)(1)(A) of the ESA authorizes the permittee to take endangered or threatened species while engaging in activities that are conducted for scientific purposes that promote recovery of species or for enhancement of propagation or survival of species. These activities often include the capture and collection of species, which would result in prohibited take if a permit were not issued. Our regulations implementing section 10(a)(1)(A) for these permits are found at 50 CFR 17.22 for endangered wildlife species, 50 CFR 17.32 for threatened wildlife species, 50 CFR 17.62 for endangered plant species, and 50 CFR 17.72 for threatened plant species.

Permit Applications Available for Review and Comment

The ESA requires that we invite public comment before issuing these permits. Accordingly, we invite local, State, Tribal, and Federal agencies and the public to submit written data, views, or arguments with respect to these applications. The comments and recommendations that will be most useful and likely to influence agency decisions are those supported by quantitative information or studies. Proposed activities in the following permit requests are for the recovery and enhancement of propagation or survival of the species in the wild.

Permit No.	Applicant	Species	Location	Activity	Permit action
PER13079463	Maya Pendleton, Brook- ings, UT.	• Northern long-eared bat (<i>Myotis septentrionalis</i>).	SD	Survey, mist-net, capture, handle, band, tag, and conduct radio telemetry for research.	New.

Permit No.	Applicant	Species	Location	Activity	Permit action
ES069300	Kirk Steffenson, Nebraska Game and Parks, Lincoln, NE.	• Pallid sturgeon (<i>Scaphirhynchus albus</i>).	NE, KS, SD, MO, IA	Capture, handle, identify, data collection, fin clips, injection of passive integrated transponder (PIT) tag, implanting telemetry tags, collect blood/egg and other biological samples, band, and release.	Renewal.
PER0013492	Mandy Guinn United Tribes Technical College, Bismark, ND.	• Northern long-eared bat (<i>Myotis septentrionalis</i>). • Indiana bat (<i>Myotis sodalis</i>) • Gray bat (<i>Myotis grisescens</i>) ..	KS, MT, NE, ND, SD, WY, PA, and NY.	Capture, handle, band, light tag, conduct radio telemetry, collect biological samples, and salvage.	Amendment.
ES66521B	Western Biology, LLC, Hotchkiss, CO.	• Southwestern willow flycatcher (<i>Empidonax traillii extimus</i>).	UT, CO	Survey and play taped vocalizations.	Renewal.
ES73239C	U.S. Army Corps of Engineers, Kansas City, MO.	• Pallid sturgeon (<i>Scaphirhynchus albus</i>).	MO, KS	Capture, handle, identify, data collection though tagging, including fin clips, injection of PIT tag, implanting telemetry tags, tracking and blood and other biological samples, and release.	Renewal.
ES183432	Kansas City Zoo & Aquarium, Kansas City, MO.	• Wyoming toad (<i>Anaxyrus baxteri</i>).	WY	Hold in captivity for captive breeding and rearing, collect genetic samples, survey and monitoring activities, exhibition, conservation research, land restoration actions.	Renewal.
PER14507358	Margaret Murray, Kansas City, KS.	• Northern long-eared bat (<i>Myotis septentrionalis</i>). • Gray bat (<i>Myotis grisescens</i>) .. • Indiana bat (<i>Myotis sodalis</i>) • Tricolored bat (<i>Perimyotis subflavus</i>—proposed as endangered). • Ozark big-eared bat (<i>Corynorhinus townsendii ingens</i>).	Throughout the range of each species within the continental United States.	Surveying, netting, data collection, radio-tag application, banding, harp trapping, tag attachment.	New.
ES56902B	Eric Best, Bureau of Reclamation, Denver, CO.	• Pallid sturgeon (<i>Scaphirhynchus albus</i>).	MT, ND	Harass by survey/monitor, PIT tagging.	Renewal.
ES41329C	Manzanita Botanical, Salt Lake City, UT.	• San Rafael cactus (<i>Pediocactus despainii</i>). • Wright fishhook cactus (<i>Sclerocactus wrightiae</i>).	UT	Remove and reduce to possession from lands under Federal jurisdiction.	Renewal.
PER16557243	Blank Park Zoo, Des Moines, IA.	• Wyoming Toad (<i>Anaxyrus baxteri</i>).	IA, WY	Captively propagate, receive, transfer, provide care for, and release into the wild.	New.
PER16805170	Victor Pineiro, Carrollton, TX.	• Northern long-eared bat (<i>Myotis septentrionalis</i>). • Gray bat (<i>Myotis grisescens</i>) .. • Indiana bat (<i>Myotis sodalis</i>) • Tricolored bat (<i>Perimyotis subflavus</i>—proposed as endangered).	MO, NE, SD	Capture, handle, collect biological samples, attach radio transmitters, band, mark, and release for conducting surveys and research.	New.
ES049109	Red Butte Botanic Garden and Arboretum, Salt Lake City, UT.	• Autumn Buttercup (<i>Ranunculus aestivalis</i> (= <i>acriiformis</i>)). • Barneby reed-mustard (<i>Schoenocrambe barnebyi</i>). • Barneby ridge-crest (<i>Lepidium barnebyanum</i>). • Clay phacelia (<i>Phacelia argillacea</i>). • Dwarf Bear-poppy (<i>Arctomecon humilis</i>). • Gierisch mallow (<i>Sphaeralcea gierischii</i>). • Holmgren milk-vetch (<i>Astragalus holmgreniorum</i>). • Kodachrome bladderpod (<i>Lesquerella tumulosa</i>). • San Rafael cactus (<i>Pediocactus despainii</i>). • Shivwits milk-vetch (<i>Astragalus ampullarioides</i>). • Shrubby reed-mustard (<i>Schoenocrambe suffrutescens</i>). • Wright fishhook cactus (<i>Sclerocactus wrightiae</i>).	UT	Remove and reduce to possession from lands under Federal jurisdiction.	Renewal.

Permit No.	Applicant	Species	Location	Activity	Permit action
PER17061751	Joseph Pettit, Minot, ND ...	• Northern long-eared bat (<i>Myotis septentrionalis</i>).	ND	Capture, handle, mark, tag, radio track, band, collect tissue, and release.	New.

Public Availability of Comments

Written comments we receive become part of the administrative record associated with this action. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public disclosure in their entirety.

Next Steps

If we decide to issue a permit to an applicant listed in this notice, we will publish a notice in the **Federal Register**.

Authority

We publish this notice under section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Drue DeBerry,
Deputy Assistant Regional Director,
Mountain-Prairie Region.
[FR Doc. 2025–12899 Filed 7–9–25; 8:45 am]
BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Geological Survey

[GX25GG009950000]

Notice of Public Meeting of Scientific Earthquake Studies Advisory Committee

AGENCY: U.S. Geological Survey, Interior.
ACTION: Notice of teleconference meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act of 1972, the U.S. Geological Survey (USGS) is hereby giving notice that the Scientific Earthquake Studies Advisory Committee (SESAC) will meet as noted below.

DATES: The teleconference meetings will be held on Wednesday, July 30, 2025, from 11 a.m. to 5 p.m. Eastern Daylight Time (EDT); and on Thursday, July 31, 2025, from 11 a.m. to 5 p.m. EDT.

ADDRESSES: The meetings will be held via teleconference. Individuals that wish to participate must contact the person listed in the **FOR FURTHER INFORMATION CONTACT** at least three (3) business days prior to the meeting.

FOR FURTHER INFORMATION CONTACT: Dr. Gavin Hayes, USGS, by email at ghayes@usgs.gov or by telephone at 303–374–4449.

Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The teleconference meeting will be open to the public. The SESAC will review the current activities of the USGS Earthquake Hazards Program (EHP) and discuss future priorities. Agenda topics will include an EHP update, administration priorities and interactions, budget opportunities, balance of activities supported by the EHP, external grants, the National Earthquake Hazards Reduction Program, the National Seismic Hazards Model, ShakeAlert, reports from SESAC subcommittees, and preparation for a report to the USGS Director.

Meeting Accessibility/Special Accommodations: Please make requests in advance for sign language interpreter services, assistive listening devices, or other reasonable accommodations. We ask that you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice at least seven (7) business days prior to the meeting to give the Department of the Interior sufficient time to process your request. All reasonable accommodation requests are managed on a case-by-case basis.

Members of the public wishing to participate in the teleconference meeting should contact Dr. Gavin Hayes by email at ghayes@usgs.gov at least three (3) business days prior to the meeting. Teleconference meeting call-in information and any updates to the

agenda will be provided via email to registered participants.

Time will be allowed at the public meeting for any individual or organization wishing to make formal oral comments. Depending on the number of people who wish to speak and the time available, the time for individual comments may be limited.

Written comments for the SESAC may be sent electronically in advance of the scheduled meeting to Dr. Gavin Hayes by email at ghayes@usgs.gov at least three (3) business days prior to the meeting. Any written comments received will be provided to the SESAC members.

Public Disclosure of Comments: Before including your address, phone number, email address, or other personally identifiable information (PII) in your comment, you should be aware that your entire comment—including your PII—may be made publicly available at any time. While you may ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so.

Detailed minutes of the meeting will be available for public inspection within 90 days of the meeting.

(Authority: 5 U.S.C. 10.)
Marie Peppler,
Acting Deputy Associate Director for Natural Hazards, U.S. Geological Survey Earthquake Hazards Program.
[FR Doc. 2025–12874 Filed 7–9–25; 8:45 am]
BILLING CODE 4338–11–P

DEPARTMENT OF THE INTERIOR

Geological Survey

[GX25GH00COM0000]

Public Meeting of the National Volcano Early Warning System Advisory Committee

AGENCY: U.S. Geological Survey, Interior.
ACTION: Notice of public meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act (FACA) of 1972, the U.S. Geological Survey (USGS) is publishing this notice to announce that a Federal Advisory Committee meeting of the National Volcano Early Warning System Advisory Committee (NVEWSAC) will meet as noted below.

DATES: The virtual meetings will be held on Tuesday, July 29, 2025, from 12:00 p.m. to 3:00 p.m. and on Wednesday, July 30, 2025, from 12:00 p.m. to 3:00 p.m. Eastern Daylight Time.

ADDRESSES: The meetings will be held virtually through Teams. Webinar/conference line instructions will be provided to registered attendees prior to the meeting. Please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to register for the meeting no later than July 24, 2025.

FOR FURTHER INFORMATION CONTACT: Gari Mayberry, Volcano Hazard Program Coordinator, USGS, by mail at 12201 Sunrise Valley Drive, MS 905, Reston, VA 20192; by email at gmayberry@usgs.gov; or by telephone at (703) 648-6711.

Individuals in the United States who are deaf, blind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: These meetings are being held under the provisions of the FACA of 1972 (5 U.S.C. Ch. 10), the Government in the Sunshine Act of 1976 (5 U.S.C. 552b, as amended), and 41 CFR part 102-3. The meetings are open to the public.

Purpose of the Meeting: The NVEWSAC provides advice and recommendations to the Secretary of the Interior through the Director of the USGS on the implementation of the National Volcano Early Warning and Monitoring System (NVEWS). Additional information about the NVEWSAC is available at NVEWSAC | *U.S. Geological Survey*.

Agenda Topics:

- USGS and the Volcano Hazards Program
- Volcano Science Center and the USGS observatory system
- Policy updates
- Plan development progress
- Public comments

Meeting Accessibility/Special Accommodations: Please make requests in advance for sign language interpreter services, assistive listening devices, or other reasonable accommodations. We ask that you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice at least seven (7) business days prior to the meeting to give the Department of the Interior sufficient time to process your request. All reasonable accommodation requests are managed on a case-by-case basis.

Public Disclosure of Comments: There will be an opportunity for public comment each day of the meeting. Depending on the number of people who wish to speak and the time available, the time for individual comments may be limited. Written comments may also be sent to the NVEWSAC for consideration. To allow for full consideration of information by NVEWSAC members, written comments must be provided to Gari Mayberry (see **FOR FURTHER INFORMATION CONTACT**) at least three (3) business days prior to the meeting. Any written comments received will be provided to NVEWSAC members before the meeting.

Before including your address, phone number, email address, or other personally identifiable information (PII) in your comment, you should be aware that your entire comment—including your PII—may be made publicly available at any time. While you may ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so. Meeting information, participation information, and the final agenda will be provided via email to registered participants.

Authority: 5 U.S.C. Ch. 10

Gari Mayberry,

USGS, Program Coordinator, Volcano Hazards, Natural Hazards Mission Area.

[FR Doc. 2025-12869 Filed 7-9-25; 8:45 am]

BILLING CODE 4338-11-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040483; PPWOCRADNO-PCU00RP14.R50000]

Notice of Intended Repatriation: Ball State University, Muncie, IN

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Ball State University (BSU) intends to repatriate certain cultural items that meet the definition of objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Chyan Gilaspy, Ball State University, Applied

Anthropology Laboratories, 2000 W Riverside Avenue, Muncie, IN 47306, email NAGPRA@bsu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of BSU and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 22 cultural items associated with 21 accession numbers have been requested for repatriation. The 22 of objects of cultural patrimony includes nine articles of clothing (moccasins, dress, vest, sash, belt, cuffs), four dolls, one lot of trade beads, five bags (parfleche, tipi, pipe), one ladle, one navel amulet, and one pipe bowl. The items are part of five separate donations from three private donors in 1983, 2013, and 2018. Six items had no known affiliation or geographic information in accession records. The remaining items had minimal provenance or potential affiliation data in the records. The suspected affiliations were generic, *e.g.*, one sash was listed as “unknown Plains”, one belt was listed as “Assiniboine, Montana”, one tipi bag was listed as “Cheyenne or Lakota, Plains”, and the remaining 13 items were listed as “Lakota, Plains”. There are no institutional records indicating hazardous substances were used to treat any of the cultural items listed, but requested XRF testing indicated the presence of arsenic, lead, and/or mercury on the items tested.

Determinations

BSU has determined that:

- The 22 objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.

- There is a reasonable connection between the cultural items described in this notice and the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this

notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, BSU must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. BSU is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12838 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040479;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Inventory Completion: Antelope Valley College, Lancaster, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Antelope Valley College (AVC) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Darcy L. Wiewall, Antelope Valley College, 3041 W Ave. K,

Lancaster, CA 93536, email darcy.wiewall@avc.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of AVC, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, eight individuals have been identified. The two lots of associated funerary objects consist of shell & lithic beads and pendants, lithic, and faunal material. The individuals and associated funerary objects were removed from the Lazy-T Cemetery (CA-LAN-767) site is in Palmdale, California, in the Antelope Valley portion of the western Mojave Desert, in North Los Angeles County. Excavated by Roger Robinson, Instructor of Anthropology at Antelope Valley College (AVC) between February and May 1975 as part of an archaeological field class under his direction. Roger Robinson subsequently transferred the collection to his personal residence in 2007. In 2019, Antelope Valley College took possession of the collection. Based on the typology of associated funerary items, the collection dates to approximately A.D. 800–1700. While there is no record regarding potentially hazardous substances having been used to treat the human remains, an unidentified adhesive is present.

Based on archaeological context and information learned from consultations, with representatives of the Yuhaaviatam of San Manuel Nation (also known as the San Manuel Band of Mission Indians) and non-federally recognized California Tribes including the Fernandeano Tataviam Band of Mission Indians and the San Fernando Band of Mission Indians, these individuals are Native American. Archaeologists have asserted that Serrano and Tataviam peoples have continuously occupied the San Gabriel Mountains and the surrounding areas for up to 5,000–6,000 years BP. Linguistic sources demonstrate a strong continuous shared group identity between those people and modern Native Americans of Serrano and Tataviam descent. Ethnographic evidence and Traditional Knowledge document the Palmdale region as home to Serrano and Tataviam peoples since time immemorial.

Based on archaeological context and information learned from consultations,

these individuals are Native American. Archaeologists have asserted that Serrano and Tataviam peoples have continuously occupied the San Gabriel Mountains and the surrounding areas for up to 5,000–6,000 years BP. Linguistic sources demonstrate a strong continuous shared group identity between those people and modern Native Americans of Serrano and Tataviam descent. Ethnographic evidence and Traditional Knowledge document the Palmdale region as home to Serrano and Tataviam peoples since time immemorial.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice. The following types of information were used to reasonably trace the relationship: anthropological information, archaeological information, geographical information, folkloric, historical, kinship, linguistic, oral traditional, and expert opinion, including Tribal Traditional Knowledge.

Determinations

AVC has determined that:

- The human remains described in this notice represent the physical remains of eight individuals of Native American ancestry.
- The two lots of objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Yuhaaviatam of San Manuel Nation (*previously* listed as San Manuel Band of Mission Indians, California).

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, AVC must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. AVC is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12832 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040482;
PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Bryn Mawr College, Bryn Mawr, PA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Bryn Mawr College has completed an inventory of associated funerary objects and has determined that there is a cultural affiliation between the associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the associated funerary objects in this notice to Marianne Weldon, Bryn Mawr College, 101 N Merion Avenue, Bryn Mawr, PA 19010, email mweldon@brynmawr.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of Bryn Mawr College, and additional information on the determinations in this notice, including the results of consultation, can be found in the inventory or related

records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Based on the information available, five associated funerary objects have been reasonably identified. The associated funerary objects are five burial mat fragments that were removed from either Kagamil Island or Ship Rock Island in the Aleutian Islands of Alaska. They were removed by Alan May, an amateur archaeologist who participated in three seasons of archaeological fieldwork in the Aleutian Islands from 1936 to 1938 under the direction of Aleš Hrdlička for the Smithsonian Institution. Sometime in the 1930s, May transferred the items to Frederica de Laguna (1906–2004), a Professor of Anthropology at Bryn Mawr College. Dr. de Laguna later donated the associated funerary objects to Bryn Mawr College on an unknown date. Bryn Mawr College has no knowledge or record of the presence of any potentially hazardous substances used to treat the associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the associated funerary objects described in this notice.

Determinations

Bryn Mawr College has determined that:

- The five objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a reasonable connection between the associated funerary objects described in this notice and the Native Village of Nikolski.

Requests for Repatriation

Written requests for repatriation of the associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the associated funerary objects in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, Bryn Mawr College must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the associated funerary objects are considered a single request and not competing requests. Bryn Mawr College is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12837 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040467;
PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: University of North Dakota, Grand Forks, ND, and the State Historical Society of North Dakota, Bismarck, ND

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of North Dakota and the State Historical Society of North Dakota have completed an inventory of associated funerary objects and have determined that there is a cultural affiliation between the associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the associated funerary objects in this notice to Dr. Crystal Alberts, University of North Dakota, Twamley Hall Room 300, 264 Centennial Drive, Grand Forks, ND 58202, email und.nagpra@und.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the University of North Dakota and the State Historical

Society of North Dakota, and additional information on the determinations in this notice, including the results of consultation, can be found in the inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

According to documentation, 37 associated funerary objects were removed from a site in Burleigh County, ND. The University of North Dakota and the State Historical Society of North Dakota have no record of any potentially hazardous substances being used to treat the associated funerary objects described.

Cultural Affiliation

Based on the information available and as the result of consultation, cultural affiliation is reasonably identified by the geographical location of the associated funerary objects described in this notice.

Determinations

The University of North Dakota and the State Historical Society of North Dakota have determined that:

- The 37 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a reasonable connection between the associated funerary objects described in this notice and the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota.

Requests for Repatriation

Written requests for repatriation of the associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the associated funerary objects in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the University of North Dakota must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the associated funerary

objects are considered a single request and not competing requests. The University of North Dakota and the State Historical Society of North Dakota are responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12822 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040469; PPWOCRADNO-PCU00RP14.R50000]

Notice of Inventory Completion: Wickliffe Mounds State Historic Site, Kentucky State Parks, Wickliffe, KY

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Wickliffe Mounds State Historic Site, Kentucky State Parks, has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Carla Hildebrand, Park Manager, Wickliffe Mounds State Historic Site, Kentucky State Parks, 94 Green Street, P.O. Box 155, Wickliffe, KY 42087, email carla.hildebrand@ky.gov, and Jennifer Spence, Parks Curator, Kentucky State Parks, 94 Green Street, P.O. Box 155, Wickliffe, KY 42087, email jennifer.spence@ky.gov.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Wickliffe Mounds State Historic Site, Kentucky State Parks, and additional information

on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, 524 individuals have been identified. The 41,857 associated funerary objects are: 41,795 ceramic sherds, seven effigy fragments, 41 worked lithics, four rearticulated pots, three earspools, four bone fishhooks, and three bone awls. These objects were found mixed with human remains, faunal bones, lithic debitage, and other miscellaneous materials from the excavation units. Archaeological excavations were conducted at Wickliffe Mounds State Historic Site, Wickliffe, Ballard County, Kentucky. Archaeological site #15BA4. Excavated materials were removed and curated on-site at Wickliffe Mounds State Historic Site. Radiocarbon dating, ceramic analysis, and artifact comparisons indicate that the site was occupied A.D./CE 1100 to 1350, placing its Indigenous population within the Mississippian Culture. There are no known potentially hazardous substances used to treat any of the human remains or associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The Wickliffe Mounds State Historic Site, Kentucky State Parks, has determined that:

- The human remains described in this notice represent the physical remains of 524 individuals of Native American ancestry.
- The 41,857 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Miami Tribe of Oklahoma; Quapaw Nation; The Osage Nation; and The Chickasaw Nation.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the

authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the Wickliffe Mounds State Historic Site, Kentucky State Parks must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The Wickliffe Mounds State Historic Site, Kentucky State Parks, is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12824 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040485;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Inventory Completion: Kansas State Historical Society, Topeka, KS

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kansas State Historical Society (KSHS) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects

in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Nicole Klarman, Kansas State Historical Society, 6425 SW 6th Avenue, Topeka, KS 66615-1099, email kshs.nagpra@ks.gov.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the KSHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, one individual have been identified from the Point of Rocks site (14FY405) in Finney County, KS (UBS 1995-23). The six associated funerary objects include a bone bead and fragmented animal bones. A local resident removed the historic remains and objects in 1990 from a known burial site.

Human remains representing, at least, one individual have been identified from Finney County, KS (UBS 1999-19). No associated funerary objects are present. The remains are from a forensic case. The site location and other acquisition details are unknown.

Human remains representing, at least, five individuals have been identified from Ford County, KS (UBS 1989-23B) coming from the Boot Hill Museum in Dodge City, KS. No associated funerary objects are present. The original provenience of these materials is unknown.

Human remains representing, at least, one individual have been identified from Ford County, KS (UBS 1992-32). No associated funerary objects are present. The remains were in the possession of a local individual for 50 years before being brought to KSHS and were uncovered either from erosion or roadwork.

Human remains representing, at least, one individual have been identified from site 14FD338 in Ford County, KS (UBS 2014-08). No associated funerary objects are present. An environmental engineer reported that potential human remains were observed 5-6 feet deep in the sidewall of a pipeline trench.

Human remains representing, at least, one individual have been identified from Grant County, KS (UBS 1997-22). No associated funerary objects are

present. Remains were reportedly removed by a physician, probably in the first half of the 20th century.

Human remains representing, at least, one individual have been identified from site 14GT310 in Grant County, KS (UBS 2006-07). The 21 associated funerary objects include ceramic sherds, debitage, stone, an Alibates biface fragment, seed halves, and wood. The burial was exposed by earthmoving associated with roadwork. A ceramic vessel was reconstructed using an unknown glue.

Human remains representing, at least, one individual have been identified from site 14HK1 in Haskell County, KS (UBS 1993-03). No associated funerary objects are present. Human remains were disturbed from a mound during agricultural activity.

Human remains representing, at least, one individual have been identified from the Burke site (14HO317) in Hodgeman County, KS (UBS 1989-02). The 32 associated funerary objects include copper and brass bracelets, buckles, a clay pipe, leather items, a stirrup, iron fragments, pendant-like earrings, a 'forearm wrap', and blanket fragments. A local farmer encountered the human remains and objects while cleaning out a trench silo.

Human remains representing, at least, two individuals have been identified from Hodgeman County, KS (UBS 1999-12). No associated funerary objects are present. Partial remains were found by a local rancher in or along Pawnee Creek.

Human remains representing, at least, one individual have been identified from Kearny County, KS (UBS 2024-15). The one associated funerary object includes an antelope or deer bone covered in red pigment. The remains were originally found on a hilltop during land leveling/excavation in 1961. The human remains were reconstructed using an unknown glue and covered with an unknown shellac.

Unless noted above, to our knowledge no known hazardous substances were used to treat any of the other human remains or associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The KSHS has determined that:

- The human remains described in this notice represent the physical

remains of 16 individuals of Native American ancestry.

- The 60 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.

- There is a connection between the human remains and associated funerary objects described in this notice and the Cheyenne and Arapaho Tribes, Oklahoma; Jicarilla Apache Nation, New Mexico; and the Northern Arapaho Tribe of the Wind River Reservation, Wyoming.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the KSHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The KSHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12840 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040475; PPWOCRADNO-PCU00RP14.R50000]

Notice of Intended Repatriation: San Diego State University, San Diego, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), San Diego State University (SDSU) intends to repatriate certain cultural items that meet the definition of objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Jaime Lennox, San Diego State University, 5500 Campanile Drive, San Diego, CA 92182, email jlennox@sdsu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of SDSU, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 10 lots of cultural items have been requested for repatriation. The 10 lots of objects of cultural patrimony are one lot of lithics, one lot of metal items, four lots of shell, one lot counted shell, one lot of non-human faunal remains, one lot vegetal items, and one lot of soil samples. The items were collected at Fort Irwin, located in San Bernardino County, California in 1980 by Sonnier William Gonzalez (site CA-SBR-112, also known as the No Name Playa Site, SBCM 3369). It is unknown how and when the items came to be in SDSU's possession; SDSU accessioned the items as collection CMP-SDSU-0184 in 1980.

A total of five lots of cultural items have been requested for repatriation. The five lots of objects of cultural patrimony are one lot of lithic fragments, one lot of pottery sherds, one lot of lithic tools (including scrapers

and projective points), one lot of worked non-human faunal item (projectile point), and one lot of wood. The items were collected in Coyote Basin, located in San Bernardino County, California, by T. Prewitt in 1966. T. Prewitt donated the items to SDSU in 1966; SDSU originally accessioned the items as collection 1966-11, and later as CMP-SDSU-0409.

Determinations

SDSU has determined that:

- The 15 lots of objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.

- There is a reasonable connection between the cultural items described in this notice and the Yuhaaviatam of San Manuel Nation (*previously* listed as San Manuel Band of Mission Indians, California).

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, SDSU must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. SDSU is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12829 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040484;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Intended Repatriation: California State University Northridge, Northridge, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), California State University Northridge (CSUN), intends to repatriate certain cultural items that meet the definition of unassociated funerary objects, sacred objects, and/or objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Dayle Bingham, CSUN, 1811 Nordhoff Street, Northridge, CA 91330, email dayle.bingham@csun.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of CSUN, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 32 boxes of cultural items have been requested for repatriation. The 32 boxes of unassociated funerary objects and objects of cultural patrimony include lithics, beads, faunal bones, shells, soil samples, and pottery. These 32 boxes comprise material from three collections at CSUN: Vasquez Rocks, Lake Hughes, Acton, and Fontana, CA.

30 boxes of these unassociated funerary objects and objects of cultural patrimony were removed from the

Vasquez Rocks (CA-LAN-358, CA-LAN-359, CA-LAN-360, CA-LAN-361, CA-LAN-362, CA-LAN-363, CA-LAN-364, CA-LAN-365, CA-LAN-368, CA-LAN-369, CA-LAN-371, CA-LAN-381, VS#1, CA-LAN-902) sites in northern Los Angeles County, CA. These sites were located on land owned by Dr. Ascher, where his family regularly dug up cultural material throughout the mid-1900s. Further vandalism occurred in 1966 when bulldozers were used to clear parts of the site. CSUN Archaeological Field School Director and Los Angeles County Natural History Museum (LACNHM) curator Dr. Charles Rozaire conducted field schools at these sites from 1967 to 1970. At these field schools, students, under supervision, excavated and removed cultural items and ancestral human remains. Due to the history of vandalism and previous amateur excavations at these sites, the context of the recovered cultural items was often unknown, incomplete, or partially documented.

Based on archaeological context and information obtained from consultations with representatives of the Yuhaaviatam of San Manuel Nation, also federally recognized as the San Manuel Band of Mission Indians, the Morongo Band of Mission Indians, California, and non-federally recognized California Tribes including the Fernandeano Tataviam Band of Mission Indians, these unassociated funerary objects and objects of cultural patrimony are determined to be Native American.

Archaeological evidence indicates that Vasquez Rocks and associated sites located in Agua Dulce (CA-LAN-358, CA-LAN-359, CA-LAN-360, CA-LAN-361, CA-LAN-362, CA-LAN-363, CA-LAN-364, CA-LAN-365, CA-LAN-368, CA-LAN-369, CA-LAN-371, CA-LAN-381, VS#1, CA-LAN-902) served as a cemetery complex between 2315 BCE and 79 BCE (Caruso 1988, Garza 2012, King et al. 1974). Research has shown that the Serrano and Tataviam peoples have continuously occupied the San Gabriel Mountains and the surrounding areas for approximately 5,000 to 6,000 years BP. Linguistic evidence supports the notion of a continuous, shared group identity between the people using Vasquez Rocks roughly 3,000 years ago and modern Native Americans of Serrano and Tataviam descent. Ethnographic evidence and Traditional Knowledge inform us that the Serrano and Tataviam peoples have considered the Agua Dulce region as a part of their homelands since time immemorial.

One box of objects of cultural patrimony was excavated during an archaeological salvage and survey excavation at CA-LAN-430/431,

Elizabeth Lake Canyon Road, Lake Hughes, CA in 1970 by Herrick Hanks on behalf of California State University, Northridge Archaeological Research Center.

This excavation, as noted, was salvage survey work around Lake Hughes in Los Angeles County, where construction on numerous properties was already underway. According to reports, bulldozers on the site uncovered archaeological material near school buildings, and the area is currently used as freeways and roadways. Herrick Hanks and archaeology students from CSUN were called upon to assist. Since being brought to the CSUN campus in 1970 for storage, no further research or archaeological assessments have been conducted.

Using archaeological and geographical information in tandem with information learned from consultations with representatives of the Yuhaaviatam of San Manuel Nation, also federally recognized as the San Manuel Band of Mission Indians, and non-federally recognized California tribes, including Fernandeano Tataviam Band of Mission Indians, the objects of cultural patrimony are determined to be Native American. Archaeologists have asserted that the Serrano and Tataviam peoples have continuously occupied the San Gabriel Mountains and the Antelope Valley for 5,000 to 6,000 years BP. Ethnographic evidence and Traditional Knowledge inform us that the Serrano and Tataviam peoples have considered the Lake Hughes region as a part of their homelands since time immemorial.

One box of objects of cultural patrimony was collected in 1988 by the CSUN Northridge Center for Public Archaeology, under the direction of Dr. Bruce Love and Dr. Mark Raab, at the then-proposed Southern Pacific Business Park in Fontana, CA (CA-SBR-5444). The purpose of this project was to evaluate the significance of two previously recorded sites in the area. Surface collecting, auger testing, test unit excavation, and backhoe trenching were employed. The objects collected consist of lithic debitage and soil samples.

Based on archaeological context and information learned from consultations with representatives of the Yuhaaviatam of San Manuel Nation, also federally recognized as the San Manuel Band of Mission Indians, the objects of cultural patrimony are determined to be Native American. Traditional Knowledge informs us that the Serrano people have continuously occupied the area of and surrounding Fontana since time immemorial.

Determinations

The CSUN has determined that:

- The 30 boxes of unassociated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near human remains, and are connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary objects have been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.

- The 32 boxes of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.

- There is a reasonable connection between the cultural items described in this notice and the Morongo Band of Mission Indians, California and the Yuhaaviatam of San Manuel Nation (previously listed as San Manuel Band of Mission Indians, California).

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the CSUN must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The CSUN is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in

this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12839 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040476; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Arizona State University, School of Human Evolution and Social Change, Tempe, AZ

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Center for Archaeology and Society Repository (acting in place of the Arizona State University School of Human Evolution and Social Change) intends to repatriate certain cultural items that meet the definition of unassociated funerary objects, sacred objects, and/or objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Allisen Dahlstedt, Arizona State University, School of Human Evolution and Social Change, P.O. Box 872402, Tempe, AZ 85287–2402, email Allisen.Dahlstedt@asu.edu and Christopher Caseldine, Arizona State University, School of Human Evolution and Social Change, P.O. Box 872402, Tempe, AZ 85287–2402, email Christopher.Caseldine@asu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Arizona State University Center for Archaeology and Society Repository, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The

National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 22 cultural items have been requested for repatriation.

The 10 unassociated funerary objects are one lot of shell objects, one lot of ceramic objects, two lots of chipped stone objects, one lot of glass objects, one lot of ground stone objects, two lots of daub objects, one other stone object, and one lot of fragmentary faunal bone.

The 12 sacred objects/objects of cultural patrimony are one ceramic vessel, two lots of ceramic objects, one lot of worked faunal bone, one lot of unworked faunal bone, one lot of other stone objects, and six lots of shell objects.

All of these cultural items were removed from the Las Colinas site in Maricopa County, AZ, some at an unknown date in 1959, by an undergraduate student in the Department of Sociology and Anthropology at Arizona State University (ASU), and others in a separate undertaking in March of 1967 by personnel from ASU's Department of Sociology and Anthropology. The collections were curated by what was then the Department of Sociology and Anthropology, now the School of Human Evolution and Social Change, at ASU's Center for Archaeology and Society Repository.

Determinations

The Arizona State University, SHESC, CASR, Tempe, AZ, has determined that:

- The 10 unassociated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near human remains, and are connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary objects have been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.

- The 12 sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day

adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).

- There is a reasonable connection between the cultural items described in this notice and the Ak Chin Indian Community; Gila River Indian Community of the Gila River Indian Reservation, Arizona; Hopi Tribe of Arizona; Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona; Tohono O'odham Nation of Arizona; and the Zuni Tribe of the Zuni Reservation, New Mexico.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the ASU Center for Archaeology and Society Repository must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The ASU Center for Archaeology and Society Repository is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12830 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040481;
PPWOCRADNO-PCU00RP14.R50000]

Notice of Inventory Completion: University of Alabama at Birmingham, Birmingham, AL

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of Alabama at Birmingham has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Lauren Downs, University of Alabama at Birmingham, Department of Anthropology, UH 3165, 1720 2nd Avenue South, Birmingham, AL 35294, email nagprastaff@uab.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the University of Alabama at Birmingham, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, eight individuals have been identified. The 1,247 associated funerary objects include 41 faunal remain fragments, one ceramic effigy, 60 lithic objects, 993 pottery sherds, one historic ceramic sherd, seven pottery discoidals, one stone discoidal, 44 fragments of daub, 89 pieces of shell, three pieces of red ochre, six lots of charcoal, and one organic seed. Site 1Ds1, Durant Bend, is located in Dallas County, AL, on the edge of the Alabama River. The site was excavated in 1970 by Dr. C. Roger Nance from the University of Alabama at Birmingham. Dr. Nance returned to the site in 1972; these 1972 excavations

were reported to have occurred at site 1Ds202. However, site name 1Ds202 is considered to be a synonym for 1Ds1. Excavations at the site were conducted in the east midden and two unprovenienced localities. The human remains and associated funerary objects that were removed from the site during these excavations were then housed in the University of Alabama at Birmingham's Department of Anthropology archaeology collections space. Site occupation dates to the Middle/Late Woodland (300 BC–A.D. 1000) and Late Mississippian and/or Historic periods (A.D. 1300–1700). Burials from the site date to approximately A.D. 1500–1700. No known hazardous substances were used to treat any of the human remains or associated belongings.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The University of Alabama at Birmingham has determined that:

- The human remains described in this notice represent the physical remains of eight individuals of Native American ancestry.
- The 1,247 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Alabama-Coushatta Tribe of Texas; Mississippi Band of Choctaw Indians; Poarch Band of Creek Indians; Seminole Tribe of Florida; The Choctaw Nation of Oklahoma; The Muscogee (Creek) Nation; and the Thlopthlocco Tribal Town.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that

the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the University of Alabama at Birmingham must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The University of Alabama at Birmingham is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12834 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040473;
PPWOCRADNO-PCU00RP14.R50000]

Notice of Intended Repatriation: Western Washington University, Department of Anthropology, Bellingham, WA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Western Washington University, Department of Anthropology (WWU) intends to repatriate certain cultural items that meet the definition of sacred objects and objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Dr. Judith Pine, Western Washington University, Department of Anthropology, Arntzen Hall 340, 516 High Street, Bellingham, WA 98225, email pinej@wwu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the WWU, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 73 cultural items have been requested for repatriation. The 73 sacred objects/objects of cultural patrimony are stone, bone and antler tools, beads, labrets, and red ochre. Several different archaeological projects conducted between 1968 and 2007 resulted in the collection of the items listed in this notice. A brief summary of each project is listed below.

1. In 1971, Harry Smith collected artifacts at his property (45-WH-13) on the Lummi Peninsula after the site had been destroyed during cultivation and use as a borrow pit for nursery soil. He offered the artifacts to Dr. Grabert of WWU for analysis. A survey of the site was also conducted during a WWU field school in 1971.

2. In 1968, Dr. Grabert of WWU recorded 45-WH-16 as an open camp site exposed by plowing on the Intalco Property at Cherry Point, Whatcom County, WA. He collected two bags of lithics at that time.

3. In 1969 excavations by WWU students were conducted at 45-WH-24. Materials were collected by surface collection and excavation of five test cuts. In April of 1975, WWU entered into a contract with Arcomm Construction Company, Inc. of Seattle connected with the development of the Birch Bay Sewage Treatment Facility. Reconnaissance of the area and examination of the sewer treatment plant site was conducted March 24-31, 1975. The majority of the work consisted of monitoring and salvage archaeology during the construction.

4. Six boxes of artifacts and samples were collected from 45-WH-47, near Padden Creek in Fairhaven, as part of a WWU field school led by Dr. Grabert in 1973.

5. WWU students excavated at 45-WH-48 in the Birch Point Uplands as part of an archaeological methods and theory class in spring of 1974 under the direction of Dr. Grabert.

6. A surface collection by Jenna Gaston of WWU was conducted at Point Whitehorn (45-WH-52) as part of a reconnaissance trip for Dr. Grabert's field school in 1974.

7. WWU Field Schools led by Drs. Campbell and Koetje in the summers of 2005 and 2007 at Woodstock Farm (45-WH-55), along Chukanut Bay, resulted in two large collections.

8. The Snelson-Anvil Property at Cherry Point (45-WH-83) was examined by Grabert and Hall of WWU in 1978 under contract with Parametrix Incorporation of Seattle, WA. The project included the first phase of surface collection and shovel testing and the second phase of excavating artifact clusters.

9. Items were collected during a cultural resource management project conducted by Equinox Research and Consulting International (ERCI) in 2005 at 1793 Edwards Drive in Pt. Roberts.

10. The City of Bellingham contracted with Wessen & Wessen Associates in 2007 to conduct test excavations at 45-WH-735 before beginning construction on a new trail near Whatcom Creek which resulted in collection and transfer of several items to WWU.

11. Site survey and surface collection by Dr. Grabert of WWU was conducted at two properties (Higgenbottom and Washburn) near Birch Bay in 1967 and 1970, respectively.

No hazardous chemicals are known to have been used to treat the items while in the custody of WWU.

Determinations

The WWU has determined that:

- The 73 sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).

- There is a connection between the cultural items described in this notice and the Lummi Tribe of the Lummi Reservation and the Nooksack Indian Tribe.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by

a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the WWU must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The WWU is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12827 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040472;
PPWOCRADNO-PCU00RP14.R50000]

Notice of Inventory Completion: Sam Noble Oklahoma Museum of Natural History, University of Oklahoma, Norman, OK

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Sam Noble Oklahoma Museum of Natural History (SNOMNH), has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Zachary Garrett, Sam Noble Oklahoma Museum of Natural History, 2401 Chautauqua Avenue, Norman, OK 73072-7029, email zacgarrett@ou.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of SNOMNH, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, two individuals have been identified. The three associated funerary objects are one lot of wood coffin fragments, and two lots of metal nails. These individuals and associated funerary objects were removed from the Eufaula Mound site (34Mi45), also known as the Groseclose site, in McIntosh County, OK. Following extensive damage to the site from agricultural activities and looting, excavations were carried out by the Works Progress Administration (WPA) during May–August 1940. The site was later flooded following the construction of the Eufaula Dam in 1964. Collections removed during the excavations were split between the Creek Memorial Museum (now known as the Creek Nation Council House) and SNOMNH. This site has both pre-contact and historic components. This notice includes only the later, historic period component of 34Mi45. These individuals and associated funerary objects were interred around 1860–1890 CE. Cultural affiliation was determined through Tribal consultation and included consideration of archaeological, geographic, and historical information. To our knowledge, no potentially hazardous materials were used to treat the human remains or associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

SNOMNH has determined that:

- The human remains described in this notice represent the physical remains of two individuals of Native American ancestry.
- The three objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.

- There is a connection between the human remains and associated funerary objects described in this notice and The Muscogee (Creek) Nation.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, SNOMNH must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. SNOMNH is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12826 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040486;
PPWOCRADNO-PCU00RP14.R50000]

Notice of Inventory Completion: Kansas State Historical Society, Topeka, KS

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kansas State Historical Society (KSHS) has completed an inventory of human remains and associated funerary objects

and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Nicole Klarmann, Kansas State Historical Society, 6425 SW 6th Avenue, Topeka, KS 66615–1099, email ksks.nagpra@ks.gov.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the KSHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains were formerly repatriated from site 14RW305 in Rawlins County, KS, therefore, this record is for 15 associated funerary objects (UBS 1990–22), which includes debitage and ground stone. Human remains and associated funerary objects were given to KSHS in 1912, reportedly from the historic Sappa Creek Massacre site or an adjacent Great Bend aspect site.

Human remains representing, at least, two individuals were removed from site 14OB306 in Osborne County, KS (UBS 1991–03). The 182 associated funerary objects include shell beads, a metal axe, a hoe blade, shells, a bone knife handle, catlinite pipes, pipe stem, bone spoon handle, fossils, and metal fragments. The remains and objects were removed by the landowner in 1935 after being exposed by flooding.

To our knowledge, no known hazardous substances were used to treat the human remains or associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The KSHS has determined that:

- The human remains described in this notice represent the physical remains of two individuals of Native American ancestry.
- The 197 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Cheyenne and Arapaho Tribes, Oklahoma and the Northern Arapaho Tribe of the Wind River Reservation, Wyoming.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the KSHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The KSHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12841 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040474;
PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Oregon Historical Society, Portland, OR

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Oregon Historical Society (OHS) has completed an inventory of human remains and determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice. The human remains were likely removed from Memaloose Island, Wasco County, Oregon by the Oregon Alpine Club (OAC).

DATES: Repatriation of the human remains in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Nicole Yasuhara, Oregon Historical Society, 1200 SW Park Avenue, Portland, OR 97205, email nagpra@ohs.org.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the OHS, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at minimum, four individuals have been identified. No associated funerary objects are present. Sometime between 1887 and 1900, the human remains were likely removed from Memaloose Island, Wasco County, Oregon by the Oregon Alpine Club. Sometime after 1900, the ancestors were donated to the Oregon Historical Society. The OHS has no knowledge or record of the presence of any potentially hazardous substances used to treat the human remains.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains described in this notice.

Determinations

The Oregon Historical Society has determined that:

- The human remains described in this notice represent the physical remains of four individuals of Native American ancestry.
- There is a connection between the human remains described in this notice and the Confederated Tribes and Bands of the Yakama Nation; Confederated Tribes of the Umatilla Indian Reservation; Confederated Tribes of the Warm Springs Reservation of Oregon; and the Nez Perce Tribe.

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under

ADDRESSES. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice and, if joined to a request from one or more of the Indian Tribes, the Wanapum Band of Priest Rapids, a non-federally recognized Indian group.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the OHS must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. The OHS is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12828 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040465;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Inventory Completion: Indiana University, Bloomington, IN

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Indiana University has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Jayne-Leigh Thomas, NAGPRA Executive Director, Indiana University, Student Building 318, 701 E. Kirkwood Avenue, Bloomington, IN 47405, email thomajay@iu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of Indiana University and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, 654 individuals have been identified from the Yokem Mound Group from Pike County, Illinois. There are eight associated funerary objects present: one lot of ceramics, one lot of faunal bone, one lot of shell, one lot of lithics, one lot of soil, one lot of stone, one lot of beads, and one lot of charcoal. These materials were excavated by Gregory Perino and Phillip Walker in July 1967–1968. There are no known pesticide contaminants on this collection.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human

remains and associated funerary objects described in this notice.

Determinations

Indiana University has determined that:

- The human remains described in this notice represent the physical remains of 654 individuals of Native American ancestry.
- The eight associated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Citizen Potawatomi Nation, Oklahoma; Eastern Shawnee Tribe of Oklahoma; Forest County Potawatomi Community, Wisconsin; Iowa Tribe of Kansas and Nebraska; Kaw Nation, Oklahoma; Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan; Miami Tribe of Oklahoma; Omaha Tribe of Nebraska; Otoe-Missouria Tribe of Indians, Oklahoma; Peoria Tribe of Indians of Oklahoma; Pokagon Band of Potawatomi Indians, Michigan and Indiana; Ponca Tribe of Indians of Oklahoma; Ponca Tribe of Nebraska; Prairie Band Potawatomi Nation; Quapaw Nation; Sac & Fox Nation, Oklahoma; Sac & Fox Tribe of the Mississippi in Iowa; Shawnee Tribe; The Osage Nation; and the Winnebago Tribe of Nebraska.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, Indiana University must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not

competing requests. Indiana University is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12820 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040480;
PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Disposition: U.S. Department of the Interior, Bureau of Land Management, Oregon/ Washington State Office, Lakeview District Office, Lakeview, OR

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the U.S. Department of the Interior, Bureau of Land Management, Oregon/Washington State Office, Lakeview District Office (BLM Lakeview District Office) intends to carry out the disposition of certain cultural items that meet the definition of sacred objects/objects of cultural patrimony removed from Federal or Tribal lands to the lineal descendants, Indian Tribe, or Native Hawaiian organization with priority for disposition in this notice.

DATES: Disposition of the cultural items in this notice may occur on or after August 11, 2025. If no claim for disposition is received by July 10, 2026, the cultural items in this notice will become unclaimed cultural items.

ADDRESSES: Send written claims for disposition of the human remains or cultural items in this notice to James Todd Forbes, Lakeview District Manager, U.S. Department of the Interior, Bureau of Land Management, 1301 S G Street, Lakeview, OR 97630, email tforbes@blm.gov.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the BLM Lakeview District Office, and additional information on the cultural items in this

notice, including the results of consultation, can be found in the related records. The National Park Service is not responsible for the identifications in this notice.

Abstract of Information Available

Based on the information available, there are no human remains identified, and no associated funerary objects are present. The seven boxes of cultural items are obsidian projectile points, debitage, a biface, core and other flaked tools. The cultural items were excavated at Tucker Hill, located in Lake County, OR in June 2023 under ARPA permit OR–51069. The items excavated were from four sites at Tucker Hill 35LK3040, 35LK3042, 35LK3048, 35LK3062.

Determinations

The BLM Lakeview District Office has determined that:

- The seven boxes of sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).

- The Burns Paiute Tribe; Confederated Tribes of the Warm Springs Reservation of Oregon; Fort Bidwell Indian Community of the Fort Bidwell Reservation of California; and the Klamath Tribes have priority for disposition of the cultural items described in this notice.

Claims for Disposition

Written claims for disposition of the cultural items in this notice must be sent to the appropriate official identified in this notice under **ADDRESSES**. If no claim for disposition is received by July 10, 2026, the cultural items in this notice will become unclaimed cultural items. Claims for disposition may be submitted by:

1. Any lineal descendant, Indian Tribe, or Native Hawaiian organization identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that they have priority for disposition.

Disposition of the cultural items in this notice may occur on or after August 11, 2025. If competing claims for

disposition are received, the BLM Lakeview District Office must determine the most appropriate claimant prior to disposition. Requests for joint disposition of the cultural items are considered a single request and not competing requests. The BLM Lakeview District Office is responsible for sending a copy of this notice to the lineal descendants, Indian Tribes, and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3002, and the implementing regulations, 43 CFR 10.7.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12833 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NAGPRA–NPS0040468;
PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: University of Florida, Florida Museum of Natural History, Gainesville, FL

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of Florida, Florida Museum of Natural History (FLMNH) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Megan Fry, University of Florida, Florida Museum of Natural History, 1659 Museum Road, Gainesville, FL 32611, email megan.fry@floridamuseum.ufl.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the FLMNH, and additional information on the

determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, 11 individuals have been identified from the North Beach, Fort Pierce (8SL12) site of St. Lucie County, Florida. The collection (Acc. 4461, Cat. 99464) was donated to the Florida Museum on 9/19/1964 by Mrs. Irene Crum during the monitoring of drag line operations from a canal in St. Lucie County as part of the Mosquito Control District for Fort pierce. The original depositional context of the remains is unknown. There is one associated funerary object identified, a single cetacean rib bone fragment (unmodified). The Florida Master Site File lists the site spanning the Malabar Period (ca. 750 BC–A.D. 1750) and there are no radiocarbon dates associated with the identified individuals. The collection was previously reported to National NAGPRA in the 2003 FLMNH inventory, but the MNI was listed as three. This notice serves to update the MNI and includes previously unreported associated funerary objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary object described in this notice.

Determinations

The FLMNH has determined that:

- The human remains described in this notice represent the physical remains of 11 individuals of Native American ancestry.
- The one object described in this notice is reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Miccosukee Tribe of Indians; Seminole Tribe of Florida; The Muscogee (Creek) Nation; and The Seminole Nation of Oklahoma.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in

this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the FLMNH must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The FLMNH is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12823 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6330; NPS–WASO–NAGPRA–NPS0040519; PPWOCRADNO–PCU00RP14.R50000]

Notice of Intended Repatriation: California State University, Sacramento, Sacramento, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the California State University, Sacramento intends to repatriate certain cultural items that meet the definition of objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural

items in this notice to Dr. Mark R. Wheeler, California State University, Sacramento, 6000 J Street Sacramento, CA 95819, email mark.wheeler@csus.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the California State University, Sacramento, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of four cultural items have been requested for repatriation. The four objects of cultural patrimony are flaked stones. The cultural items were collected from an unknown site in Sacramento County, CA, likely along Crevis Creek near Rancho Murietta. No documentation or additional information has been located. The items were found in California State University, Sacramento collections in 2025 and were assigned accession number 81–489. The University is unaware of any treatment of the objects of cultural patrimony with pesticides, preservatives, or other substances that represent a potential hazard to the objects or to persons handling the objects.

Determinations

The California State University, Sacramento has determined that:

- The four objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.

- There is a connection between the cultural items described in this notice and the Wilton Rancheria, California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that

the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the California State University, Sacramento must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The California State University, Sacramento is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: July 1, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12842 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040466;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Inventory Completion: University of North Dakota, Grand Forks, ND

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of North Dakota has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Dr. Crystal Alberts, University of North Dakota, Twamley Hall Room 300, 264 Centennial Drive, Grand Forks, ND 58202, email und.nagpra@und.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative

responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the University of North Dakota, and additional information on the determinations in this notice, including the results of consultation, can be found in the inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Based on information available, human remains of, at least, one individual has been reasonably identified, along with 108 associated funerary objects. They were removed from a site in Burleigh County, North Dakota. UND has no record of any potentially hazardous substances being used to treat the human remains or associated funerary objects described.

Based on information available, a total of 48 associated funerary objects were removed from a site in Sioux County, North Dakota. UND has no record of any potentially hazardous substances being used to treat the associated funerary objects described.

Based on information available, a total of 49 associated funerary objects were removed from a site in Emmons County, North Dakota. UND has no record of any potentially hazardous substances being used to treat the associated funerary objects described.

Cultural Affiliation

Based on the information available and as the result of consultation, cultural affiliation is reasonably identified by the geographical location of the human remains and associated funerary objects described in this notice.

Determinations

The University of North Dakota has determined that:

- The human remains described in this notice represent the physical remains of one individual of Native American ancestry.
- The 205 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a reasonable connection between the human remains and associated funerary objects described in this notice and the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the

authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the human remains and associated funerary objects in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the University of North Dakota must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The University of North Dakota is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12821 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040471;
PPWOCRADN0-PCU00RP14.R50000]

Notice of Inventory Completion: Merced College, Merced, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Merced College has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after August 11, 2025.

ADDRESSES: Send written requests for repatriation of the human remains and

associated funerary objects in this notice to Jeff Buechler, Social Sciences Stop 35—Merced College, 3600 M Street, Merced, CA 95348, email jeffrey.buechler@mccd.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of Merced College, and additional information on the determinations in this notice, including the results of consultation, can be found in the inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

In or before May 1970, human remains were uncovered in a private agricultural field near Dos Palos, Fresno County, CA, dubbed the "Wilkins Site", although its exact location is unknown. Following the discovery, Professor Charles Ostrander and students of Merced College conducted excavations at the site and removed a minimum of 21 individuals and some associated funerary objects. Of the 10 associated funerary objects listed, nine are present and accounted for in Merced College's collections, and one is currently missing. The nine present associated funerary objects are one lot of stone cores, one lot of faunal material, one lot of groundstone implements, one lot of black metasedimentary lithic debitage, one lot of chert lithic debitage, one oblong stone, one projectile point, one lot of rocks, and one stone unifacial tool. The one missing associated funerary object is one lot of shell beads.

In 2020, human remains labeled "Dos Palos-Richard Farmer" and "Firebaugh" were identified in the Merced College collection, representing a minimum of three individuals. These individuals may have been removed from the Wilkins Site mentioned above, as Dos Palos and Firebaugh are nearby towns, or they could have been removed from other unknown sites in the area. No associated funerary objects are present.

In or before March of 1989, fragmentary human remains and associated funerary objects were removed from the surface of a "Native American Cemetery Site" on private property, southwest of the town of Red Top in Madera County, CA. In March of 1989, a minimum of one individual and a sample of associated funerary objects from this site were donated to Merced College by Dawn Jackson. The three associated funerary objects are one lot of shell beads, one stone mortar bowl, one stone metate.

On an unknown date, a minimum of one individual was removed from an unrecorded site at an unknown location labeled "El Nido", which is presumed to be near the town of El Nido, along Highway 59 in Merced County, CA. On an unknown date, the individual was then brought to Merced College and determined to be Native American. No associated funerary objects are present.

In 1979, Charles Ostrander and Merced College students excavated at CA-MER-221, also known as the Frank Staumbach site, in the Los Banos area of Merced County, CA. They may have also excavated in one or two adjacent sites (CA-MER-220, CA-MER-223) as well, but this remains unclear. Human remains, representing a minimum of three individuals, were located in a box labeled ". . . MER-220, 221, 223" in the Merced College collections. The five associated funerary objects are one lot of shell beads, one lot of steatite beads, one lot of possible bone beads, one lot of faunal bone and fish vertebrae, and one lot of shell fragments.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

Merced College has determined that:

- The human remains described in this notice represent the physical remains of 29 individuals of Native American ancestry.
- The 18 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a reasonable connection between the human remains and associated funerary objects described in this notice and the Picayune Rancheria of Chukchansi Indians of California; Santa Rosa Indian Community of the Santa Rosa Rancheria, California; Table Mountain Rancheria; Tejon Indian Tribe; and the Tule River Indian Tribe of the Tule River Reservation, California.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the human remains and associated funerary objects in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, Merced College must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. Merced College is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025-12825 Filed 7-9-25; 8:45 am]

BILLING CODE 4312-52-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NAGPRA-NPS0040477; PPWOCRADN0-PCU00RP14.R50000]

Notice of Intended Repatriation: Arizona State University, School of Human Evolution and Social Change, Tempe, AZ

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Center for Archaeology and Society Repository (acting in place of the Arizona State University School of Human Evolution and Social Change) intends to repatriate certain cultural items that meet the definition of unassociated funerary objects, sacred objects, and/or objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after August 11, 2025.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Allisen Dahlstedt, Arizona State University, School of Human Evolution and Social Change, P.O. Box 872402, Tempe, AZ 85287–2402, email Allisen.Dahlstedt@asu.edu and Christopher Caseldine, Arizona State University, School of Human Evolution and Social Change, P.O. Box 872402, Tempe, AZ 85287–2402, email Christopher.Caseldine@asu.edu.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Arizona State University (ASU) Center for Archaeology and Society Repository (CASR), and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 29 cultural items have been requested for repatriation. The six unassociated funerary objects are six lots of faunal bone. The 23 sacred objects/objects of cultural patrimony are: six lots of chipped stone, 12 lots of groundstone, three lots of faunal bone, and two lots of other stone. The cultural items were removed from the Rancheria de Bernier site in Maricopa County, AZ in the spring semester of 1987, during the course of a field school conducted by Paul Minnis, then a research associate in the Department of Anthropology at ASU. After the field season, the collection was curated by what was then the Department of Anthropology, now the School of Human Evolution and Social Change, at ASU's Center for Archaeology and Society Repository.

Determinations

The ASU Center for Archaeology and Society Repository has determined that:

- The six unassociated funerary objects described in this notice are reasonably believed to have been placed intentionally with or near human remains, and are connected, either at the time of death or later as part of the death rite or ceremony of a Native American culture according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization. The unassociated funerary objects have been identified by a preponderance of the evidence as related to human remains, specific individuals, or families, or

removed from a specific burial site or burial area of an individual or individuals with cultural affiliation to an Indian Tribe or Native Hawaiian organization.

- The 23 sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).

- There is a reasonable connection between the cultural items described in this notice and the Ak Chin Indian Community; Gila River Indian Community of the Gila River Indian Reservation, Arizona; Hopi Tribe of Arizona; Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona; Tohono O'odham Nation of Arizona; and the Zuni Tribe of the Zuni Reservation, New Mexico.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after August 11, 2025. If competing requests for repatriation are received, the ASU Center for Archaeology and Society Repository must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The ASU Center for Archaeology and Society Repository is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: June 25, 2025.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2025–12831 Filed 7–9–25; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1434]

Certain Composite Intermediate Bulk Containers; Notice of Commission Decision Not To Review an Initial Determination Granting a Motion To Amend the Complaint and Notice of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review an initial determination (“ID”) (Order No. 12) of the presiding Chief Administrative Law Judge (“Chief ALJ”) granting an unopposed motion to amend the complaint and notice of investigation to assert additional patent claims against two respondents.

FOR FURTHER INFORMATION CONTACT: Sidney A. Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 708–2532. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone (202) 205–1810.

SUPPLEMENTARY INFORMATION: On January 27, 2025, the Commission instituted this investigation based on a complaint filed by Schütz Container Systems, Inc. of North Branch, New Jersey and Protechna S.A. of Fribourg, Switzerland (collectively, “Complainants”). 90 FR 8222–23 (Jan. 27, 2025). The complaint, as supplemented, alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“section 337”), by reason of the infringement of certain claims of U.S. Patent Nos. 9,718,581; 8,708,150 (“the ‘150 patent”); 8,919,562; 8,567,626; 9,004,310; and

8,276,299. *Id.* The Commission's notice of investigation named the following respondents: Shandong Jinshan Jieyuan Container Co., Ltd. of Zhengjiang City, China ("Jinshan"); Zibo Jieli Plastic Pipe Manufacture Co. Ltd. of Zibo City, China ("Jielin"); Shanghai Sakura Plastic Products Co., Ltd. (d/b/a Shanghai Yinghua Plastic Products Co., LTD) of Shanghai, China ("Sakura"); and Hebei Shijiheng Plastics, Co., Ltd. of Zhongjie Huanghua City, China ("Hebei Shijiheng Plastics"). *Id.* The Office of Unfair Import Investigations was also named as a party in the investigation. *Id.*

The Commission previously terminated the investigation as to certain patent claims from the investigation based on withdrawal of the complaint. *See* Order No. 9 (Apr. 2, 2025), *unreviewed by* Notice (Apr. 22, 2025). In addition, the complaint and notice of investigation have been amended to change the address of Hebei Shijiheng Plastics. Order No. 10 (May 9, 2025), *unreviewed by* Notice (May 28, 2025).

On May 20, 2025, Complainants filed a motion to amend the complaint and notice of investigation to assert claims 1–3 and 5 of the '150 patent against respondent Jinshan and claims 1–3 of the '150 patent against respondent Sakura. The respondents that have appeared in the investigation (Jinshan, Jielin, and Sakura) did not oppose the motion, subject to certain concerns about the procedural schedule in view of the additional patent claims. Likewise, the Commission investigative attorney supported the motion, subject to scheduling concerns.

The Chief ALJ conducted proceedings to resolve the scheduling concerns and, on June 13, 2025, issued the subject ID pursuant to Commission Rule 210.14(b), 19 CFR 210.14(b), granting the motion to amend the complaint and notice of investigation. Order No. 12 at 3–4. The ID finds that good cause exists for the amendments because "Complainants learned of additional infringing product models manufactured by Jinshan and Sakura after filing of the complaint." *Id.* at 3.

No petitions for review of the subject ID were filed.

The Commission has determined not to review the subject ID.

The Commission's vote for this determination took place on July 7, 2025.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of

Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: July 7, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–12783 Filed 7–9–25; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

Notice of Receipt of Complaint; Solicitation of Comments Relating to the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has received a complaint entitled *Certain Wearable Electroencephalogram Devices and Systems and Components Thereof, DN 3837*; the Commission is soliciting comments on any public interest issues raised by the complaint or complainant's filing pursuant to the Commission's Rules of Practice and Procedure.

FOR FURTHER INFORMATION CONTACT: Lisa R. Barton, Secretary to the Commission, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205–2000. The public version of the complaint can be accessed on the Commission's Electronic Document Information System (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov.

General information concerning the Commission may also be obtained by accessing its internet server at United States International Trade Commission (USITC) at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's Electronic Document Information System (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810.

SUPPLEMENTARY INFORMATION: The Commission has received a complaint and a submission pursuant to § 210.8(b) of the Commission's Rules of Practice and Procedure filed on behalf of Ceribell, Inc. on July 7, 2025. The complaint alleges violations of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) in the importation into the United States, the sale for importation, and the

sale within the United States after importation of certain wearable electroencephalogram devices and systems and components thereof. The complaint names as respondents: Natus Medical Incorporated of Middleton, WI; Excel-Tech Ltd. ("XLTEK") of Canada; and Natus Neurology Incorporated of Middleton, WI. The complainant requests that the Commission issue a limited exclusion order, cease and desist orders, and impose a bond upon respondents' alleged infringing articles during the 60-day Presidential review period pursuant to 19 U.S.C. 1337(j).

Proposed respondents, other interested parties, members of the public, and interested government agencies are invited to file comments on any public interest issues raised by the complaint or § 210.8(b) filing. Comments should address whether issuance of the relief specifically requested by the complainant in this investigation would affect the public health and welfare in the United States, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers.

In particular, the Commission is interested in comments that:

(i) explain how the articles potentially subject to the requested remedial orders are used in the United States;

(ii) identify any public health, safety, or welfare concerns in the United States relating to the requested remedial orders;

(iii) identify like or directly competitive articles that complainant, its licensees, or third parties make in the United States which could replace the subject articles if they were to be excluded;

(iv) indicate whether complainant, complainant's licensees, and/or third party suppliers have the capacity to replace the volume of articles potentially subject to the requested exclusion order and/or a cease and desist order within a commercially reasonable time; and

(v) explain how the requested remedial orders would impact United States consumers.

Written submissions on the public interest must be filed no later than by close of business, eight calendar days after the date of publication of this notice in the **Federal Register**. There will be further opportunities for comment on the public interest after the issuance of any final initial determination in this investigation. Any written submissions on other issues must also be filed by no later than the close of business, eight calendar days

after publication of this notice in the **Federal Register**. Complainant may file replies to any written submissions no later than three calendar days after the date on which any initial submissions were due, notwithstanding § 201.14(a) of the Commission's Rules of Practice and Procedure. No other submissions will be accepted, unless requested by the Commission. Any submissions and replies filed in response to this Notice are limited to five (5) pages in length, inclusive of attachments.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above. Submissions should refer to the docket number ("Docket No. 3837") in a prominent place on the cover page and/or the first page. (See Handbook for Electronic Filing Procedures, Electronic Filing Procedures¹). Please note the Secretary's Office will accept only electronic filings during this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, <https://edis.usitc.gov>.) No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice. Persons with questions regarding filing should contact the Secretary at EDIS3Help@usitc.gov.

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. See 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel,² solely for cybersecurity

purposes. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.³

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and of §§ 201.10 and 210.8(c) of the Commission's Rules of Practice and Procedure (19 CFR 201.10, 210.8(c)).

By order of the Commission.

Issued: July 8, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–12879 Filed 7–9–25; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1120 (Rescission)]

Certain Human Milk Oligosaccharides and Methods of Producing the Same; Notice of Commission Decision To Institute a Rescission Proceeding and To Rescind the Limited Exclusion Order; Termination of the Rescission Proceeding

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("the Commission") has determined to institute a rescission proceeding and to rescind the limited exclusion order issued in the underlying investigation. The rescission proceeding is terminated.

FOR FURTHER INFORMATION CONTACT:

Houda Morad, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 708–4716. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation

on June 21, 2018, based on a complaint filed by Glycosyn LLC of Waltham, Massachusetts ("Complainant"). See 83 FR 28865–66 (June 21, 2018). The complaint, as amended and supplemented, alleged violations of section 337 the Tariff Act, as amended, 19 U.S.C. 1337 ("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 human milk oligosaccharides and methods of producing the same, by reason of infringement of certain claims of U.S. Patent Nos. 9,453,230 ("the '230 patent") and 9,970,018 ("the '018 patent"). The notice of investigation named as respondent in this investigation: Jennewein Biotechnologie GmbH of Rheinbreitbach, Germany, now Chr. Hansen HMO GmbH ("Respondent"). See *id.* The Office of Unfair Import Investigations was also a party to the investigation. See *id.*

The Commission previously terminated the '230 patent in its entirety and certain claims of the '018 patent. See Order No. 5 (Aug. 9, 2018), *unreviewed by Comm'n Notice* (Aug. 29, 2018); Order No. 15 (Oct. 30, 2018), *unreviewed by Comm'n Notice* (Nov. 29, 2018); Order No. 17 (Nov. 19, 2018), *unreviewed by Comm'n Notice* (Dec. 12, 2018); Order No. 25 (Feb. 8, 2019), *unreviewed by Comm'n Notice* (Feb. 28, 2019).

On May 19, 2020, the Commission issued a final determination finding a violation of section 337 based on patent infringement of certain claims of the '018 patent with respect to certain bacterial strains. The Commission issued a limited exclusion order barring the unlicensed entry of certain human milk oligosaccharides that are imported by or on behalf of Respondent and that are produced with the infringing strains. On September 17, 2021, the United States Court of Appeals for the Federal Circuit affirmed the Commission's final determination. See *Jennewein Biotechnologie GmbH v. ITC*, No. 20–2220, 2021 WL 4250784 (Fed. Cir. Sept. 17, 2021) (unpublished).

On June 6, 2025, Complainant filed an unopposed petition to rescind the limited exclusion order based on a settlement agreement between Complainant and Respondent. No response to the petition was received.

As stated in the Commission Order issued concurrently herewith, the Commission finds that the conditions which led to the issuance of the limited exclusion order no longer exist and, therefore, a rescission of the limited exclusion order is warranted under section 337(k) (19 U.S.C. 1337(k)) and

¹ Handbook for Electronic Filing Procedures: https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf.

² All contract personnel will sign appropriate nondisclosure agreements.

³ Electronic Document Information System (EDIS): <https://edis.usitc.gov>.

Commission Rule 210.76(a) (19 CFR 210.76(a)). The Commission has thus determined to institute a rescission proceeding and to rescind the limited exclusion order issued in the underlying investigation. The rescission proceeding is terminated.

The Commission's notice and order were delivered to the Secretary of the Treasury on the day of their issuance.

The Commission's vote for this determination took place on July 7, 2025.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: July 7, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025-12792 Filed 7-9-25; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1329]

Certain Audio Players and Components Thereof (I); Notice of a Commission Determination To Adopt an Initial Determination Granting Summary Determination of Invalidity and Finding No Violation; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("Commission") has determined to adopt an initial determination ("ID") (Order No. 39) issued by the presiding administrative law judge ("ALJ") granting respondent's motion for summary determination of invalidity of the asserted patent claims due to indefiniteness. The Commission previously vacated the ID's termination for "good cause." The investigation is terminated with a finding of no violation of section 337.

FOR FURTHER INFORMATION CONTACT: Carl P. Bretscher, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205-2382. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help

accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on September 15, 2022, based on a complaint filed by Google LLC ("Google") of Mountain View, California. 87 FR 56702-703 (Sept. 15, 2022). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337"), in the importation into the United States, sale for importation, or sale in the United States after importation of certain audio players and components thereof by reason of infringement of certain asserted claims of U.S. Patent Nos. 7,705,565 ("the '565 patent"); 10,593,330 ("the '330 patent"); and 10,134,398 ("the '398 patent"). *Id.* The complaint further alleges that a domestic industry exists. *Id.* The Commission's notice of investigation names Sonos, Inc. ("Sonos") of Santa Barbara, California as the sole respondent. *Id.* at 56703. The Office of Unfair Import Investigations was not named as a party to this investigation. *Id.*

On November 2, 2022, the Commission terminated the investigation with respect to the '565 patent. Order No. 7 (Oct. 18, 2022), *unreviewed by Comm'n Notice* (Nov. 2, 2022).

On November 30, 2022, the parties filed a joint claim construction chart, identifying the term "low power mode" among the terms in dispute. The ALJ held a *Markman* hearing on January 19, 2023.

After the *Markman* hearing, the Commission granted the parties' multiple requests for extensions of time, in order to accommodate the U.S. Patent and Trademark Office Patent Trial and Appeal Board's ("PTAB") *inter partes* review ("IPR") of the patents at issue. On May 15, 2024, the PTAB issued two Final Written Decisions ("FWD"), concluding that all of the challenged claims of the asserted patents are unpatentable under 35 U.S.C. 318(a). *Sonos, Inc. v. Google LLC*, IPR2023-00119, Patent No. 10,593,330, Final Written Decision Determining All Challenged Claims Unpatentable (May 15, 2024); *Sonos, Inc. v. Google LLC*, IPR2023-00118, Patent No. 10,134,398,

Final Written Decision Determining All Challenged Claims Unpatentable (May 15, 2024).

On May 17, 2023, Sonos filed a motion for summary determination of invalidity, arguing that the asserted claims of the '330 patent and the '398 patent are, *inter alia*, invalid as indefinite ("First MSD"). Google filed its opposition to Sonos's First MSD on May 30, 2023.

On July 31, 2024, Sonos filed its second motion for summary determination of invalidity ("Second MSD"), arguing that all of the asserted patent claims are invalid as anticipated or obvious. Google filed its opposition to Sonos's Second MSD on August 20, 2024.

On February 4, 2025, the presiding ALJ issued an order (Order No. 35) inviting the parties to file a motion to terminate the investigation in view of the PTAB's two FWDs finding the asserted patent claims "unpatentable" under 35 U.S.C. 318(a). Order No. 35 (Feb. 4, 2025), *clarified in* Order No. 36 (Feb. 19, 2025).

On February 14, 2025, Sonos moved to terminate the investigation for "good cause" in view of the PTAB's FWDs of unpatentability. Google filed its opposition to Sonos's termination motion on February 28, 2025.

On March 7, 2025, the presiding ALJ issued a claim construction order (Order No. 37) finding that the claim term "low power mode," which is used in both of the remaining patents, is indefinite, and the asserted patent claims are thus invalid. Order No. 37 (March 7, 2025).

Also on March 7, 2025, the ALJ issued an order (Order No. 38) denying Sonos' Second MSD because Sonos is estopped from asserting the same prior art in the present investigation that it asserted in the PTAB proceedings. Order No. 38 (March 7, 2025) (citing 35 U.S.C. 315(e)(2)).

Further on March 7, 2025, the ALJ issued the subject ID (Order No. 39) granting Sonos's First MSD of invalidity because the claim term "low power mode" is indefinite. Order No. 39 (March 7, 2025) (citing Order No. 37, *supra*). The ALJ also granted Sonos's motion to terminate the investigation for "good cause" due to the PTAB's two FWDs of unpatentability.

No party timely filed a petition for review of the subject ID.

On April 8, 2025, the Commission reviewed the ID in part and, on review, adopted the ID's finding that the asserted patent claims are invalid as indefinite, but vacated that portion of the ID that terminated the investigation for "good cause." 90 FR 15579-80 (Apr. 14, 2025). The Commission thus

terminated the investigation with a finding of no violation of section 337 due to the finding that the claims are invalid as indefinite and thus cannot be infringed.

On April 18, 2025, Google filed a Petition for Reconsideration and Petition for Review of the ALJ's Initial Determination Granting Motion for Summary Determination Based on Indefiniteness. Google argued that it did not receive timely service of the ID and, thus, did not have the opportunity to file a timely petition for review of the ID. Google attached its petition for review to its petition for reconsideration.

On April 25, 2025, Sonos filed a response to Google's petition for reconsideration. While noting that the ID was publicly available and that Google only implied it did not have actual notice of the ID, Sonos took no position on Google's motion for reconsideration. Sonos also asked for eight days to respond to Google's petition for review if its motion for reconsideration were granted.

On May 27, 2025, the Commission granted Google's petition for reconsideration, vacated its previous determination of April 8, 2025, and reopened the investigation to consider Google's petition for review. Comm'n Notice (May 27, 2025). The Commission accepted Google's petition for review as filed, gave Sonos eight days to respond to Google's petition for review, and reinstated the investigation's previous target date of July 7, 2025.

Sonos timely filed its response to Google's petition for review on June 5, 2025.

Upon consideration of Order Nos. 37 and the ID, Google's petition for review, Sonos's response thereto, and related submissions, the Commission has determined to adopt the ID's finding that the asserted claims of the '330 patent and '398 patent are invalid because the term "low power mode" is indefinite. Accordingly, the Commission finds there is no violation of section 337, per 19 U.S.C. 1337(a)(1)(B)(1) (requiring infringement of a valid claim for a finding of violation). The Commission previously vacated the ID's termination for "good cause." Comm'n Notice (Apr. 8, 2025). There is no basis in either Commission precedent or the Commission's rules to terminate an investigation based on a PTAB final written decision that may still be appealed. *See Certain Network Devices, Related Software and Components Thereof (II)*, Inv. No. 337-TA-945, Comm'n Op. at 12 (Aug. 2017) (explaining that "the law is clear that patent claims are valid until the PTO

issues certificates cancelling those claims, which it cannot do until the exhaustion of any appeals . . . take[n] from the PTAB's final written decisions").

The investigation is terminated based on the finding of no violation.

The Commission vote for this determination took place on July 7, 2025.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: July 7, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025-12789 Filed 7-9-25; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1418]

Certain Cochlear Implant Systems and Components Thereof; Notice of a Commission Determination Not To Review an Initial Determination Terminating the Investigation by Settlement; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("Commission") has determined not to review an initial determination ("ID") (Order No. 20) issued by the presiding administrative law judge ("ALJ") granting the parties' joint motion to terminate the investigation on the basis of settlement. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Carl P. Bretscher, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205-2382. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be

obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on September 23, 2024, based on a complaint filed by Advanced Bionics AG of Stafa, Switzerland and Advanced Bionics LLC of Valencia, California (collectively "Advanced Bionics"). 89 FR 77541-42 (Sept. 23, 2024). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, sale for importation, or sale in the United States after importation of certain cochlear implant systems and components thereof by reason of infringement of certain asserted claims of U.S. Patent Nos. 7,317,945 ("the '945 patent") and 8,422,706 ("the '706 patent"). *Id.* The complaint further alleges that a domestic industry exists. *Id.* The Commission's notice of investigation names MED-EL Corporation, USA of Durham, North Carolina and MED-EL Elektromedizinische Geräte GmbH of Innsbruck, Austria. The Office of Unfair Import Investigations ("OUII") was also named as a party to this investigation. *Id.*

On April 21, 2025, the Commission partially terminated the investigation with respect to asserted claims 3, 5-8, 15-18, and 22 of the '945 patent and asserted claims 3, 7-9, 14, 17, and 18 of the '706 patent, pursuant to Advanced Bionics's unopposed motion to withdraw the complaint for those claims under Commission Rule 210.21(a)(1), 19 CFR 210.21(a)(1). Order No. 13 (Apr. 7, 2025), *unreviewed by Comm'n Notice* (Apr. 21, 2025).

On May 30, 2025, the parties filed a joint motion to terminate the investigation based on a confidential settlement agreement. On June 6, 2025, OUII filed a response in support of the joint motion for termination.

On June 12, 2025, the ALJ issued the subject ID (Order No. 20) granting the parties' joint motion to terminate the investigation. The subject ID finds that, apart from the parties' confidential settlement agreement, there are no other agreements, written or oral, express or implied, between the parties concerning the subject matter of this investigation, in accordance with Commission Rule 210.21(a), (b), 19 CFR 210.21(a)(b). The subject ID also finds that termination of the specified claims of the '945 and '706 patents would not have any adverse impact on the public interest and would conserve public and private resources.

No party filed a petition for review of the subject ID.

The Commission has determined not to review the subject ID. The investigation is hereby terminated.

The Commission vote for this determination took place on July 7, 2025.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: July 7, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025-12780 Filed 7-9-25; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Antitrust Division

United States v. Hewlett Packard Enterprise Co., et al.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b)–(h), that a proposed Final Judgment, Stipulation, and Competitive Impact Statement have been filed with the United States District Court for the Northern District of California in *United States of America v. Hewlett Packard Enterprise Co. and Juniper Networks, Inc.*, Civil Action No. 5:25–CV–00951–PCP (N.D. Cal.). On January 30, 2025, the United States filed a Complaint alleging that Hewlett Packard Enterprise Company's ("HPE") proposed acquisition of Juniper Networks, Inc. ("Juniper") would violate Section 7 of the Clayton Act, 15 U.S.C. 18. The proposed Final Judgment, filed on June 27, 2025, requires HPE to divest the HPE Instant On campus and branch business and license the source code for Juniper's Mist AI Ops software.

Copies of the Complaint, proposed Final Judgment, and Competitive Impact Statement are available for inspection on the Antitrust Division's website at <http://www.justice.gov/atr> and at the Office of the Clerk of the United States District Court for the Northern District of California. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Public comment is invited within 60 days of the date of this notice. Such comments, including the name of the submitter, and responses thereto, will be

posted on the Antitrust Division's website, filed with the Court, and, under certain circumstances, published in the **Federal Register**. Comments should be submitted in English and directed to Civil Chief, San Francisco Office, Antitrust Division, Department of Justice, 450 Golden Gate Avenue, Room 10–0101, Box 36046, San Francisco, CA 94102 or ATR.Public-Comments-Tunney-Act-MB@usdoj.gov.

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[Additional counsel listed on signature page]

Attorneys for Plaintiff, United States of America

In the United States District Court Northern District of California

United States of America, Plaintiff, v. Hewlett Packard Enterprise Co. and Juniper Networks, Inc., Defendants.

Case No. 5:25–CV–00951–PCP

Complaint

1. The United States of America brings this civil action to prevent Hewlett Packard Enterprise Company ("HPE") from acquiring a smaller, but innovative rival, Juniper Networks, Inc. ("Juniper"). HPE and Juniper are the second- and third-largest providers of commercial or "enterprise" wireless networking solutions, respectively, in the United States. The acquisition, if consummated, would result in two companies—market leader Cisco Systems, Inc. ("Cisco") and HPE—controlling well over 70 percent of the U.S. market and eliminate fierce head-to-head competition between Defendants, who offer wireless networking solutions under the HPE Aruba and Juniper Mist brands.

2. For years, pressure from Juniper has forced HPE to discount deeply and invest in developing advanced software products and features as part of a multifaceted campaign to "Beat Mist." The "Beat Mist" campaign failed. Having failed to beat Juniper's Mist on the merits, HPE seeks to acquire Juniper instead for \$14 billion. This proposed acquisition risks substantially lessening competition in a critically important technology market and thus poses the precise threat that the Clayton Act was enacted to prevent. It should be blocked.

Introduction

3. Wireless networking technology is critical in the modern workplace. Millions of Americans today create and share company resources and access the internet from wireless-enabled devices. Retail employees wirelessly process payments and log inventory. Doctors access medical records on phones and tablets and track patient care on the go. University students take notes on their laptops and access course materials from classrooms, dorm rooms, and school libraries. As mobile technology has improved and more services have migrated to the cloud, wireless networking technology in the workplace has become even more essential. Today, it is the primary means by which many employees connect to their employer's computer network and the internet.

4. Providing companies with commercial wireless networking technology is itself a big business. Every year, enterprises, including public and private companies, state and local agencies, and non-profit organizations, spend billions of dollars buying wireless networking solutions for their offices, stores, factories, and warehouses. Those solutions are built around wireless access points, which send and receive data via radio signals and are wired to networks through devices called campus switches. Enterprise-grade wireless networking solutions can simultaneously serve a larger number of users and support feature sets and functionalities more advanced than the consumer-grade wireless systems that most Americans have in their homes. Because many workplaces deploy a large number of access points—sometimes thousands across a single corporate campus—network administrators rely on sophisticated network management hardware and software to monitor and control them. By contrast, consumer-grade wireless networking systems that individuals purchase for their homes are generally managed device-by-device, and they often do not include systems for linking and managing multiple access points from a single location.

5. Enterprise-grade wireless networking solutions generally include wireless access points; the separate hardware or advanced software systems to monitor and manage them; and related logistical support, including security updates and patches (collectively, "enterprise-grade WLAN solutions"). Today, the market for those solutions in the United States is highly consolidated: market-leader Cisco and Defendants collectively represent over 70 percent of it. For years, Cisco and

7. Juniper's ascent capitalized on and helped accelerate the industry's burgeoning focus on AIOPs and other tools that simplify and automate network maintenance. Those tools, which can materially decrease the cost of operating a wireless network, include conversational virtual assistants that increase the productivity of network administrators and software that proactively searches for network misconfigurations and other issues before they cause network outages. Customers and competitors have come to associate Juniper with those tools. AI

10. HPE also invested in specific upgrades to its software to close gaps between its offerings and Juniper's. In late 2021, as part of its development of next generation Aruba Central network management software ("CNX"), HPE launched "Project Gravity," a multi-year project focused on improving Aruba Central's user interface and infusing its platform with features that use artificial intelligence and machine learning. Internally, HPE executives routinely described Project Gravity as critical to "Beat[ing] Mist" and driving sales in competitive matchups. For instance, in

12. Having failed to beat Mist on the merits, HPE changed tactics and in January 2024 opted to try to buy Juniper instead. That decision puts at risk myriad consumer benefits that have resulted from competition between Defendants in the market for enterprise-grade WLAN solutions. Front-line sales executives regularly seek deep discounts to win or retain business targeted by the other company, and HPE has contemplated list price reductions for software and hardware products to avoid being undercut by Juniper on price. Defendants' merger, if consummated, would eliminate head-to-head competition that has lowered prices and driven investment in network management software, and it would decrease pressure on HPE to discount and innovate in the future. For these and other reasons set forth in this Complaint, HPE's proposed acquisition of Juniper threatens to substantially lessen competition in violation of Section 7 of the Clayton Act, 15 U.S.C. 18, and should be blocked.

Enterprise Wireless Solutions

13. Networks are comprised of computers, printers, smartphones, and other devices that are linked in order to send and receive data. Networks in single physical locations, like an individual office building or a school, are referred to as local area networks (“LAN”) or, alternatively, “campus” or “branch” networks depending on their

size. “Wired” devices connect to a LAN using ethernet cables, whereas wireless-enabled devices connect through wireless access points. Wireless access points and wired devices are connected to multi-port devices, called switches, that serve as hubs for transmitting data within a LAN.

14. LANs can be connected to each other using physical lines or the internet to form a wide area network (“WAN”). Many WANs, like those that link a corporation’s various offices across the United States, are privately run and accessible only to people granted access; others are open to all. Individual LANs traditionally connected to a WAN using a router, but today can use software replacements, like software-defined WAN (“SD-WAN”). Enterprise switches, routers, and SD-WAN are distinct products from enterprise-grade wireless access points and the associated products used to operate and manage them.

15. University campuses, hospital complexes, and large corporate offices may have thousands of wireless access points, so network administrators rely on hardware and software systems to operate and manage them. Traditionally, network management has been done on-premises using wireless controllers, which are devices that channel and amplify bandwidth from a router, push firmware to wireless access points and configure their code, and aggregate telemetry data to help network administrators monitor connectivity and power use. Many organizations continue to use on-premises controllers, often for compliance or security reasons.

16. In recent years, network management has migrated from on-premises hardware to remote solutions located in the “cloud.” Cloud-based network management solutions can remotely calibrate wireless access points and monitor connectivity, making on-premises controllers superfluous. Cloud-managed network management solutions typically have online portals or dashboards where network administrators can easily check the performance of every wireless access point on a LAN or WAN on a single screen. While many customers are still using on-premises management systems, the cloud-managed segment of the industry is growing rapidly due, among other things, to its convenience and efficiency. Using cloud-management, for instance, a network administrator for a national retail chain could monitor the health of access points at stores across the county from one location. The wireless access points in Juniper’s Mist and HPE’s Aruba portfolios were built to be cloud-managed, making both

companies well-situated to take advantage of growth in that market segment.

17. With improvements in data collection and analysis, networking vendors like HPE and Juniper have introduced increasingly advanced features in their software solutions. Some of these features use artificial intelligence and machine learning to provide network administrators with greater insight into network performance and the causes of network failures. Others can automate functions traditionally performed by network administrators to meet customers’ rising demand for tools that control management costs. For instance, Juniper Mist users have access to the Marvis Virtual Network Assistant, an interface that displays information in response to plain-language queries, and Marvis Minis, a tool that proactively searches for network misconfigurations and other potential issues, allowing network administrators to pinpoint and resolve connectivity issues before they impact users. Juniper estimates that at least 40 percent of enterprise customers will adopt some AIOps into their IT systems by 2025, and the company will continue benefiting from customers’ increasing interest in those tools.

18. Vendors’ network management solutions differ in the features and capabilities they offer to customers. While some vendors include cutting edge AIOps, others provide cheaper and more bare-bones network management solutions, offering customers a simple cloud-managed platform that monitors connectivity but provides few other features. Customers choose providers that offer products tailored toward their individualized networking needs.

19. Wireless access points generally reach the end of their useful life and need to be replaced every five to seven years, but vendors launch new generations of wireless hardware more frequently and enterprise customers interested in deploying the best technology in their workplaces will refresh their wireless access points more frequently. A significant portion of enterprise customers keep their existing wireless networking provider during a technology refresh, given the high cost and disruption of replacing technology and re-training network administrators and IT personnel. Other enterprises, though, will solicit quotes from multiple vendors to ensure they are getting the best solutions for their needs.

20. While some very large enterprises have direct relationships with wireless networking vendors, most use value-added resellers to source their networking equipment. Leading vendors

invest heavily in cultivating and growing relationships with value-added resellers; they are key to vendors’ distribution networks and, when used effectively, magnify the vendors’ own sales forces by encouraging enterprise sales. Those vendors offer their value-added resellers preferred pricing and volume discounts, which value-added resellers in turn pass on to their customers. Enterprise customers will often seek quotes from several value-added resellers to get the best price available from each vendor.

21. Some enterprises, including state and local governments and agencies, issue formal requests for proposals (“RFPs”), seeking bids from a range of wireless networking vendors. That process may result in a bidding war between vendors.

22. Large enterprises, regardless of whether they issue formal RFPs, generally expect vendors to offer additional discounts to win their business. They work with their value-added resellers to negotiate those discounts, using the threat of going with a competitor to win additional concessions. Certain value-added resellers are known to work exclusively with large, sophisticated enterprises or Fortune 1000 companies. Those value-added resellers may partner with Cisco, HPE, and Juniper, but not smaller wireless networking vendors that cater to small or medium-sized enterprises. Other value-added resellers that do cater to small and medium-sized businesses may partner with those smaller wireless networking vendors, but not Cisco, HPE, or Juniper.

23. Wireless networking vendors, like HPE and Juniper, are typically aware of an enterprise’s incumbent provider and which of their competitors are competing for an individual contract. Because each contract is individually negotiated, each vendor has the opportunity to adjust its quotes or bids depending on its perception of the competition it faces for a customer’s business.

HPE and Juniper Are Leading Providers of Enterprise-Grade WLAN Solutions

24. HPE, headquartered in Spring, Texas, competes in a number of technology markets, including general-purpose servers, cloud storage, and finance. Networking is one of its fastest growing divisions, and the company sells various networking products, including wireless access points and campus switches, under the Aruba brand and its legacy on-premises network management solution, Airwave. Enterprise-grade WLAN solutions in the United States represent a substantial

portion of HPE's total campus networking sales.

25. Juniper, headquartered in Sunnyvale, California, offers a range of networking products, including wireless access points, wired switches, and network management software under the Mist brand. Enterprise-grade WLAN solutions in the United States represent a substantial portion of Juniper's total U.S. campus networking sales.

26. The U.S. market for enterprise-grade WLAN solutions, which include wireless access points, the hardware or software tools to manage them, and related logistical support, is highly concentrated. Cisco is by far the largest vendor and is more than twice as large as the next largest competitor, HPE. According to estimates from multiple third-party sources used internally by HPE executives, Cisco, HPE, and Juniper collectively represent over 70 percent of U.S. enterprise-grade wireless access point revenue or North America WLAN revenue. Cisco and Defendants' shares of the U.S. enterprise-grade WLAN market are roughly in line with their shares of the U.S. market for access points alone.

27. Customers choose HPE and Juniper over Cisco and other WLAN vendors for several reasons. Both have well-regarded portfolios of wireless access points and network management solutions that are built for cloud-management. Both have experienced sales forces, technical support organizations, and well-developed distribution channels, and they have track records for working with large, sophisticated enterprises. While the same is true for Cisco, many WLAN customers suffer from "Cisco fatigue" due, among other things, to Cisco's overlapping WLAN product portfolios—it sells wireless access points under two competing brands—and complex licensing practices.

Some WLAN Vendors Face Headwinds Competing for Large Enterprise Customers

28. While every organization's networking needs is unique, large enterprise customers, including corporate campuses, research universities, and hospitals, tend to buy higher-end wireless access points and network management software that can cover a larger geographic footprint and allow more people to connect. Their networks are more likely to be mission critical than smaller customers' networks; a network failure, for example, could make it impossible for a national retailer to conduct transactions and order inventory, or for health professionals to access medical records

and track patient outcomes. As a result, large enterprise customers tend to demand more of their networking providers than smaller ones do.

29. Because of the complexity of their networks, these large enterprise customers are "high touch," requiring vendors to have large and well-trained salesforces that can ensure their purchases integrate with the customer's existing IT infrastructure and that can customize software features where needed. Large enterprise customers also seek vendors that can provide multiple networking components at the same time and offer sophisticated and feature-rich network management solutions. Large enterprise customers are also highly sensitive to vendors' reputations and track-records, given the damage that disruptive network failures can cause their businesses.

30. Many enterprise-grade WLAN vendors in the market today face headwinds competing for large enterprises' business. Several vendors lack sales and support organizations required to design and customize networks for their customers. Some vendors primarily cater toward small businesses rather than Fortune 500 companies, research universities, and other organizations with complex networking needs. Still other vendors use cheap manufacturing components sourced from Chinese manufacturers rather than U.S. corporations like Broadcom and Qualcomm, whose products are considered more reliable and secure, offer shorter warranties or less desirable support packages, or have bare-bones network management software that is less feature-rich than products offered by Cisco, HPE, and Juniper.

The Relevant Market for Evaluating the Proposed Merger

31. The proposed acquisition threatens to substantially lessen competition in the market for enterprise-grade WLAN solutions. That product market constitutes a line of commerce as that term is used in Section 7 of the Clayton Act, 15 U.S.C. 18, and it is a relevant product market in which competitive effects can be assessed.

32. Market definition is a tool to help courts assess an area of effective competition impacted by a merger. A relevant market includes a product and geographic dimension. Courts define relevant product and geographic markets to help identify where competition may be harmed by a merger. Defining the relevant market "is not an end unto itself; rather, it is an

analytical tool used to ascertain the 'locus of competition.'"¹

33. There are many tools available to identify relevant markets. The outer boundaries of a relevant product market are determined by looking to the substitution choices made by customers in response to potential changes in price or quality. Courts often look to "practical indicia" to identify the boundaries of an antitrust market or submarket to determine whether two products are economic substitutes and compete within the same market or submarket, *Brown Shoe Co. v. U.S.*, 370 U.S. 294, 325 (1962). Courts also utilize economic tools, such as the "hypothetical monopolist" test, which asks whether a firm that was the only present and future seller of the products in a proposed market—a hypothetical monopolist—likely would undertake at least a small but significant and non-transitory increase in price or worsening of terms ("SSNIP") for at least one product in the proposed market.²

Product Market

34. Enterprise-grade WLAN solutions are a relevant product market and line of commerce within the meaning of Section 7 of the Clayton Act. Enterprise-grade WLAN solutions are sold to businesses, school systems, and other commercial and non-profit organizations. They can serve a large number of users simultaneously and support advanced feature sets and functionalities. Unlike consumer-grade WLAN, enterprise-grade WLAN solutions include systems to manage multiple access points—sometimes thousands of them—across a single location. Systems used to manage multiple access points include hardware-based controllers, cloud-managed services, and network management software. Those systems monitor connectivity, service quality, and other critical network functions.

35. WLAN vendors offer products with a range of hardware and software features optimized for different environments and customer needs. Because an individual vendor's WLAN solutions may not be ideal for every customer, HPE and Juniper may be able to charge different prices and include different terms for their customers. Customers are also unable to engage in arbitrage by purchasing indirectly from or through other customers to defeat

¹ *United States v. Bertelsmann SE & Co. KGAA*, 646 F. Supp.3d 1, 24 (D.D.C. 2022) (quoting *Brown Shoe Co. v. United States*, 370 U.S. 294, 320–21 (1962)).

² United States Department of Justice and Federal Trade Commission, Merger Guidelines (2023 ed.) § 4.3.

potential price increases or worsening of terms.

36. The market for enterprise-grade WLAN solutions exhibits many of the “practical indicia” that courts look for when determining the boundaries of a relevant market, including peculiar characteristics and uses, distinct customers, and industry recognition. For example:

- WLAN solutions use radio waves to connect users’ devices to a local area network. Consumers do not view wired solutions, which connect user devices directly to campus switches through ethernet cables, as reasonable substitutes, even though both permit users to access the network, because wired connections do not permit users freedom of movement. Wired connections are used more often today for desktop computers, printers, and other stationary devices.

- Customers who purchase enterprise-grade WLAN solutions, which are tailored for commercial environments, with wireless access points designed to be linked to cover a larger geographic area and managed by a hardware or software system, are not generally able to be served by consumer-grade WLAN solutions.

- Customers typically purchase network management software and other control systems along with wireless access points; mixing and matching access points and control systems from multiple vendors generally is not a feasible alternative to a complete WLAN solution. This is because wireless access points sold by Cisco, HPE, Juniper, and other WLAN vendors often cannot be managed by third-party network management software, and these firms generally do not sell their network management software on a standalone basis to be used with third-party hardware.

- Industry analysts, including 650 Group Market Intelligence Research (“650 Group”), regularly track revenue growth for an enterprise-grade WLAN market and calculate various vendors’ shares of that market. Those analysts separately track revenues for enterprise-grade and consumer-grade WLAN, and, for enterprise-grade WLAN, include revenues from wireless access points, controllers, and cloud-managed services. Defendants regularly circulate market share estimates produced by 650 Group and other industry analysts and rely on them to gauge their performance relative to competitors.

37. Purchasing wireless access points from an original device manufacturer and either using a third-party network management software or creating a bespoke software solution in-house is

not a reasonable substitute for most customers looking to purchase enterprise-grade WLAN solutions. Among other things, few WLAN customers have the IT resources and expertise to design and procure their own access points and network management systems or the scale needed to make buying directly cost-effective. Customers would not substitute solutions involving third-party or bespoke software in sufficient numbers to deter a hypothetical monopolist of enterprise-grade WLAN solutions from undertaking a SSNIP.

38. Consumer-grade WLAN solutions also are not a reasonable substitute for most enterprise-grade WLAN solutions. Consumer wireless access points are typically smaller, capable of handling fewer users simultaneously, less reliable, and designed to cover smaller geographic areas. Among other things, because consumer-grade WLAN solutions are managed device-by-device, they generally do not include systems for linking and managing large numbers of access points from a single location. Customers would not substitute consumer-grade WLAN solutions in sufficient numbers to deter a hypothetical monopolist of enterprise-grade WLAN solutions from undertaking a SSNIP.

Geographic Market

39. The relevant geographic market for HPE’s proposed acquisition of Juniper is the United States. Several enterprise-grade WLAN vendors that are active abroad, including Chinese multinational Huawei Technologies Company (“Huawei”), have been identified as potential security threats by the U.S. government and, under federal law, are barred from competing for business domestically. As a result, customers in the United States have fewer options than they would if they were based abroad, and HPE and Juniper may be able to charge different prices and include different terms for those customers. Customers in the United States are also unable to engage in arbitrage by purchasing indirectly from or through other customers outside the United States in order to defeat potential price increases or worsening of terms. The geographic market includes all sales made to customers in the United States, regardless of the WLAN vendor’s location. Defendants regularly rely on industry analysts, including International Data Corporation (“IDC”), that calculate wireless access point market shares for the United States.

HPE’S Acquisition of Juniper Is Presumptively Unlawful and Threatens Competition in Violation of the Clayton Act

40. The proposed merger has an effect that “may be substantially to lessen competition.” See 15 U.S.C. 18. Not only is the transaction presumptively unlawful, but other evidence also illustrates the threat to competition presented by eliminating Juniper as a strong competitive force.

A. The Proposed Acquisition Is Presumptively Unlawful

41. The proposed merger is presumptively unlawful. It would significantly increase concentration in an already consolidated relevant market for enterprise-grade WLAN solutions. The proposed acquisition would result in two firms controlling over 70 percent of the relevant market.

42. To measure market concentration, courts often use the Herfindahl-Hirschman Index (“HHI”) as described in Section 2.1 of the 2023 *Merger Guidelines*. See United States Department of Justice and Federal Trade Commission, *Merger Guidelines* (2023 ed.) § 2.1. HHIs range from 0 in markets with no concentration to 10,000 in markets where one firm has 100 percent market share. Under the *Merger Guidelines*, a market with HHI greater than 1,800 is highly concentrated, and a change of more than 100 points is a significant increase. See *Fed. Trade Comm’n v. Kroger Co.*, No. 3:24-cv-00347, 2024 WL 5053016, at *15 (D. Or. Dec. 10, 2024). A merger that creates or further consolidates a highly concentrated market that involves an increase in the HHI of more than 100 points is presumed to substantially lessen competition and is presumptively unlawful. See *id.* at *15 (citing U.S. Dep’t of Justice & Fed. Trade Commission, *Merger Guidelines* § 2.1 (2023)).

43. The proposed merger between HPE and Juniper easily clears these hurdles in the markets for enterprise-grade WLAN solutions and is presumptively unlawful, with a pre-merger HHI over 3,000 and a change of at least 250 points using IDC’s estimates of U.S. market shares for wireless access points. Cisco and Defendants’ shares of the U.S. enterprise-grade WLAN market are roughly in line with their shares of the U.S. market for access points alone.

The Merger Threatens Higher Prices and Less Innovation by Eliminating Fierce Head-to-Head Competition Between Defendants

44. HPE and Juniper compete fiercely to win business. They frequently submit

bids to provide enterprise-grade WLAN to the same customers, and they are often the top two bidders. Customers—particularly large enterprise customers—frequently benefited from competition between HPE and Juniper, which, among other things, has forced HPE to offer significant discounts to win business in head-to-head matchups against Juniper. For instance:

- In 2021 and 2022, HPE and Juniper were the top two contenders for a multi-million-dollar contract to provide WLAN solutions to a large research university in the Northeast. HPE's sales teams described the opportunity as "a very competitive deal against [Juniper's] Mist that we need to win" and sought approval for a 79 percent discount on hardware and a 73 percent discount on software to win the deal. Juniper ultimately won the contract.

- In 2023, HPE and Juniper were the top two contenders to provide WLAN solutions to a large research university system in the Northwest—an HPE Aruba customer since 2005—and each offered discounts against each other to win the contract. Juniper ultimately won the contract, and an HPE executive described the loss as "a big hit, surprise."

- In 2023, HPE and Juniper were the top two contenders for a \$100 million contract to provide WLAN solutions to a large healthcare system. Both parties discounted deeply to win the business, which Juniper ultimately won. Reflecting on the loss, HPE's Head of Sales for the Americas wrote, "This is a huge blow and Juniper will leverage this one and continu[e] to bring credibility to there [sic] solution."

45. HPE also compares the pricing of its wireless access points and network software licenses to Juniper's and recommends deep discounts below list prices to remain competitive. For instance, an internal July 2022 price calibration report on Aruba Central licenses for advanced wireless access points recommended that HPE lower the price of its software package to "compete better with [Juniper's] Mist and [Cisco's] Meraki," which it identified as HPE's "primary competitors."

46. In the field, HPE sales teams have raised concerns about Juniper undercutting HPE on price, seeking authority to offer steep pricing discounts to win business against Juniper. For instance, in April 2023, HPE's former Senior Vice President of Software shared feedback that, in a recent head-to-head competition, HPE's "Aruba [product] was very, very expensive" and Juniper's "Mist [product] was [millions of dollars]

cheaper." In response, HPE's Head of Sales for the Americas confirmed that, "everything [they] are saying is accurate . . . [o]ur 4x4 6e APs for example is approx. 400.00 list price higher. It is killing us in K12 and Higher Ed." In other words, Juniper was undercutting HPE on price in education, costing HPE business in one of its stronger customer verticals.

47. Head-to-head competition has also benefited customers by forcing Defendants and other competitors to innovate their network management software. In internal documents, HPE executives recognize the necessity of addressing Juniper's perceived product advantages, and they directly link software initiatives, like Project Gravity, to HPE's efforts to "Beat Mist." HPE's internal documents do not show the same urgency to out-innovate Cisco on network management software, and many enterprise customers do not consider Cisco an innovation leader in AIOps and other advanced software tools. For instance, an October 2022 HPE strategy deck stated that to "grow cloud managed revenues"—one of six strategic priorities and initiatives for the 2023 fiscal year—HPE had to "Beat Mist by leveraging improved [user experience] with [AIOps]-infused workflows." In an email a month later, HPE's former Senior Vice President of Software wrote that while HPE had mostly closed the gap on AIOps, Mist still had an advantage in "their [user interface ("UI")] workflows and speedy UI. . . . We can beat them on the UI workflows with Project Gravity," but it "can't come soon enough." Mist was still putting pressure on HPE's "top customers" in September 2023, leading HPE's former Senior Vice President of Software to write that, until HPE launched a revamped network management software solution, "we cannot rest easy."

48. Many large customers—including each of the three customers mentioned above—describe Cisco, HPE, and Juniper as the three leading vendors for their customer segments and believe Cisco's products compare unfavorably to HPE's and Juniper's on price, features, and reliability. Those customers benefit from having Juniper as a credible alternative to Cisco and HPE in the market. If HPE successfully acquired Juniper, the acquisition would leave them with fewer credible choices.

The Proposed Merger Would Facilitate Coordination Among the Remaining Enterprise-Grade WLAN Vendors

49. The proposed merger will also reduce competition by increasing the risk of coordination among the

remaining vendors. The existing market structure of the enterprise-grade WLAN market is already conducive to coordinated behavior. A few large players dominate the industry, and information about their actions is widely known. During customer negotiations, it is common for competitors to receive bidding information about their competitors from customers in hopes of obtaining better pricing terms. WLAN vendors follow the same market analysts and seek advice from the same consultants about go-to-market strategies. Discounting practices have also become fairly standardized over time.

50. Gross margins for enterprise-grade WLAN vendors are exceedingly high, giving vendors a strong incentive to prevent competition from leading to discounts that are too deep. HPE executives are aware of the margins they earn on their WLAN solutions. When discussing unconfirmed rumors of Mist's acquisition in 2019 before a buyer was identified, a former HPE executive expressed concern that one prospective buyer may "play the 45 too [sic] 50% gross margin game"—lower than HPE's higher average gross margins—"and ruin the market for us all."

51. This acquisition, if allowed to proceed, would result in two firms—Cisco and HPE—controlling over 70 percent of the relevant market, with a significant gap between HPE and the next largest vendor in the market. Cisco and HPE would cement their positions as key leaders for the market to follow, and, with fewer players and obvious leaders, Cisco and HPE may find it easier to reach and sustain a consensus on price, features, and reliability that harms enterprise customers through coordination.

Nothing Offsets the Merger's Threats to Competition

52. Entry by new vendors of enterprise-grade WLAN in response to the merger would not be timely, likely, or sufficient to offset the anticompetitive effects of the proposed merger of HPE and Juniper. It takes years and significant financial investment for a vendor to design and procure hardware components for a WLAN portfolio; create a management platform that incorporates tools that streamline and automate network maintenance; build a sales and support organization; and recruit value-added resellers and other distribution partners that procure and install equipment for WLAN customers.

53. To compete effectively for larger enterprises, vendors also need name recognition and a demonstrated track

record to convince them to consider switching providers. In addition, vendors may need to build a portfolio of complementary components, like campus switches, because of the increasing number of enterprise customers wishing to consolidate vendors across their networks—upwards of 50 percent according to internal Juniper documents. As one HPE executive explained, “It is a long journey to become successful in this world.”

54. Similarly, there are obstacles to existing enterprise-grade WLAN vendors repositioning or expanding to replace the competition lost from an independent Juniper. Today, only a handful of WLAN vendors are well-positioned to address the most sophisticated use cases. Several smaller WLAN vendors will continue to be disadvantaged due to small sales forces and support organizations, necessary components to developing proven reputations for reliable service that enterprise-grade customers demand. Even well-resourced networking companies in complementary networking markets are unlikely to be strong alternatives to Cisco and HPE immediately, as several face reputational headwinds and have not developed the distribution networks for rapid growth in the enterprise-grade WLAN market.

55. Defendants have claimed that the proposed acquisition would generate synergies by combining operations and removing duplication in the companies’ sales, administrative, and other organizations. But HPE’s own executives—and several of HPE’s competitors—have expressed doubts about HPE’s ability to successfully integrate Juniper’s products into its networking portfolio. Regardless, to the extent the proposed transaction would result in any verifiable, merger-specific efficiencies in the relevant market, such efficiencies are unlikely to be timely or substantial enough to mitigate the risk to competition posed by the transaction.

Jurisdiction and Venue

56. The United States brings this action under Section 15 of the Clayton Act, 15 U.S.C. 25, as amended, to prevent and restrain Defendants from violating Section 7 of the Clayton Act, 15 U.S.C. 18. This Court has subject matter jurisdiction over this action pursuant to Section 15 of the Clayton Act, 15 U.S.C. 25.

57. HPE and Juniper are engaged in interstate commerce and in activities substantially affecting interstate commerce. They sell enterprise-grade WLAN solutions throughout the United

States, and their sales have had a substantial effect on interstate commerce.

58. This Court has personal jurisdiction over each Defendant. HPE and Juniper each transact business within this District. Aruba Networks, a subsidiary of HPE, is based in Santa Clara, California, and Juniper is headquartered in Sunnyvale, California. HPE and Juniper executives responsible for managing their networking businesses live and work in the San Francisco Bay Area.

59. Venue is proper in this district under Section 12 of the Clayton Act, 15 U.S.C. 22 and under 28 U.S.C. 1391(b) and (c).

Divisional Assignment

60. Pursuant to Civil Local Rule 3–2(c) and General Order No. 44, this antitrust case shall not be assigned to a particular Division of this District. Instead, it shall be assigned on a District-wide basis.

Violations Alleged

61. HPE’s proposed acquisition of Juniper, if allowed to proceed, would violate Section 7 of the Clayton Act, 15 U.S.C. 18, because the effect of it may be to substantially lessen competition in interstate trade and commerce in the market for enterprise-grade WLAN solutions in the United States for the reasons alleged above.

62. Unless enjoined, the effect of the proposed acquisition may result in the following anticompetitive effects, among others, in the relevant markets:

1. Significantly increasing concentration in an already highly concentrated market;
2. Eliminating head-to-head competition; and
3. Increasing prices paid by customers and causing a decrease in quality, service, and innovation.

Request for Relief

63. The United States requests that the Court:

(a) Adjudge and decree that HPE’s proposed acquisition of Juniper would be unlawful and violate Section 7 of the Clayton Act, 15 U.S.C. 18;

(b) Preliminarily and permanently enjoin and restrain Defendants and all persons acting on their behalf from consummating HPE’s acquisition of Juniper or from entering into or carrying out any other contract, agreement, plan, or understanding, the effect of which would be to combine HPE and Juniper in the United States; and

(c) Award the United States the costs of this action; and award the United States other relief that the Court deems just and proper.

Dated: January 30, 2025

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United States District Court for the Northern District of California

*United States of America, et al., Plaintiffs,
v. Hewlett Packard Enterprise Co. and
Juniper Networks, Inc., Defendants.*
Case: 5:25–CV–00951–PCP

Proposed Final Judgment

Whereas, plaintiff United States of America filed its Complaint on January 30, 2025, and whereas the United States and Defendants, Hewlett Packard Enterprise Co. and Juniper Networks, Inc., by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

And whereas, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

And whereas, the essence of this Final Judgment is the prompt divestiture of certain assets and license of certain rights by Defendants to ensure that competition is not substantially lessened;

And whereas, the United States requires that Defendants agree to undertake certain actions for the purpose of remedying the loss of competition alleged in the Complaint;

And whereas, Defendants have represented to the United States that the

actions described below can and will be made;

Now therefore, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is *ordered, adjudged and decreed*:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and, for purposes of this case only, each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. 18).

II. Definitions

As used in this Final Judgment:

A. "AI Ops for Mist Bidder(s)" means the companies that participate in the AI Ops for Mist Source Code Auction.

B. "Defendant(s)" means either defendant acting individually or both defendants acting collectively, as appropriate. Where the Final Judgment imposes an obligation to engage in certain conduct, that obligation shall apply where reasonable to each defendant individually, both defendants acting together, and the merged firm.

C. "HPE" means defendant Hewlett Packard Enterprise Co., a company with its headquarters in Spring, Texas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

D. "Juniper" means defendant Juniper Networks, Inc., a company with its headquarters in Sunnyvale, California, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

E. "AI Ops for Mist Licensee" means the Bidder or Bidders that meet the required criteria for the Mist AI Ops Source Code Auction and to which Defendants license the AI Ops for Mist Source Code License.

F. "AI Ops for Mist Source Code" means the source code for Juniper's AI Ops for Mist software used in Juniper's WLAN products.

G. "AI Ops for Mist Source Code Auction" means an auction to license the AI Ops for Mist Source Code under the terms described in Section V.

H. "AI Ops for Mist Source Code License" means the license of the AI Ops for Mist Source Code.

I. "Divestiture Acquirer" means the entity that acquires the HPE Divestiture Assets.

J. "HPE Divestiture Assets" means the HPE Instant On Business, including:

i. All tangible assets related to or used in connection with the Instant On Business, including but not limited to: personal property, hardware inventory, and other tangible property; all contracts, contractual rights, and all other agreements, commitments, and purchase orders; all licenses, permits, certifications, approvals, consents, registrations, waivers, and authorizations;

ii. All intangible assets related to or used in connection with the Instant On Business, including but not limited to: all data and information controlled by HPE for the Instant On business; R&D employees specific to the Instant On business, together with all tangible and electronic embodiments of know-how, documentation of ideas, research and development files, and other similar tangible or electronic materials specific to the Instant On business; all Instant On specific intellectual property owned, licensed, or sublicensed (and, for shared intellectual property, a perpetual license), including the Instant On trademark (but, for the avoidance of doubt, excluding any trademarks or trade names containing the name "HPE"); a license to the version of HPE's AOS 8 software used with Instant On; all rights to causes of action, lawsuits, judgments, claims, defenses, indemnities, guarantees, refunds, and other rights and privileges against third parties; and goodwill arising primarily out of the conduct of the Instant On business.

K. "HPE Instant On Business" means HPE's worldwide Instant On campus and branch business.

L. "Relevant HPE Divestiture Personnel" are the individuals associated with the HPE Divestiture Business.

M. "Relevant AI Ops for Mist Personnel" are the individuals described in Paragraph V.1.B.5 of the Final Judgment.

N. "Transaction" means the acquisition of Juniper by HPE.

O. "WLAN" means wireless local area network.

III. Applicability

A. This Final Judgment applies to HPE and Juniper, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV. Divestiture

1. Divestiture of the HPE Divestiture Assets

A. Defendants are ordered and directed within one hundred and eighty

(180) calendar days after the filing of this proposed Final Judgment, or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later, to divest the HPE Divestiture Assets in a manner consistent with this Final Judgment to a Divestiture Acquirer acceptable to the United States, in its sole discretion. The United States, in its sole discretion, may agree to extensions of this time period of up to sixty (60) days per extension, and shall notify the Court in such circumstances.

B. For all contracts, agreements, and customer relationships (or portions of such contracts, agreements, and customer relationships) included in the HPE Divestiture Assets, Defendants must assign or otherwise transfer all contracts, agreements, and customer relationships to Divestiture Acquirer within the deadlines set forth in Paragraph IV.1.A; provided, however, that for any contract or agreement that requires the consent of another party to assign or otherwise transfer, Defendants must use best efforts to accomplish the assignment or transfer. Defendants must not interfere with any negotiations between Divestiture Acquirer and a contracting party.

C. Defendants must inform any person making an inquiry relating to a possible purchase of the HPE Divestiture Assets that the HPE Divestiture Assets are being sold in accordance with this Final Judgment and must provide that person with a copy of this Final Judgment. Defendants must offer to furnish to all prospective Divestiture Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Divestiture Assets that are customarily provided in a due diligence process; *provided, however*, that Defendants need not provide information or documents subject to the attorney-client privilege or work-product doctrine. Defendants must make all information and documents available to the United States at the same time that the information and documents are made available to any other person.

2. Appointment of Divestiture Trustee

A. If Defendants have not divested the HPE Divestiture Assets after one hundred and eighty (180) calendar days after the filing of this proposed Final Judgment (or, as provided above, as extended by additional sixty (60) day periods by the United States in its sole discretion), or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later, Defendants shall notify the United States of that fact in writing. Upon application of the United States, the Court shall appoint a

trustee selected by the United States and approved by the Court to sell the HPE Divestiture Assets (the "Divestiture Trustee"). Defendants consent to appointment of a Divestiture Trustee prior to entry of this Final Judgment if the HPE Divestiture Assets have not been sold within the time periods provided in Paragraph IV.1.A.

B. After the appointment of a Divestiture Trustee becomes effective, only the Divestiture Trustee shall have the right to sell the HPE Divestiture Assets. The Divestiture Trustee shall have the power and authority to sell the HPE Divestiture Assets to a Divestiture Acquirer acceptable to the United States, in its sole discretion, at a price and on terms as are then obtainable upon reasonable effort by the Divestiture Trustee, subject to the provisions of this Final Judgment, and will have other powers as the Court deems appropriate.

C. Subject to Paragraph IV.2.E of this Final Judgment, the Divestiture Trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the Divestiture Trustee, and that are reasonably necessary in the Divestiture Trustee's judgment to assist in selling the HPE Divestiture Assets.

D. Defendants shall not object to a sale of the HPE Divestiture Assets by the Divestiture Trustee on any ground other than the Divestiture Trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the United States and the Divestiture Trustee within ten (10) calendar days after the Divestiture Trustee has provided the notice required under Section IV.3.

E. The Divestiture Trustee shall serve at the cost and expense of Defendants, on such terms and conditions as the United States approves and shall account for all monies derived from the sale of the assets sold by the Divestiture Trustee and all costs and expenses so incurred. After approval by the Court of the Divestiture Trustee's accounting, including fees for its services and those of any professionals and agents retained by the Divestiture Trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the Divestiture Trustee and any professionals and agents retained by the Divestiture Trustee shall be reasonable in light of the value of the HPE Divestiture Business based on the price and terms of the divestiture and the speed at which it is accomplished. Within three (3) business days of hiring an agent or consultant, the Divestiture Trustee must provide written notice of

the hiring and rate of compensation to Defendants and the United States.

F. Defendants shall use their best efforts to assist the Divestiture Trustee in selling the HPE Divestiture Assets. The Divestiture Trustee and any consultants, accountants, attorneys, and other persons retained by the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities of Defendants, including any information provided to the United States during its investigation of the Transaction related to the HPE Divestiture Assets, and Defendants shall develop financial and other information relevant to such business as the Divestiture Trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the Divestiture Trustee's sale of the HPE Divestiture Assets.

G. After its appointment, the Divestiture Trustee shall file monthly reports with the United States and the Court setting forth the Divestiture Trustee's efforts to sell the HPE Divestiture Assets ordered under this Final Judgment. To the extent such reports contain information that the Divestiture Trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to purchase, expressed an interest in purchasing, entered into negotiations to purchase, or was contacted or made an inquiry about purchasing the HPE Divestiture Assets, and shall describe in detail each contact with any such person. The Divestiture Trustee shall maintain full records of all efforts made to sell the HPE Divestiture Assets.

H. If the Divestiture Trustee has not sold the HPE Divestiture Assets ordered under this Final Judgment within six (6) months after its appointment, the Divestiture Trustee shall promptly file with the Court a report setting forth (1) the Divestiture Trustee's efforts to sell the HPE Divestiture Assets, (2) the reasons, in the Divestiture Trustee's judgment, why the required sale of the HPE Divestiture Assets has not been accomplished, and (3) the Divestiture Trustee's recommendations. To the extent such reports contain information that the Divestiture Trustee deems confidential, such reports shall not be filed in the public docket of the Court. The Divestiture Trustee shall at the same time furnish such report to the United States which shall have the right to make additional recommendations

consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the Divestiture Trustee's appointment by a period requested by the United States.

3. Notice of Proposed Sale of the HPE Divestiture Assets

A. Within two (2) business days following execution of a definitive agreement to sell the HPE Divestiture Assets, Defendants or the Divestiture Trustee, whichever is then responsible for effecting the sale required herein, shall notify the United States of any such proposed sale under Section IV.1 or Section IV.2 of this Final Judgment. If the Divestiture Trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed sale and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to purchase the HPE Divestiture Assets.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States may request from Defendants, the proposed Divestiture Acquirer, or any other third party, or the Divestiture Trustee if applicable, additional information concerning the proposed sale, the proposed Divestiture Acquirer, and any other potential Acquirer. Defendants and the Divestiture Trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Defendants, the proposed Divestiture Acquirer, any third party, and the Divestiture Trustee, whichever is later, the United States shall provide written notice to Defendants and the Divestiture Trustee, if there is one, stating whether or not it objects to the proposed Divestiture Acquirer or any other aspects of the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to Defendants' limited right to object to the sale under Paragraph IV.2.D of this Final Judgment. Absent written notice that the United States does not object to the proposed Divestiture Acquirer or upon objection by the United States, a sale proposed

under Section IV.1 or IV.2 shall not be consummated. Upon objection by Defendants under Paragraph IV.2.D, a sale proposed under Section IV.2 shall not be consummated unless approved by the Court.

4. *Hold Separate*

Until the sale of the HPE Divestiture Assets required by this Final Judgment has been accomplished, Defendants shall take all steps necessary to comply with the Asset Preservation and Hold Separate Stipulation and Order entered by the Court. Defendants shall take no action that would jeopardize the divestiture ordered by the Court.

V. Software License

1. *The AI Ops for Mist Software License*

A. Defendants are ordered and directed within one hundred and eighty (180) calendar days after the filing of this proposed Final Judgment, or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later, to hold the AI Ops for Mist Source Code Auction according to the criteria set forth below and, to enter into a AI Ops for Mist Source Code License in a manner consistent with this Final Judgment, to a Licensee acceptable to the United States, in its sole discretion. The United States, in its sole discretion, may agree to extensions of this time period of up to sixty (60) days per extension, and shall notify the Court in such circumstances.

B. The AI Ops for Mist Source Code License shall consist of a one-time, perpetual, worldwide, non-exclusive license to the AI Ops for Mist Source Code on the following basis:

1. The AI Ops for Mist Source Code License shall be irrevocable except in the case of malfeasance by the Licensee(s). Negligent or intentional breaches of the Defendants' intellectual property rights shall be construed as malfeasance for purposes of this provision.

2. The AI Ops for Mist Source Code License shall not include the right to use the Mist trademark.

3. Defendants warrant that they have the authority to license all intellectual property included in the AI Ops for Mist Source Code free and clear of any encumbrances, contractual commitments or obligations, except that for any third party software dependencies contained in the AI Ops for Mist Source Code, Defendants will (1) include a sub-license to any such software that is sublicensable and does not require either the consent of, or payment to, any such third party licensor; and (2) to the extent that any

such software requires consent of or payment to any such third party licensor, reasonably facilitate the Licensee(s)'s discussions with any other relevant third parties to obtain licenses.

4. At the option of the Licensee, Defendants will, for a period of twelve (12) months after the date of the license and on reasonable commercial terms, enter into a contract to provide transition services whereby Defendants will provide the Licensee with any knowledge transfer assistance, software updates, engineering support for ordinary course maintenance and bug fixes that it releases for the AI Ops for Mist Source Code, and engineering support for integrating the Mist AI Ops source code into the Licensee's software.

5. At the option of the Licensee, Defendants will facilitate the transfer of up to thirty (30) Juniper engineers familiar with the Mist AI Ops Source Code, and up to twenty five (25) Juniper sales personnel experienced in selling Mist. Defendants will provide financial incentives to encourage relevant employees to transfer to the Licensee. The license will include a non-solicit provision preventing Licensee from soliciting any additional Juniper engineers or sales personnel beyond the agreed upon personnel, which shall lapse twelve (12) months from the date of the license. The license will also include a non-solicit provision preventing Defendants from soliciting to rehire any personnel transferred to Licensee under the license, which shall lapse 12 months after the date of the license.

6. At the option of the Licensee, Defendants will provide the Licensee with relevant contact information for and facilitate introductions to (i) Juniper's original design manufacturer ("ODM") suppliers for WLAN hardware, (ii) Juniper's distributors for WLAN in the United States, and (iii) channel partners that work with Juniper to sell WLAN in the United States.

C. Defendants shall conduct the AI Ops for Mist Source Code Auction on the following terms:

1. Defendants will hold the AI Ops for Mist Source Code Auction to license the AI Ops for Mist Source Code.

2. Defendants will select a Licensee acceptable to the United States based on their assessment of the totality of the bid submitted by each Bidder, including but not limited to price.

3. Defendants will negotiate a definitive license agreement with the selected Licensee within 180 days of entry of this proposed Final Judgment.

4. In the event that more than one bid is received that exceeds \$8 million,

Defendants will license the AI Ops for Mist Source Code to a second Licensee acceptable to the DOJ on the following basis:

- If only two bids are received that exceed \$8 million, Defendants will also license the AI Ops for Mist Source code, excluding the transitional services and employees described in Paragraphs V.1.B.4, V.1.B.5 and V.1.B.6 of this proposed Final Judgment, to the second-place Licensee at the price contained in that Licensee's bid.

- If three or more bids are received that exceed \$8 million, Defendants will hold a secondary auction to license the AI Ops for Mist Source Code, excluding the transitional services and employees described in Paragraphs V.1.B.4, V.1.B.5 and V.1.B.6 of this proposed Final Judgment, to either the second- or third-place bidder in the primary auction, in which case the secondary auction will have a reserve price set at the license fee paid by the winning bidder of the primary auction.

D. Provided one or more Licensee(s) emerges as the winning bidder at the auction as set forth in Section V.1.C or Section V.2:

1. The Licensee(s) shall have the right to utilize the AI Ops for Mist Source Code for its networking products.

2. The Licensee(s) shall have the right to further develop and innovate the AI Ops for Mist Source Code, and any improvements to and derivatives of the AI Ops for Mist Source Code developed after the license date by the Licensee will be owned by the Licensee.

3. The Licensee(s) shall have the right to grant rights of use to the AI Ops for Mist Source Code to its end users, intermediaries, and service providers as reasonably needed in connection with the sale of its networking products.

4. Defendants and Licensee(s) will provide patent cross-licenses to enable the parties' activities within WLAN.

2. *Appointment for AI Ops for Mist License Trustee*

A. If Defendants have not licensed the AI Ops for Mist Source Code to a Licensee(s) after one hundred and eighty (180) calendar days after the filing of this proposed Final Judgment (or, as provided above, as extended by additional sixty (60) day periods by the United States in its sole discretion), or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later, Defendants shall notify the United States of that fact in writing. Upon application of the United States, the Court shall appoint a trustee selected by the United States and approved by the Court to conduct the AI Ops for Mist Source Code Auction and

license the AI Ops for Mist Source Code in a manner consistent with this Final Judgment (the "License Trustee"). Defendants consent to appointment of a License Trustee prior to entry of this Final Judgment if the AI Ops for Mist Source Code Auction and license of the AI Ops for Mist Source Code have not been completed within the time periods provided in Paragraph V.1.A.

B. After the appointment of a License Trustee becomes effective, only the License Trustee shall have the right to conduct the AI Ops for Mist Source Code Auction and license the AI Ops for Mist Source Code. The License Trustee shall have the power and authority to conduct the AI Ops for Mist Source Code Auction and to license the AI Ops for Mist Source Code to a Licensee(s) acceptable to the United States, in its sole discretion, at a price and on terms as are then obtainable upon reasonable effort by the License Trustee, subject to the provisions of this Final Judgment, and will have other powers as the Court deems appropriate.

C. Subject to Paragraph V.2.E of this Final Judgment, the License Trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the License Trustee, and that are reasonably necessary in the License Trustee's judgment to assist in the AI Ops for Mist Source Code Auction and in licensing the AI Ops for Mist Source Code.

D. Defendants shall not object to a License by the License Trustee on any ground other than the License Trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the United States and the License Trustee within ten (10) calendar days after the License Trustee has provided the notice required under Section V.3.

E. The License Trustee shall serve at the cost and expense of Defendants, on such terms and conditions as the United States approves and shall account for all monies derived from the sale of the assets sold by the License Trustee and all costs and expenses so incurred. After approval by the Court of the License Trustee's accounting, including fees for its services and those of any professionals and agents retained by the License Trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the License Trustee and any professionals and agents retained by the License Trustee shall be reasonable in light of the value of the AI Ops for Mist Source Code License and based on the price and terms of the license and the speed at which it is accomplished. Within three (3) business

days of hiring an agent or consultant, the License Trustee must provide written notice of the hiring and rate of compensation to Defendants and the United States.

F. Defendants shall use their best efforts to assist the License Trustee in accomplishing the required AI Ops for Mist Source Code Auction and in licensing the AI Ops for Mist Source Code. The License Trustee and any consultants, accountants, attorneys, and other persons retained by the License Trustee shall have full and complete access to the personnel, books, records, and facilities of Defendants, including any information provided to the United States during its investigation of the Transaction related to the AI Ops for Mist Source Code, and Defendants shall develop financial and other information relevant to such business as the License Trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the License Trustee's accomplishment of the AI Ops for Mist Source Code Auction or AI Ops for Mist Source Code License.

G. After its appointment, the License Trustee shall file monthly reports with the United States and the Court setting forth the License Trustee's efforts to conduct the AI Ops for Mist Source Code Auction and license the AI Ops for Mist Source Code ordered under this Final Judgment. To the extent such reports contain information that the License Trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to license, expressed an interest in licensing, entered into negotiations to license, or was contacted or made an inquiry about licensing the AI Ops for Mist Source Code, and shall describe in detail each contact with any such person. The License Trustee shall maintain full records of all efforts made to conduct the AI Ops for Mist Source Code Auction or license the AI Ops for Mist Source Code.

H. If the License Trustee has not entered into the license ordered under this Final Judgment within six (6) months after its appointment, the License Trustee shall promptly file with the Court a report setting forth (1) the License Trustee's efforts to accomplish the required AI Ops for Mist Source Code Auction and AI Ops for Mist Source Code License, (2) the reasons, in the License Trustee's judgment, why the

required AI Ops for Mist Source Code Auction and AI Ops for Mist Source Code License has not been accomplished, and (3) the License Trustee's recommendations. To the extent such reports contain information that the License Trustee deems confidential, such reports shall not be filed in the public docket of the Court. The License Trustee shall at the same time furnish such report to the United States which shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the License Trustee's appointment by a period requested by the United States.

3. Notice of Proposed AI Ops for Mist License

A. Within two (2) business days following execution of a definitive agreement to license the AI Ops for Mist Source Code, Defendants or the License Trustee, whichever is then responsible for effecting the license required herein, shall notify the United States of any such proposed license under Section V.1 or Section V.2 of this Final Judgment. If the License Trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed license and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to license the AI Ops for Mist Source Code.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States may request from Defendants, the proposed Licensee(s), or any other third party, or the License Trustee if applicable, additional information concerning the proposed license, the proposed Licensee(s), and any other potential Licensee(s). Defendants and the License Trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Defendants, the proposed Licensee(s), any third party, and the License Trustee, whichever is later, the United States shall provide written notice to Defendants and the License Trustee, if there is one, stating whether or not it objects to the proposed license. If the

United States provides written notice that it does not object, the license may be consummated, subject only to Defendants' limited right to object to the sale under Paragraph V.2.D of this Final Judgment. Absent written notice that the United States does not object to the proposed Licensee(s) or upon objection by the United States, a license proposed under Section V.1 or Section V.2 shall not be consummated. Upon objection by Defendants under Paragraph V.2.D, a license proposed under Section V.2 shall not be consummated unless approved by the Court.

4. Preservation of AI Ops for Mist Assets

Until the license required by this Final Judgment has been accomplished:

A. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the AI Ops for Mist Source Code as an economically viable asset.

B. Defendants shall not remove, sell, lease, assign, transfer, pledge, exclusively license, or otherwise dispose of the AI Ops for Mist Source Code.

C. Defendants shall take no action that would interfere with the ability of any License Trustee appointed pursuant to the Final Judgment to conduct the AI Ops for Mist Source Code Auction or complete the license of the AI Ops for Mist Source Code.

VI. Affidavits

A. Within twenty (20) calendar days of the filing of the proposed Final Judgment in this matter, and every thirty (30) calendar days thereafter until both the HPE Divestiture Assets have been divested under Section IV and completion of the AI Ops for Mist Source Code Auction and any license of the AI Ops for Mist Source Code under Section V, Defendants shall deliver to the United States an affidavit as to the fact and manner of its compliance with Sections IV and V of this Final Judgment. Each such affidavit shall include a description of the efforts Defendants have taken to sell the HPE Divestiture Assets and conduct the AI Ops for Mist Source Code Auction, as applicable. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by Defendants, including limitation on information, shall be made within fourteen (14) calendar days of receipt of such affidavit.

B. Defendants shall keep all records of all efforts made to preserve and sell the HPE Divestiture Assets until one year after such sale has been completed and shall keep records of all efforts made to

preserve and license the AI Ops for Mist Source Code until one year after such license has been completed.

VIII. Compliance Inspection

A. For purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United States, including consultants and other persons retained by the United States shall, upon written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to Defendants, be permitted:

1. access during Defendants' office hours to inspect and copy, or at the option of the United States, to require Defendants to provide hard copy or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

2. to interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, Defendants shall submit written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested. Written reports authorized under this paragraph may, at the sole discretion of the United States, require Defendants to conduct, at Defendants' cost, an independent audit or analysis relating to any of the matters contained in this Final Judgment.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which any Plaintiff is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Defendants to the United States, Defendants represent and identify in writing the material in any such information or

documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," then the United States shall give Defendants ten (10) calendar days' notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

IX. Notification

For purposes of this Final Judgment, any notice or other communication required to be provided to the United States shall be sent to the person at the address and emails set forth below (or such other addresses as the United States may specify in writing to Defendants):

United States, Jacklin Lem, Civil Chief,
San Francisco Office, U.S. Department
of Justice, Antitrust Division, 450
Golden Gate Ave., Room 10-0101,
San Francisco, CA 94102,
Jacklin.Lem@usdoj.gov.

X. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XI. Expiration of Final Judgment

Unless the Court grants an extension, this Final Judgment shall expire ten years from the date of its entry.

XII. Public Interest Determination

Entry of this Final Judgment is in the public interest.

Date: _____
Court approval subject to procedures of the
Antitrust Procedures and Penalties Act, 15
U.S.C. 16.

Hon. P. Casey Pitts,
United States District Judge.

United States District Court for the Northern District of California

United States of America, et al., Plaintiffs,
v. Hewlett Packard Enterprise Co. and
Juniper Networks, Inc., Defendants.
Case: 5:25-CV-00951-PCP

Competitive Impact Statement

Plaintiff United States of America ("United States"), pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act ("APPA" or "Tunney Act"), 15 U.S.C. 16(b)-(h), files this

Competitive Impact Statement relating to the Proposed Final Judgment submitted for entry in this civil antitrust proceeding. Unless otherwise noted, all defined terms in this Competitive Impact Statement have the same meaning as set out in the proposed Final Judgment.

I. Nature and Purpose of This Proceeding

On January 9, 2024, Hewlett Packard Enterprise Co. (“HPE”) entered into an agreement to acquire Juniper Networks, Inc. (“Juniper”) for approximately \$14 billion.³

The United States filed a civil antitrust Complaint on January 30, 2025, seeking to enjoin the proposed acquisition. The Complaint alleges that the acquisition likely would substantially lessen competition in the United States for enterprise-grade WLAN solutions in violation of Section 7 of the Clayton Act, § 15 U.S.C. 18.

On June 27, 2025, the United States filed a Stipulation and Order and proposed Final Judgment designed to remedy the Section 7 violation, eliminating the alleged anticompetitive effects of the acquisition. Under the proposed Final Judgment, which is explained more fully below, Defendants are required to divest HPE’s Instant On campus and branch business (the “HPE Divestiture Business”) to a Divestiture Acquirer and license the source code for Juniper’s Mist AI Ops software used in Juniper’s WLAN products (the “AI Ops for Mist Source Code License”) to one or more Licensees approved by the DOJ. The Divestiture Acquirer of the HPE Divestiture Business and the Licensee(s) of the AI Ops for Mist Source Code License could be the same entity or two separate entities. At the option of the first Licensee, for twelve (12) months following the license, defendants must also provide transitional technical support relating to the license. At the option of the first Licensee, Defendants must also transfer engineers and sales employees familiar with the Mist AI Ops software to assist the Licensee in incorporating the Mist software into its WLAN offerings and marketing it to customers, and to facilitate introductions to Juniper’s suppliers, distributors and channel partners.

Under the terms of the Stipulation and Order, the Defendants may consummate the proposed acquisition following signature by the Court of the Stipulation and Order and will for the pendency of the license processes.

Under the terms of the Stipulation and Order, Defendants will take certain steps to ensure that the HPE Divestiture Business is operated as a competitively independent, economically viable, and ongoing business concern that will remain independent and uninfluenced by the consummation of the acquisition, and that competition is maintained during the pendency of the ordered divestiture.

The United States and the Defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate this action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and punish violations thereof.

II. Description of the Events Giving Rise to the Alleged Violation

A. The Defendants and the Proposed Transaction

Complete descriptions of the Defendants and the proposed transaction are found in the Complaint, filed January 30, 2025. Defendant HPE, headquartered in Spring, Texas, provides products in a number of technology markets, including general-purpose servers, cloud storage, and finance. Networking is one of its fastest growing divisions, and the company sells various networking products, including wireless access points and campus switches, under the HPE Aruba Networking brand and its legacy on-premises network management solution, Airwave.

Juniper, headquartered in Sunnyvale, California, offers a range of networking products, including wireless access points, wired switches, and network management software under the Mist brand.

On January 9, 2024, Hewlett Packard Enterprise Co. (“HPE”) entered into an agreement to acquire Juniper Networks, Inc. (“Juniper”) for approximately \$14 billion.

B. The Market

a. Enterprise-Grade WLAN Solutions

Enterprise-grade WLAN solutions are a relevant product market and line of commerce within the meaning of Section 7 of the Clayton Act. Enterprise-grade WLAN solutions are sold to businesses, school systems, and other commercial and non-profit organizations. They can serve a large number of users simultaneously and support advanced feature sets and functionalities. Unlike consumer-grade WLAN, enterprise-grade WLAN

solutions include systems to manage multiple access points—sometimes thousands of them—across a single location. Systems used to manage multiple access points include hardware-based controllers, cloud-managed services, and network management software. Those systems monitor connectivity, service quality, and other critical network functions.

WLAN vendors offer products with a range of hardware and software features optimized for different environments and customer needs. Because customer needs differ, HPE and Juniper may be able to charge different prices and include different terms for their customers. Customers are also unable to engage in arbitrage by purchasing indirectly from or through other customers to defeat potential price increases or worsening of terms.

The market for enterprise-grade WLAN solutions exhibits many of the “practical indicia” that courts look for when determining the boundaries of a relevant market, including peculiar characteristics and uses, distinct customers, and industry recognition. For example:

- WLAN solutions use radio waves to connect users’ devices to a local area network. Consumers do not view wired solutions, which connect user devices directly to campus switches through ethernet cables, as reasonable substitutes, even though both permit users to access the network, because wired connections do not permit users freedom of movement.

- Customers who purchase enterprise-grade WLAN solutions, which are tailored for commercial environments, with wireless access points designed to be linked to cover a larger geographic area and managed by a hardware or software system, are not generally able to be served by consumer-grade WLAN solutions.

- Customers typically purchase network management software and other control systems along with wireless access points. This is because wireless access points sold by Cisco, HPE, Juniper, and other WLAN vendors often cannot be managed by third-party network management software, and these firms generally do not sell their network management software on a standalone basis to be used with third-party hardware.

- Industry analysts, including 650 Group Market Intelligence Research (“650 Group”), regularly track revenue growth for an enterprise-grade WLAN market and calculate various vendors’ shares of that market. Those analysts separately track revenues for enterprise-grade and consumer-grade WLAN, and,

³ Each of HPE and Juniper are referred to in this document as “Defendant” or collectively as “Defendants,” as appropriate.

for enterprise-grade WLAN, include revenues from wireless access points, controllers, and cloud-managed services. Defendants regularly circulate market share estimates produced by 650 Group and other industry analysts and rely on them to gauge their performance relative to competitors.

Purchasing wireless access points from an original device manufacturer and either using a third-party network management software or creating a bespoke software solution in-house is not a reasonable substitute for most enterprise-grade WLAN customers. Among other things, few WLAN customers have the IT resources and expertise to design and procure their own access points and network management systems or the scale needed to make buying directly cost-effective. Customers would not substitute solutions involving third-party or bespoke software in sufficient numbers to deter a hypothetical monopolist of enterprise-grade WLAN solutions from undertaking a small but significant non-transitory increase in price ("SSNIP").

b. Geographic Market

The relevant geographic market for HPE's proposed acquisition of Juniper is the United States. Several enterprise-grade WLAN vendors that are active abroad, including Chinese multinational Huawei Technologies Company ("Huawei"), have been identified as potential security threats by the U.S. government and, under federal law, are barred from competing for business domestically. As a result, customers in the United States have fewer options than they would if they were based abroad, and HPE and Juniper may be able to charge different prices and include different terms for those customers. Customers in the United States are also unable to engage in arbitrage by purchasing indirectly from or through other customers outside the United States in order to defeat potential price increases or worsening of terms. The geographic market includes all sales made to customers in the United States, regardless of the WLAN vendor's location.

C. The Competitive Effects of the Transaction

Complete descriptions of the potential effects on competition in the market for enterprise-grade WLAN solutions in the United States are found in the Complaint. In the United States, the market for the development and sale of enterprise-grade WLAN solutions is highly concentrated and would become

substantially more concentrated as a result of the Proposed Transaction.

Defendants regularly rely on industry analysts, including International Data Corporation ("IDC"), that calculate wireless access point market shares for the United States. Per IDC and as alleged in the Complaint, in 2024, HPE had a share of approximately 15–17% and Juniper had a share of approximately 7–9%. Cisco had approximately 48% of the market, such that post-acquisition these three firms would hold over 70% of the market. Other competitors, including Arista Networks, Inc.; Fortinet, Inc.; Ubiquiti Inc.; Commscope Holding Company Inc.; Extreme Networks, Inc.; Nile Global, Inc.; and Meter, Inc., each had a share between 1% and 10%. Although the combined share of HPE and Juniper is below 30%, the acquisition would result in a highly concentrated market as measured by the Herfindahl-Hirschman Index ("HHI") as described in Section 2.1 of the 2023 *Merger Guidelines*, with a pre-merger HHI over 3,000 and a change of at least 250 points.

The proposed acquisition would create a combined company with the ability to increase prices by eliminating head-to-head competition between HPE and Juniper and harm those customers that view Cisco, HPE, and Juniper as the three leading vendors for enterprise-grade WLAN solutions and benefit from having Juniper as a credible alternative to Cisco and HPE in this market.

The proposed acquisition would also reduce competition by increasing the risk of coordination among the remaining vendors. It would result in two firms—Cisco and HPE—controlling over 70 percent of the relevant market, with a significant gap between HPE and the next largest vendor in the market. Cisco and HPE may find it easier to reach and sustain a consensus on price, features, and reliability that harms enterprise customers through coordination.

III. Explanation of the Proposed Final Judgment

The divestiture and license and other remedial measures of the proposed Final Judgment will eliminate the alleged anticompetitive effects of the acquisition by strengthening one or more existing competitors or facilitating entry of a new competitor for enterprise-grade WLAN solutions in the United States.

Divestiture of HPE Instant On Business

The proposed Final Judgment requires Defendants within one hundred and eighty (180) calendar days after the

filing of this proposed Final Judgment, or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later to divest HPE's worldwide Instant On campus and branch business (the "HPE Divestiture Business"), including all tangible and intangible assets related to or used in connection with the Instant On Business. The divestiture will include all contracts, agreements, and customer relationships included in the HPE Divestiture Assets, and for any such contract or agreement that requires the consent of another party to assign or otherwise transfer, Defendants must use best efforts to accomplish the assignment or transfer.

In the event that Defendants do not divest the HPE Divestiture Business, within the periods prescribed in the proposed Final Judgment, the proposed Final Judgment provides that the Court will appoint a Divestiture Trustee selected by the United States to sell the HPE Divestiture Business. If a Divestiture Trustee is appointed, the proposed Final Judgment provides that Defendants will pay all costs and expenses of the Divestiture Trustee. The Divestiture Trustee's commission will be structured so as to provide an incentive for the Divestiture Trustee based on the price and terms of the divestiture and the speed with which it is accomplished. After its appointment becomes effective, the Divestiture Trustee will file monthly reports with the Court and the United States setting forth its efforts to sell the HPE Divestiture Business. At the end of six (6) months, if the divestiture has not been accomplished, the Divestiture Trustee and the United States will make recommendations to the Court, which shall enter such orders as appropriate, in order to carry out the purpose of the trust, including extending the trust or the term of the Divestiture Trustee's appointment.

AI Ops for Mist Source Code License

The proposed Final Judgment also requires Defendants, within one hundred and eighty (180) calendar days after the filing of this proposed Final Judgment, or five (5) days after notice of entry of this Final Judgment by the Court, whichever is later, to hold an auction to license the AI Ops for Mist Source Code and enter into a binding agreement to license the AI Ops for Mist Source Code. The AI Ops for Mist Source Code must be licensed in such a way as to satisfy the United States, in its sole discretion, that the operations can and will be operated by the Licensee as a viable, ongoing business that can compete effectively in the

relevant market. Defendants must take all reasonable steps necessary to accomplish the AI Ops for Mist Source Code Auction and AI Ops for Mist Source Code License quickly and shall cooperate with prospective licensees. The United States, in its sole discretion, may agree to extensions of this time period of up to sixty (60) days to complete the divestiture and shall notify the Court in such circumstances. If Defendants receive multiple bids over \$8 million for the AI Ops for Mist Source Code, Defendants will also license the technology to a second Licensee (without technical support, the transfer of employees, or introduction to Juniper's suppliers, distributors, and channel partners), giving not one but two competitors access to this technology. Whether to a single or to two bidders, the AI Ops for Mist License will consist of a one-time, perpetual, worldwide, non-exclusive license for the AI Ops for Mist Source Code. For the primary Licensee, Defendants must also provide, at the Licensee's option, a transition services agreements for a period of twelve (12) months whereby Defendants will provide the Licensee with any knowledge transfer assistance, software updates, engineering support for ordinary course maintenance and bug fixes that it releases for the AI Ops for Mist Source Code, and engineering support for integrating the AI Ops for Mist Source Code into the Licensee's software.

Per the terms of the license, the Licensee will have the right to use the AI Ops for Mist Source Code and further develop and improve it, with the Licensee retaining ownership of any improvements to and derivatives of the AI Ops for Mist Source Code developed after the license date. The Licensee will have the right to grant rights of use to the AI Ops for Mist Source Code to its end users, intermediaries, and service providers as reasonably needed in connection with the sale of networking products. Defendants and Licensee will provide patent cross-licenses to enable the parties' networking activities.

In addition, the Final Judgment provides that Defendants, at the primary Licensee's option, will facilitate the transfer of up to thirty (30) Juniper engineers familiar with the Mist AI Ops Source Code, and up to twenty five (25) Juniper sales personnel experienced in selling Mist to the primary Licensee. Defendants will provide financial incentives to encourage relevant employees to transfer to the Licensee. The license will include a non-solicit provision preventing primary Licensee from soliciting any additional Juniper engineers or sales personnel beyond the

agreed upon personnel, which shall lapse twelve (12) months from the date of the license. The license will also include a non-solicit provision preventing Defendants from soliciting to hire any personnel transferred to primary Licensee under the license, which shall lapse (12) months after the date of the license. These provisions will ensure that the Licensee has personnel knowledgeable about the Mist AIOps software to assist the Licensee in incorporating this technology into its own network management software and in marketing that offering to clients.

The transition services agreement will include a provision whereby Defendants will provide the primary Licensee with relevant contact information for and introductions to Juniper's original design manufacturer ("ODM") suppliers for WLAN hardware and Juniper's distributors and channel partners that work with Juniper to sell WLAN in the United States.

In the event that Defendants do not license the AI Ops for Mist Source Code to a Licensee within the periods prescribed in the proposed Final Judgment, the proposed Final Judgment provides that the Court will appoint a License Trustee selected by the United States to effect the AI Ops for Mist Source Code Auction and license the AI Ops for Mist Source Code. If a License Trustee is appointed, the proposed Final Judgment provides that Defendants will pay all costs and expenses of the License Trustee. The License Trustee's commission will be structured so as to provide an incentive for the License Trustee based on the price and terms of the license and the speed with which it is accomplished. After its appointment becomes effective, the License Trustee will file monthly reports with the Court and the United States setting forth its efforts to accomplish the AI Ops for Mist Source Code Auction and AI Ops for Mist Source Code License. At the end of six (6) months, if the AI Ops for Mist Source Code Auction and AI Ops for Mist Source Code License has not been accomplished, the License Trustee and the United States will make recommendations to the Court, which shall enter such orders as appropriate, in order to carry out the purpose of the trust, including extending the trust or the term of the License Trustee's appointment.

IV. Remedies Available to Potential Private Litigants

Section 4 of the Clayton Act, 15 U.S.C. 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover

three times the damages the person has suffered, as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act, 15 U.S.C. 16(a), the proposed Final Judgment has no prima facie effect in any subsequent private lawsuit that may be brought against the Defendants.

V. Procedures Available for Modification of the Proposed Final Judgment

The United States and the Defendants have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the United States has not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement in the **Federal Register**, or the last date of publication in a newspaper of the summary of this Competitive Impact Statement, whichever is later. All comments received during this period will be considered by the United States Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time prior to the Court's entry of judgment. The comments and the response of the United States will be filed with the Court. In addition, comments will be posted on the U.S. Department of Justice, Antitrust Division's internet website and, under certain circumstances, published in the **Federal Register**.

Written comments should be submitted to: Civil Chief, San Francisco Office, U.S. Department of Justice, Antitrust Division, 450 Golden Gate Ave, Room 10-0101, San Francisco, CA 94102.

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

VI. Alternatives to the Proposed Final Judgment

The United States considered, as an alternative to the proposed Final

Judgment, a full trial on the merits against the Defendants. The United States could have continued the litigation and sought preliminary and permanent injunctions against HPE's acquisition of Juniper. The United States is satisfied, however, that the divestiture of assets, license, and other relief described in the proposed Final Judgment will preserve competition for the development and sale of enterprise-grade WLAN solutions in the United States. The proposed Final Judgment would achieve all or substantially all of the relief the United States would have obtained through litigation, but avoids the time, expense, and uncertainty of a full trial on the merits of the Complaint.

VII. Standard of Review Under the APPA for the Proposed Final Judgment

Under the Clayton Act and APPA, proposed Final Judgments, or "consent decrees," in antitrust cases brought by the United States are subject to a 60-day comment period, after which the Court shall determine whether entry of the proposed Final Judgment "is in the public interest." 15 U.S.C. 16(e)(1). In making that determination, the Court, in accordance with the statute as amended in 2004, is required to consider:

(A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and

(B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. 16(e)(1)(A) & (B). In considering these statutory factors, the Court's inquiry is necessarily a limited one as the government is entitled to "broad discretion to settle with the defendant within the reaches of the public interest." *United States v. Microsoft Corp.*, 56 F.3d 1448, 1461 (D.C. Cir. 1995); *United States v. U.S. Airways Grp., Inc.*, 38 F. Supp. 3d 69, 75 (D.D.C. 2014) (explaining that the "court's inquiry is limited" in Tunney Act settlements); *United States v. InBev N.V./S.A.*, No. 08–1965 (JR), 2009 U.S. Dist. LEXIS 84787, at *3 (D.D.C. Aug.

11, 2009) (noting that a court's review of a proposed Final Judgment is limited and only inquires "into whether the government's determination that the proposed remedies will cure the antitrust violations alleged in the complaint was reasonable, and whether the mechanisms to enforce the final judgment are clear and manageable").

As the U.S. Court of Appeals for the District of Columbia Circuit has held, under the APPA a court considers, among other things, the relationship between the remedy secured and the specific allegations in the government's Complaint, whether the proposed Final Judgment is sufficiently clear, whether its enforcement mechanisms are sufficient, and whether it may positively harm third parties. *See Microsoft*, 56 F.3d at 1458–62. With respect to the adequacy of the relief secured by the proposed Final Judgment, a court may not "make de novo determination of facts and issues." *United States v. W. Elec. Co.*, 993 F.2d 1572, 1577 (D.C. Cir. 1993) (quotation marks omitted); *see also Microsoft*, 56 F.3d at 1460–62; *United States v. Alcoa, Inc.*, 152 F. Supp. 2d 37, 40 (D.D.C. 2001); *United States v. Enova Corp.*, 107 F. Supp. 2d 10, 16 (D.D.C. 2000); *InBev*, 2009 U.S. Dist. LEXIS 84787, at *3. Instead, "[t]he balancing of competing social and political interests affected by a proposed antitrust decree must be left, in the first instance, to the discretion of the Attorney General." *W. Elec. Co.*, 993 F.2d at 1577 (quotation marks omitted). "The court should also bear in mind the flexibility of the public interest inquiry: the court's function is not to determine whether the resulting array of rights and liabilities is the one that will best serve society, but only to confirm that the resulting settlement is within the reaches of the public interest." *Microsoft*, 56 F.3d at 1460 (quotation marks omitted); *see also United States v. Deutsche Telekom AG*, No. 19–2232 (TJK), 2020 WL 1873555, at *7 (D.D.C. Apr. 14, 2020). More demanding requirements would "have enormous practical consequences for the government's ability to negotiate future settlements," contrary to congressional intent. *Microsoft*, 56 F.3d at 1456. "The Tunney Act was not intended to create a disincentive to the use of the consent decree." *Id.*

The United States' predictions about the efficacy of the remedy are to be afforded deference by the Court. *See, e.g., Microsoft*, 56 F.3d at 1461 (recognizing courts should give "due respect to the Justice Department's . . . view of the nature of its case"); *United States v. Iron Mountain, Inc.*, 217 F. Supp. 3d 146, 152–53 (D.D.C. 2016) ("In

evaluating objections to settlement agreements under the Tunney Act, a court must be mindful that [t]he government need not prove that the settlements will perfectly remedy the alleged antitrust harms[;] it need only provide a factual basis for concluding that the settlements are reasonably adequate remedies for the alleged harms." (internal citations omitted)); *United States v. Republic Servs., Inc.*, 723 F. Supp. 2d 157, 160 (D.D.C. 2010) (noting "the deferential review to which the government's proposed remedy is accorded"); *United States v. Archer-Daniels-Midland Co.*, 272 F. Supp. 2d 1, 6 (D.D.C. 2003) ("A district court must accord due respect to the government's prediction as to the effect of proposed remedies, its perception of the market structure, and its view of the nature of the case."). The ultimate question is whether "the remedies [obtained by the Final Judgment are] so inconsonant with the allegations charged as to fall outside of the 'reaches of the public interest.'" *Microsoft*, 56 F.3d at 1461 (quoting *W. Elec. Co.*, 900 F.2d at 309).

Moreover, the Court's role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States has alleged in its Complaint, and does not authorize the Court to "construct [its] own hypothetical case and then evaluate the decree against that case." *Microsoft*, 56 F.3d at 1459; *see also U.S. Airways*, 38 F. Supp. 3d at 75 (noting that the court must simply determine whether there is a factual foundation for the government's decisions such that its conclusions regarding the proposed settlements are reasonable); *InBev*, 2009 U.S. Dist. LEXIS 84787, at *20 ("[T]he 'public interest' is not to be measured by comparing the violations alleged in the complaint against those the court believes could have, or even should have, been alleged"). Because the "court's authority to review the decree depends entirely on the government's exercising its prosecutorial discretion by bringing a case in the first place," it follows that "the court is only authorized to review the decree itself," and not to "effectively redraft the complaint" to inquire into other matters that the United States did not pursue. *Microsoft*, 56 F.3d at 1459–60.

In its 2004 amendments to the APPA, Congress made clear its intent to preserve the practical benefits of using judgments proposed by the United States in antitrust enforcement, Pub. L. 108–237 § 221, and added the unambiguous instruction that "[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the

court to permit anyone to intervene.” 15 U.S.C. 16(e)(2); *see also U.S. Airways*, 38 F. Supp. 3d at 76 (indicating that a court is not required to hold an evidentiary hearing or to permit intervenors as part of its review under the Tunney Act). This language explicitly wrote into the statute what Congress intended when it first enacted the Tunney Act in 1974. As Senator Tunney explained: “[t]he court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process.” 119 Cong. Rec. 24,598 (1973) (statement of Sen. Tunney). “A court can make its public interest determination based on the competitive impact statement and response to public comments alone.” *U.S. Airways*, 38 F. Supp. 3d at 76 (citing *Enova Corp.*, 107 F. Supp. 2d at 17).⁴

VIII. Determinative Documents

There are no determinative materials or documents within the meaning of the APPA that were considered by the United States in formulating the proposed Final Judgment.

Dated: June 27, 2025

/s/Chad Mizelle

Chad Mizelle,

Acting Associate Attorney General

/s/Stanley Woodward

Stanley Woodward,

Counselor to the Attorney General

/s/Ketan Bhirud

Ketan Bhirud,

Associate Deputy Attorney General

/s/Abigail A. Slater

Abigail A. Slater,

Assistant Attorney General

Roger P. Alford,

Principal Deputy Assistant Attorney General

Omeed Assefi

Mark Hamer

William J. Rinner

Deputy Assistant Attorneys General

U.S. Department of Justice, Antitrust Division, 950 Pennsylvania Avenue NW, Washington, DC 20530, Tel.: 202–616–1473

[FR Doc. 2025–12887 Filed 7–9–25; 8:45 am]

BILLING CODE 4410–11–P

DEPARTMENT OF JUSTICE

[OMB 1140–0081]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Appeals of Background Checks

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Shawn Stevens, by email at FELC@atf.gov/Shawn.Stevens@atf.gov, or telephone at 304–616–4400.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 19003, on Monday, May 5th, 2025, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*,

permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the information collection or the OMB Control Number 1140–0081. This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Revision of a previously approved collection.

2. *Title of the Form/Collection:* Appeals of Background Checks.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* None.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:*

Affected Public: State, local and tribal governments. The obligation to respond is voluntary.

Abstract: 18 U.S.C. 843(h) requires the Attorney General to conduct background checks on the persons whose names and descriptions accompany the above applications and requires notification to any person determined to be disabled under Section 842(i) of this Chapter, as well as information on how the disability may be relieved. The regulations at 27 CFR, Section 555.33 state that an individual who wishes to challenge a determination may direct their challenge to the Director. Information Collection (IC) OMB 1140–0081 is being revised to include the decrease in total respondents from 500 to 132, and a consequential change in the hourly burden from 1,000 to 264 hours.

⁴ The 2004 amendments substituted “shall” for “may” in directing relevant factors for court to consider and amended the list of factors to focus on competitive considerations and to address potentially ambiguous judgment terms. Compare 15 U.S.C. 16(e) (2004), with 15 U.S.C. 16(e)(1) (2006); *see also SBC Commc’ns*, 489 F. Supp. 2d at 11 (concluding that the 2004 amendments “effected minimal changes” to Tunney Act review).

5. *Obligation to Respond*: Voluntary.
 6. *Total Estimated Number of Respondents*: 132 respondents.
 7. *Estimated Time per Respondent*: 2 hours.
 8. *Frequency*: Once annually.
 9. *Total Estimated Annual Time Burden*: 264 hours.
 10. *Total Estimated Annual Other Costs Burden*: \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218 Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025-12855 Filed 7-9-25; 8:45 am]

BILLING CODE 4410-FY-P

DEPARTMENT OF JUSTICE

[OMB 1140-0032]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Title Records of Acquisition and Disposition: Dealers/Pawnbrokers of Type 01/02 Firearms, and Collectors of Type 03 Firearms

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Jason Gluck, FIPB, by email at Jason.gluck@atf.gov/FIPB@atf.gov, or telephone at 202-648-7190.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 18995, on Monday, May 5, 2025, allowing a 60-day comment period. Written comments and

suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the information collection or the OMB Control Number 1140-0032. This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection*: Revision of a previously approved collection.
2. *Title of the Form/Collection*: *Records of Acquisition and Disposition: Dealers/Pawnbrokers of Type 01/02 Firearms, and Collectors of Type 03 Firearms.*
3. *Agency form number, if any, and the applicable component of the*

Department of Justice sponsoring the collection: None.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract*:

Affected Public: Individuals or households, Private Sector-for or not for profit institutions.

Abstract: The Gun Control Act of 1968, at 18 U.S.C. 923(g), requires licensed dealers, pawnbrokers, and collectors to maintain records of receipt (acquisition), sale, or other disposition of firearms (acquisition and disposition (A&D) records) in the format that the Attorney General may prescribe. This information collection corresponds with that requirement. Information Collection (IC) OMB 1140-0032 is being revised to apply the error correction of inadvertently mixing up 3 minutes per entry with the total annual time for record-keeping in the previous renewal.

5. *Obligation to Respond*: The obligation to respond is mandatory per 'The Gun Control Act' of 1968, at 18 U.S.C. 923(g).

6. *Total Estimated Number of Respondents*: 102,555 respondents.

7. *Estimated Time per Respondent*: 8 hours.

8. *Frequency*: Once annually.

9. *Total Estimated Annual Time Burden*: 820,440 hours.

10. *Total Estimated Annual Other Costs Burden*: \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218, Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025-12851 Filed 7-9-25; 8:45 am]

BILLING CODE 4410-FY-P

DEPARTMENT OF JUSTICE

[OMB 1140-0073]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Furnishing of Explosives Samples

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco,

Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Michael O'Lena, EIPB, by email at Michael.olen@atf.gov/eipb-informationcollection@atf.gov, or telephone at 202-648-7120.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 19001, on Monday, May 5, 2025, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the information collection or the OMB Control Number 1140-0073. This

information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Extension of a previously approved collection.

2. *Title of the Form/Collection:* Furnishing of Explosives Samples.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* None.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:*

Affected Public: State, local and tribal governments, individuals or households, Private Sector-for or not for profit institutions, Federal Government.

Abstract: Pursuant to 18 U.S.C. Chapter 40 § 843 (i) (1), ATF requires licensed manufacturers and importers and persons who manufacture or import explosives materials or ammonium nitrate to submit samples at the request of the Director. This collection of information is contained in 27 CFR 555.110.

5. *Obligation to Respond:* The obligation to respond is mandatory per 18 U.S.C. Chapter 40 § 843 (i) (1).

6. *Total Estimated Number of Respondents:* 100 respondents.

7. *Estimated Time per Respondent:* 30 minutes.

8. *Frequency:* Once annually.

9. *Total Estimated Annual Time Burden:* 50 total hours.

10. *Total Estimated Annual Other Costs Burden:* ATF estimates an additional cost to each respondent of \$20 for the cost of the explosive materials. The total cost of the materials is therefore \$2,000 (100 respondents * \$20). However, the regulations at 27 CFR 555.110 provide for reimbursement of the cost of the materials. Therefore, this cost is reported as 0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division,

United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218 Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025-12849 Filed 7-9-25; 8:45 am]

BILLING CODE 4410-FY-P

DEPARTMENT OF JUSTICE

[OMB 1140-0123]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Personal Identity Verification Form—ATF Form 8620.40

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Nikki Wiltshire, Personnel Security Division, by email at Niki.wiltshire@atf.gov, or telephone at 202-648-9260.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 19001, on Monday, May 5, 2025, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information,

- including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the information collection or the OMB Control Number 1140–0123. This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Revision of a previously approved collection.

2. *Title of the Form/Collection:* Personal Identity Verification Form.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* ATF Form 8620.40.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:*

Affected Public: Federal Government.

Abstract: Candidates tentatively selected for positions must meet basic qualification requirements before accessing ATF information, IT systems, and facilities. ATF conducts personnel security and suitability background investigations for this purpose, in accordance with IRTPA, HSPD–12,

Trusted Workforce 2.0, and other requirements. A first step in this process is verifying the person’s identity, which this form documents. Information Collection (IC) OMB 1140–0123 is being revised to reflect that the number of applicants has decreased from 2,000 to 1,000 due to budget cuts affecting positions available for applicants. This has resulted in a corresponding decrease in annual burden hours from 160 to 80.

5. *Obligation to Respond:* The obligation to respond is mandatory per the Intelligence Reform and Terrorism Prevention Act of 2004, 5 CFR part 736.

6. *Total Estimated Number of Respondents:* 1,000 respondents.

7. *Estimated Time per Respondent:* 5 minutes.

8. *Frequency:* Once annually.

9. *Total Estimated Annual Time Burden:* 80 total hours.

10. *Total Estimated Annual Other Costs Burden:* \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W–218 Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025–12852 Filed 7–9–25; 8:45 am]

BILLING CODE 4410–FY–P

DEPARTMENT OF JUSTICE

[OMB 1140–0092]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Voluntary Magazine Questionnaire for Agencies/Entities That Store Explosive Materials

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a

copy of the proposed information collection instrument with instructions or additional information, please contact: Michael O’Lena, Explosives Industry Programs Branch by email at eipb-informationcollection@atf.gov/michael.olen@atf.gov, or telephone at 202–648–7120.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 18993, on Monday, May 5th, 2025, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the information collection or the OMB Control Number 1140–0092. This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs

receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Revision of a previously approved collection.

2. *Title of the Form/Collection:* Voluntary Magazine Questionnaire for Agencies/Entities That Store Explosive Materials.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* None.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:*

Affected Public: State, local and tribal governments, individuals.

Abstract: The request information will be used to identify the number and locations of public explosives and will allow ATF to properly respond to emergency situations such as natural disasters. Information Collection (IC) OMB 1140-0092 is being revised to include the burden adjustments of a decrease in respondents from 1,000 to 10, and the hourly burden from 500 to 5.

5. *Obligation to Respond:* Voluntary.

6. *Total Estimated Number of Respondents:* 10 respondents.

7. *Estimated Time per Respondent:* 30 minutes.

8. *Frequency:* Once annually.

9. *Total Estimated Annual Time Burden:* 5 total hours.

10. *Total Estimated Annual Other Costs Burden:* \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218, Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025-12854 Filed 7-9-25; 8:45 am]

BILLING CODE 4410-FY-P

DEPARTMENT OF JUSTICE

[OMB 1140-0122]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Request for Temporary Eligibility To Hold a Sensitive Position—ATF Form 8620.69

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until August 11, 2025.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Nikki Wiltshire, Personnel Security Division, by email at Niki.Wiltshire@atf.gov, or telephone at 202-648-9260.

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register**, volume 90 page 19001, on Monday, May 5, 2025, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms

of information technology, *e.g.*, permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the information collection or the OMB Control Number 1140-0122. This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Revision of a previously approved collection.

2. *Title of the Form/Collection:* Request for Temporary Eligibility to Hold a Sensitive Position.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* ATF Form 8620.69.

Component: Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:*

Affected Public: Federal Government.

Abstract: ATF uses ATF Form 8620.69, Request for Temporary Eligibility to Hold a Sensitive Position, to notify candidates of the option to receive temporary employment after a certain stage in the background check process and request their decision. ATF also uses the form to collect information to determine if the candidate (respondent) can be granted temporary eligibility to hold a sensitive position prior to completion and adjudication of their full background investigation. Information Collection (IC) OMB 1140-0122 will no longer include the cost of mailing as it can now be filled, signed, and submitted electronically. Consequentially, the total cost of this IC has decreased from \$2,000 to \$0.

5. *Obligation to Respond*: Voluntary.
6. *Total Estimated Number of Respondents*: 1,000 of respondents.
7. *Estimated Time per Respondent*: 5 minutes (0.08 hours).
8. *Frequency*: Once annually.
9. *Total Estimated Annual Time Burden*: 80 hours.
10. *Total Estimated Annual Other Costs Burden*: \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Policy and Planning Staff, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218, Washington, DC 20530.

Dated: July 8, 2025.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2025-12850 Filed 7-9-25; 8:45 am]

BILLING CODE 4410-FY-P

DEPARTMENT OF LABOR

Office of Federal Contract Compliance Programs

[OMB Control No. 1250-0002]

Agency Information Collection Activities; Request for Emergency Approval of Revision to Approved Information Collection Request, Complaint Involving Employment Discrimination by a Federal Contractor or Subcontractor

AGENCY: Office of Federal Contract Compliance Programs, Labor.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) has requested emergency approval from the Office of Management and Budget (OMB) to revise the information collection for its complaint program titled, "Complaint Involving Employment Discrimination by a Federal Contractor or Subcontractor." OFCCP submitted its request on July 2, 2025.

FOR FURTHER INFORMATION CONTACT:

Catherine Eschbach, Director, Office of Federal Contract Compliance Programs, 200 Constitution Avenue NW, Washington, DC 20210. Telephone: (202) 693-0101 or toll free at 1-800-397-6251. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Copies of this notice may be obtained in alternative formats (large print, braille, audio recording) upon request by calling the numbers listed above.

SUPPLEMENTARY INFORMATION:

Background

OFCCP administers and enforces Section 503 of the Rehabilitation Act of 1973, as amended (Section 503) and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (VEVRAA). Section 503 prohibits employment discrimination against applicants and employees based on disability and requires Federal contractors and subcontractors to take steps to employ, advance in employment, and otherwise treat qualified individuals without discrimination based on disabilities. Its basic coverage requirements apply to contractors with a federal contract or subcontract of more than \$15,000. VEVRAA requires contractors to take steps to employ and advance in employment, qualified individuals, namely disabled veterans, recently separated veterans, active-duty wartime or campaign badge veterans, and Armed Forces service medal veterans, and by regulation prohibits employment discrimination against protected veterans and otherwise treat qualified individuals without discrimination based on their status as a protected veteran. Its requirements apply to contractors with a federal contract or subcontract of \$150,000 or more.

Revision

At the time this information collection was last approved, OFCCP also enforced Executive Order 11246, as amended (E.O. 11246). On January 21, 2025, President Donald Trump issued Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity (E.O. 14173), which revoked E.O. 11246. Therefore, applicants and employees of Federal contractors and subcontractors, authorized representatives, or third parties may file complaints of employment discrimination with OFCCP pursuant to Section 503 or VEVRAA but may no longer file complaints with OFCCP pursuant to E.O. 11246.

OFCCP has requested approval to revise questions on the Complaint of Employment Discrimination Involving a Federal Contractor or Subcontractor form (CC-4) and Pre-Complaint Inquiry for Employment Discrimination Involving a Federal Contractor or Subcontractor form (CC-390) to align with E.O. 14173. OFCCP has requested

OMB approval to remove items related to E.O. 11246 from these forms.

This information collection is necessary for OFCCP to carry out its statutory obligations under Section 503 and VEVRAA and is needed prior to the ordinary time periods established for revision of an approved collection of information. Approval of this emergency request is warranted under the criteria set forth at 5 CFR 1320.13(a) because (1) without expedited approval, public harm is likely to result, as the public's delay in filing complaints under Section 503 and VEVRAA may foreclose the government's ability to obtain appropriate relief as well as to vindicate the interests of those protected by these laws; (2) an unanticipated change to OFCCP's scope of authority has occurred since the last approval, potentially leading to confusion for people seeking to file complaints under Section 503 and VEVRAA or unclear what protections are available to them; and (3) the use of the normal PRA process will delay implementation of E.O. 14173 and disrupt the agency's statutory requirement to promptly investigate complaints pursuant to VEVRAA and Section 503.

Agency: Office of Federal Contract Compliance Programs.

Type of Review: Revision of a currently approved collection.

Title of Collection: Complaint Involving Employment Discrimination by a Federal Contractor or Subcontractor.

Forms: CC-4 and CC-390.

OMB Control Number: 1250-0002.

Affected Public: Business or other for profit; individuals.

Estimated Number of Respondents: 1,618 respondents for the CC-390; 100 respondents for the CC-4.

Frequency: On occasion.

Number of Responses: 1,618 responses for the CC-390; 100 responses for the CC-4.

Estimated Average Time per Response: .25 hour for the CC-390; 1 hour for the CC-4.

Estimated Total Annual Burden Hours: 505 hours.

Total Estimated Annual Other Cost Burden: \$1,797.

(Authority: 29 U.S.C. 793; 38 U.S.C. 4212; 41 CFR 60-300.61; and 41 CFR 60-741.61.)

Catherine Eschbach,

Director, Office of Federal Contract Compliance Programs.

[FR Doc. 2025-12802 Filed 7-9-25; 8:45 am]

BILLING CODE 4510-CM-P

NUCLEAR REGULATORY COMMISSION**[Docket No. 50–440; NRC–2023–0136]****Vistra Operations Company, LLC;
Perry Nuclear Power Plant, Unit 1;
License Renewal and Record of
Decision****AGENCY:** Nuclear Regulatory Commission.**ACTION:** Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has issued Renewed Facility Operating License No. NPF–58 to Vistra Operations Company, LLC (Vistra or the licensee), for Perry Nuclear Power Plant (Perry), Unit 1. In addition, the NRC has prepared a record of decision (ROD) that supports the NRC's decision to issue Renewed Facility Operating License No. NPF–58.

DATES: The Renewed Facility Operating License No. NPF–58 was issued on July 7, 2025.

ADDRESSES: Please refer to Docket ID NRC–2023–0136 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC–2023–0136. Address questions about Docket IDs in *Regulations.gov* to Bridget Curran; telephone: 301–415–1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION**

CONTACT section of this document.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to PDR.Resource@nrc.gov. For the convenience of the reader, instructions about obtaining materials referenced in

this document are provided in the "Availability of Documents" section.

- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Vaughn Thomas, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–5897; email: Vaughn.Thomas@nrc.gov.

SUPPLEMENTARY INFORMATION:**I. Discussion**

Notice is hereby given that the NRC has issued Renewed Facility Operating License No. NPF–58 to Vistra for Perry, Unit 1. Vistra is the operator of the facility. Renewed Facility Operating License No. NPF–58 authorizes Vistra to operate Perry, Unit 1 at reactor core power levels not in excess of 3,758 megawatts thermal, in accordance with the provisions of Perry, Unit 1, renewed operating license and technical specifications. Notice is also given that the ROD that supports the NRC's decision to issue Renewed Facility Operating License No. NPF–58 is available in the "Availability of Documents" section of this document.

As discussed in the ROD and the final supplemental environmental impact statement (EIS), published as NUREG–1437, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Supplement 61, Regarding License Renewal of Perry Nuclear Power Plant, Final Report," dated April 2025. The final EIS documents the NRC staff's environmental review, including the determination that the adverse environmental impacts of license renewal for Perry, Unit 1 are not so great that preserving the option of license renewal for energy planning decisionmakers would be unreasonable. The final EIS conclusion is based on (1) information provided in the environmental report submitted by

Vistra, as supplemented, (2) the NRC staff's consultations with Federal, State, Tribal, and local agencies, (3) the NRC staff's independent environmental review, and (4) the NRC staff's consideration of public comments received during the scoping process and on the 2024 draft site-specific EIS, as well as the consideration of mitigation measures.

Perry, Unit 1 is a Mark 3, boiling water reactor located on the shore of Lake Erie in Lake County, Ohio, approximately 35 miles northeast of Cleveland, Ohio. The application for the renewed license, "Perry Nuclear Power Plant, Unit 1, License Renewal Application," is dated July 3, 2023, and has been supplemented (see "Availability of Documents" section, of this document). The NRC staff has determined that Vistra's application complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the NRC's regulations. As required by the Act and NRC regulations in chapter 1 of title 10 of the *Code of Federal Regulations* (10 CFR), the NRC has made appropriate findings, which are set forth in the renewed license.

A public notice of the NRC's acceptance for docketing of the renewed license application and an opportunity for a hearing was published in the **Federal Register** on September 29, 2023 (88 FR 67373).

For further details with respect to this action, see: (1) Vistra Operations Company, LLC's license renewal application for Perry, Unit 1, dated July 3, 2023, as supplemented by letters dated through January 30, 2025; (2) the NRC's safety evaluation, published in May 2025; (3) the NRC's final environmental impact statement (NUREG–1437, Supplement 61) for Perry, Unit 1, published in April 2025; and (4) the NRC's ROD, issued on July 7, 2025.

II. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

Document description	ADAMS Accession No.
License Renewal Application for the Perry Nuclear Power Plant, dated July 3, 2023	ML23184A081.
Record of Decision—License Renewal Application Review—Perry Nuclear Power Plant Unit 1, dated July 7, 2025.	ML25160A138.
Safety Evaluation Report, Related to the License Renewal of Perry Nuclear Power Plant, Unit 1, published May 2025.	ML25148A362.
NUREG–1437, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Supplement 61, Regarding License Renewal of Perry Nuclear Power Plant, Final Report," published April 2025.	ML25113A032.

Document description	ADAMS Accession No.
NUREG-1437, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Revision 1, Volumes 1-3, Final Report," published June 2013.	ML13107A023 (package).
NUREG-1437, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Revision 2, Volumes 1-3, Final Report," published August 2024.	ML24087A133 (package).
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 1, dated August 7, 2024	ML24220A270.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 2, dated June 27, 2024	ML24180A010.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 3, dated July 24, 2024	ML24206A150.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 4, dated September 5, 2024	ML24249A123.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 5, dated October 21, 2024 ...	ML24295A352.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 6, dated November 7, 2024	ML24312A368.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 7, dated December 19, 2024	ML24354A265.
Perry Nuclear Power Plant, Unit 1, License Renewal Application—Supplement 8, dated January 27, 2025 ...	ML25027A327.
License Renewal Application—Response to Request for Additional Information—Set 1, dated September 16, 2024.	ML24260A266.
License Renewal Application—Response to Request for Additional Information—Set 2, dated October 2, 2024.	ML24276A083.
License Renewal Application—Response to Request for Additional Information—Set 3, dated November 19, 2024.	ML24324A185.
License Renewal Application—Response to Request for Additional Information—Set 4, dated February 5, 2025.	ML25036A154.
License Renewal Application—Response to Request for Additional Information—Set 5, dated March 20, 2025.	ML25079A062.
License Renewal Application—Response to Requests for Confirmatory Information—Set 1, dated October 31, 2024.	ML24305A134.
License Renewal Application—Response to Requests for Confirmatory Information—Set 2, dated December 4, 2024.	ML24339A066.
License Renewal Application—Responses to Request for Confirmatory Information—Set 3, dated January 30, 2025.	ML25030A014.

Dated: July 7, 2025.

For the Nuclear Regulatory Commission.

Michele Sampson,

Director, Division of New and Renewed Licenses, Office of Nuclear Reactor Regulation.

[FR Doc. 2025-12782 Filed 7-9-25; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-313 and 50-368; CEQ EAXX-429-00-000-1741333381; NRC-2025-0115]

Entergy Operations, Inc.; Arkansas Nuclear One, Units 1 and 2; Environmental Assessment and Finding of No Significant Impact

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of exemptions in response to the November 13, 2024, request from Entergy Operations, Inc. (the licensee) related to Arkansas Nuclear One (ANO), Units 1 and 2, located in Pope County, Arkansas. The exemptions would allow the licensee to withdraw a small portion of the funds from the ANO, Units 1 and 2, nuclear decommissioning trust funds (DTFs) to facilitate the prompt disposal of certain retired major radioactive components (MRCs). The NRC staff is

issuing an environmental assessment (EA) and finding of no significant impact (FONSI) associated with the proposed exemptions.

DATES: The EA and FONSI referenced in this document are available on July 10, 2025.

ADDRESSES: Please refer to Docket ID NRC-2025-0115 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2025-0115. Address questions about Docket IDs in *Regulations.gov* to Bridget Curran; telephone: 301-415-1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, at 301-415-4737, or by email to PDR.Resource@nrc.gov. The ADAMS accession number for each document

referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Hannah McLatchie, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-8507; email: Hannah.McLatchie@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The NRC is considering issuance of exemptions from the requirements in paragraphs 50.82(a)(8)(i) and (ii) of title 10 of the *Code of Federal Regulations* (10 CFR) to the licensee for Renewed Facility Operating License Nos. DPR-51 and NPF-6 for ANO, Units 1 and 2, respectively, located in Pope County, Arkansas. The licensee requested the exemptions by letter dated November 13, 2024 (ADAMS Accession No. ML24318C273). The exemptions would allow the licensee to withdraw funds from the ANO, Units 1 and 2, DTFs, not to exceed \$20 million per unit, to

facilitate the prompt disposal of certain retired MRCs. Specifically, the licensee is seeking to use funds from the Unit 1 DTF to dispose of two steam generators and one reactor vessel closure head that were removed from service in 2005, and to use funds from the Unit 2 DTF to dispose of two steam generators that were removed from service in 2000.

In accordance with 10 CFR 51.21 and 10 CFR 51.30, the NRC prepared the following EA that analyzes the environmental impacts of the proposed action. Based on the results of this EA, which is provided in section II of this document, and in accordance with 10 CFR 51.31(a), the NRC has determined not to prepare an environmental impact statement for the proposed action and is issuing a FONSI.

II. Environmental Assessment

Description of the Proposed Action

The proposed action would partially exempt the licensee from the requirements set forth in 10 CFR 50.82(a)(8)(i) and (ii). Specifically, contrary to 10 CFR 50.82(a)(8)(i), the proposed action would allow the licensee to withdraw funds from the ANO, Units 1 and 2 DTFs for disposal activities that are not consistent with the definition of decommissioning in 10 CFR 50.2 because they would not be related to removing a facility or site from service; instead, the disposal activities would be performed prior to ANO, Units 1 and 2, permanently ceasing operations. Additionally, the proposed action would allow the licensee to withdraw funds from the ANO, Units 1 and 2 DTFs contrary to the timing requirements in 10 CFR 50.82(a)(8)(ii). The proposed action is in accordance with the licensee's application dated November 13, 2024. The NRC determination of whether to approve the proposed action will be documented separately from this assessment of the environmental impacts of the proposed action.

Need for the Proposed Action

As required by 10 CFR 50.82(a)(8)(i), DTFs may be used by licensees if, in part, the withdrawals are for legitimate decommissioning activity expenses, consistent with the definition of decommissioning in 10 CFR 50.2. This definition addresses removing a facility or site from service and reducing residual radioactivity and does not include activities associated with the disposal of MRCs during plant operations. The regulation in 10 CFR 50.82(a)(8)(ii) discusses timing requirements associated with DTF withdrawals, allowing 3 percent of the

generic amount specified in 10 CFR 50.75 to be used for decommissioning planning and restricting further withdrawals until licensees have submitted the certifications required under 10 CFR 50.82(a)(1) regarding permanent cessation of operations and the post-shutdown decommissioning activities report. Therefore, exemptions from 10 CFR 50.82(a)(8)(i) and (ii) are needed to allow the licensee to use funds from the DTFs for the disposal of MRCs during plant operations. In its submittal, the licensee stated that due to limited long-term onsite storage facility capacity at ANO, it is desirable to dispose of the specified MRCs while plant operations are ongoing, rather than waiting until the permanent cessation of operations to dispose of them. Additionally, the licensee identified that the disposal of these MRCs would be considered a legitimate decommissioning activity for which DTF funds may be used once ANO, Units 1 and 2 have permanently ceased operations and the timing requirements of 10 CFR 50.82(a)(8)(ii) have been met; therefore, the exemption request is essentially seeking an acceleration of otherwise permissible DTF withdrawals.

In summary, by letter dated November 13, 2024, the licensee requested exemptions to allow the licensee to withdraw a small portion of the funds from the ANO, Units 1 and 2 DTFs to facilitate the prompt (*i.e.*, during plant operations) disposal of certain retired MRCs.

Environmental Impacts of the Proposed Action

The proposed action involves exemptions from regulatory requirements that are of a financial nature and that do not have an impact on the environment. The proposed action does not introduce new operational activities, and all the current operational activities have already been subjected to environmental review. Additionally, before the NRC could approve the proposed action, it would have to conclude that there is reasonable assurance that funds will be available for the decommissioning process as well as for the prompt disposal of certain retired MRCs. Therefore, there would be no decrease in safety associated with the use of the DTFs to also fund the prompt disposal of certain retired MRCs. Section 50.75 of 10 CFR requires a licensee to certify that financial assurance has been provided in the required amount, to adjust that amount annually, and to cover that amount. Since the proposed exemptions would allow the licensee to use funds from the ANO, Units 1 and 2 DTFs that

are in excess of those required for the decommissioning process, the adequacy of the funds dedicated to the decommissioning process would not be affected by the exemptions. Therefore, there is reasonable assurance that there would be no environmental impact due to lack of adequate funding for the decommissioning process.

The proposed action would also not significantly increase the probability or consequences of radiological accidents. The proposed action has no direct radiological impacts. There would be no change to the types or amounts of radiological effluents that may be released; therefore, there would be no change in occupational or public radiation exposure from the proposed action. There are no materials or chemicals introduced into the plant that could affect the characteristics or types of effluents released offsite. In addition, the method of operation of waste processing systems would not be affected by the exemptions. The proposed action would not result in changes to the design basis requirements of structures, systems, and components (SSCs) that function to limit or monitor the release of effluents. All the SSCs associated with limiting the release of effluents would continue to be able to perform their functions. Moreover, no changes would be made to plant buildings or the site property from the proposed action. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential non-radiological impacts, the proposed action would have no direct impacts on land use or water resources, including terrestrial and aquatic biota, as it involves no new construction or modification of plant operational systems. There would be no changes to the quality or quantity of non-radiological effluents. In addition, there would be no noticeable effect on socioeconomic conditions in the region, no air quality impacts, and no impacts to historic and cultural resources from the proposed action. Therefore, there are no significant non-radiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the NRC staff considered denial of the proposed action (*i.e.*, the "no-action" alternative). Denial of the

proposed action would result in the licensee disposing of certain retired MRCs using funds other than those in the DTFs, which would have no change in current environmental impacts, or would result in the licensee building a new long-term onsite storage facility at ANO, which would have environmental impacts. Therefore, the alternative action would have similar or additional environmental impacts than the proposed action.

Alternative Use of Resources

There are no unresolved conflicts concerning alternative uses of available resources under the proposed action.

Agencies and Persons Consulted

No additional agencies or persons were consulted regarding the environmental impact of the proposed action.

III. Finding of No Significant Impact

The requested exemptions from 10 CFR 50.82(a)(8)(i) and (ii) would allow the licensee to withdraw a small portion of the funds from the ANO, Units 1 and 2 DTFs to facilitate the prompt disposal of certain retired MRCs. The proposed action would not significantly affect plant safety, would not have a significant adverse effect on the probability of an accident occurring, and would not have any significant radiological or non-radiological impacts. The proposed action involves exemptions from requirements that are of a financial nature and that would not have an impact on the human environment. Consistent with 10 CFR 51.21, the NRC conducted an EA for the proposed action, and this FONSI incorporates by reference the EA included in section II of this document. Therefore, the NRC concludes that the proposed action will not have significant effects on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

Other than the licensee's letter dated November 13, 2024, there are no other environmental documents associated with this review.

Previous considerations regarding the environmental impacts of operating ANO, Units 1 and 2 are described in NUREG-1437, Supplement 3, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants Regarding the Arkansas Nuclear One, Unit 1," dated April 2001 (ADAMS Accession No. ML011170034), and NUREG-1437, Supplement 19, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants

Regarding Arkansas Nuclear One, Unit 2," dated April 2005 (ADAMS Accession No. ML051080538).

Dated: July 8, 2025.

For the Nuclear Regulatory Commission.

Hannah McLatchie,

*Project Manager, Plant Licensing Branch 4,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.*

[FR Doc. 2025-12883 Filed 7-9-25; 8:45 am]

BILLING CODE 7590-01-P

POSTAL SERVICE

International Product Change—Priority Mail Express International, Priority Mail International & First-Class Package International Service Agreement

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a Priority Mail Express International, Priority Mail International & First-Class Package International Service contract to the list of Negotiated Service Agreements in the Competitive Product List in the Mail Classification Schedule.

DATES: Date of notice: July 10, 2025.

FOR FURTHER INFORMATION CONTACT: Christopher C. Meyerson, (202) 268-7820.

SUPPLEMENTARY INFORMATION: The United States Postal Service hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on June 30, 2025, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 75 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2025-1546 and K2025-1540.

Helen E. Vecchione,

Attorney, Ethics and Legal Compliance.

[FR Doc. 2025-12794 Filed 7-9-25; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103392; File No. SR-NASDAQ-2025-050]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Lower the Options Regulatory Fee (ORF)

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2025, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to decrease The Nasdaq Options Market LLC ("NOM") Options Regulatory Fee or "ORF."

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on August 1, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NOM proposes to decrease its ORF at Options 7, Section 5 from \$0.0014 to \$0.0005 per contract side effective August 1, 2025.

Background on Current ORF

Today, NOM assesses its ORF for each Customer option transaction that is either: (1) executed by a Participant³ on NOM; or (2) cleared by a NOM Participant at OCC in the Customer range, even if the transaction was executed by a non-member of NOM, regardless of the exchange on which the transaction occurs.⁴ If the OCC clearing member is a NOM Participant, ORF is assessed and collected on all ultimately cleared Customer contracts (after adjustment for CMTA⁵); and (2) if the OCC clearing member is not a NOM Participant, ORF is collected only on the cleared Customer contracts executed at NOM, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.⁶ The current NOM ORF is \$0.0014 per contract side.

Today, in the case where a Participant both executes a transaction and clears the transaction, the ORF will be assessed to and collected from that Participant. Today, in the case where a Participant executes a transaction and a different Participant clears the transaction, the ORF will be assessed to and collected from the Participant who

clears the transaction and not the Participant who executes the transaction. Today, in the case where a non-member executes a transaction at an away market and a Participant clears the transaction, the ORF will be assessed to and collected from the Participant who clears the transaction. Today, in the case where a Participant executes a transaction on NOM and a non-member clears the transaction, the ORF will be assessed to the Participant that executed the transaction on NOM and collected from the non-member who cleared the transaction. Today, in the case where a Participant executes a transaction at an away market and a non-member ultimately clears the transaction, the ORF will not be assessed to the Participant who executed the transaction or collected from the non-member who cleared the transaction because the Exchange does not have access to the data to make absolutely certain that ORF should apply. Further, the data does not allow the Exchange to identify the Participant executing the trade at an away market.

ORF Revenue and Monitoring of ORF

Today, the Exchange monitors the amount of revenue collected from the ORF ("ORF Regulatory Revenue") to ensure that it, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs.⁷ In determining whether an expense is considered an Options Regulatory Cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset Options Regulatory Cost.

ORF Regulatory Revenue, when combined with all of the Exchange's other regulatory fees and fines, is designed to recover the Options Regulatory Costs to the Exchange of the supervision and regulation of member Customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Options Regulatory Costs include direct regulatory expenses and certain indirect expenses in support of the regulatory function. The direct expenses include in-house and third-party service provider costs to support the day-to-day regulatory work such as surveillance,

investigations and examinations. The indirect expenses are only those expenses that are in support of the regulatory functions, such areas include Office of the General Counsel, technology, finance, and internal audit. Indirect expenses will not exceed 35% of the total Options Regulatory Costs, in which case direct expenses could be 65% or more of total Options Regulatory Costs.⁸

Proposal for August 1, 2025

At this time, the Exchange proposes to decrease NOM's ORF from \$0.0014 to \$0.0005 per contract side, effective August 1, 2025, as a result of a decrease to its FINRA Regulatory Services Agreement ("RSA") fees. Recently, the Exchange amended its FINRA RSA resulting in less cost to the Exchange thereby impacting Options Regulatory Costs.

NOM notes that there can be no assurance that the Options Regulatory Costs for the remainder of 2025 will not differ materially from these expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at the current level going forward. The Exchange notes however, that when combined with regulatory fees and fines, the ORF Regulatory Revenue that may be generated utilizing an ORF rate of \$0.0014 per contract side may result in ORF Regulatory Revenue which exceeds the Exchange's estimated Options Regulatory Costs for 2025. The Exchange therefore proposes to reduce its ORF to \$0.0005 per contract side to ensure that ORF Regulatory Revenue does not exceed the Exchange's estimated Options Regulatory Costs in 2025. Particularly, the Exchange believes that reducing the ORF when combined with all of the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering its Options Regulatory Costs, while lessening the potential for generating excess revenue that may otherwise occur using the rate of \$0.0014 per contract side.⁹ The Exchange notified Participants of the proposed decrease to the ORF through an Options Trader Alert.¹⁰

The Exchange will continue to monitor the amount of ORF Regulatory Revenue collected from the ORF to

⁸ Direct and indirect expenses are based on the Exchange's 2025 Regulatory Budget.

⁹ The Exchange notes that its regulatory responsibilities with respect to Participant compliance with options sales practice rules have largely been allocated to FINRA under a 17d-2 agreement. The ORF is not designed to cover the cost of that options sales practice regulation.

¹⁰ See Options Trader Alert #2025-27.

³ The term "Options Participant" or "Participant" mean a firm, or organization that is registered with the Exchange pursuant to Options 2A of these Rules for purposes of participating in options trading on NOM Options as a "Nasdaq Options Order Entry Firm" or "Nasdaq Options Market Maker." See Options 1, Section 1(a)(39).

⁴ The Exchange uses reports from OCC when assessing and collecting the ORF. Market participants must record the appropriate account origin code on all orders at the time of entry of the order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.

⁵ CMTA or Clearing Participant Trade Assignment is a form of "give-up" whereby the position will be assigned to a specific clearing firm at OCC.

⁶ By way of example, if Broker A, an NOM Participant, routes a Customer order to CBOE and the transaction executes on CBOE and clears in Broker A's OCC Clearing account, ORF will be collected by NOM from Broker A's clearing account at OCC via direct debit. While this transaction was executed on a market other than NOM, it was cleared by an NOM Participant in the member's OCC clearing account in the Customer range, therefore there is a regulatory nexus between NOM and the transaction. If Broker A was not an NOM Participant, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on NOM nor was it cleared by an NOM Participant.

⁷ The regulatory costs for options comprise a subset of the Exchange's regulatory budget that is specifically related to options regulatory expenses and encompasses the cost to regulate all Participants' options activity ("Options Regulatory Cost").

ensure that ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed Options Regulatory Costs. If the Exchange determines that to be the case, the Exchange will adjust the ORF by submitting a fee change filing to the Commission and notifying ¹¹ its Participants via an Options Trader Alert.¹²

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁴ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed reduction of ORF is reasonable because it would help ensure that ORF Regulatory Revenue does not exceed a material portion of the Exchange’s ORF Regulatory Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange’s ORF Regulatory Costs. Further, the Exchange believes the proposed fee change is reasonable because Customer transactions will be subject to a lower ORF than the rate that would otherwise be in effect on August 1, 2025.

The Exchange had designed the ORF to generate ORF Regulatory Revenue that would be less than the amount of the Exchange’s ORF Regulatory Costs to ensure that it, in combination with its other regulatory fees and fines, does not exceed ORF Regulatory Costs, which is consistent with the view of the Commission that regulatory fees be used for regulatory purposes and not to support the Exchange’s business

operations. As discussed above, however, after review of its ORF Regulatory Costs and ORF Regulatory Revenue, which includes revenues from ORF and other regulatory fees and fines, the Exchange determined that absent a reduction in ORF it may collect ORF Regulatory Revenue which would exceed its ORF Regulatory Costs. Indeed, the Exchange notes that when taking into account the lower cost resulting from the amended FINRA RSA, it estimates the ORF may generate ORF Regulatory Revenue that would cover more than the approximated Exchange’s projected ORF Regulatory Costs. As such, the Exchange believes it’s reasonable and appropriate to reduce the ORF amount from \$0.0014 to \$0.0005 per contract side.

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all Participants on all their transactions that clear in the Customer range at OCC.¹⁶ The Exchange believes the ORF ensures fairness by assessing higher fees to those Participants that require more Exchange regulatory services based on the amount of Customer options business they conduct. Regulating Customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-Customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (e.g., staff expenses), as well as investigations into Customer complaints and the terminations of registered persons. As a result, the costs associated with administering the Customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-Customer component of its regulatory program. Moreover, the Exchange notes that it has broad regulatory responsibilities with respect to activities of its Participants, a small portion of which takes place on away exchanges. Indeed, the Exchange cannot effectively review for such conduct without looking at and evaluating activity regardless of where it transpires. In addition to its own surveillance

programs, the Exchange also works with other SROs and exchanges on intermarket surveillance related issues. Through its participation in the Intermarket Surveillance Group (“ISG”) ¹⁷ the Exchange shares information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange’s regulatory activities with respect to Customer trading activity of its Participants.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because ORF applies to all customer activity, thereby raising ORF Regulatory Revenue to offset Options Regulatory Cost. It also supplements the regulatory revenue derived from non-customer activity. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of ORF Regulatory Revenue collected from the ORF, in combinations with its other regulatory fees and fines, does not exceed Options Regulatory Cost.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act ¹⁸ and paragraph (f) of Rule 19b-4 ¹⁹ thereunder. At any time within 60 days of the filing of the proposed rule

¹¹ The Exchange will provide Participants with such notice at least 30 calendar days prior to the effective date of the change.

¹² The Exchange notes that in connection with this proposal, it provided the Commission confidential details regarding the Exchange’s projected regulatory revenue, including projected revenue from ORF, along with a projected regulatory expense.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ If the OCC clearing member is a NOM Participant, ORF will be assessed and collected on all cleared Customer contracts (after adjustment for CMTA); and (2) if the OCC clearing member is not a NOM Participant, ORF will be collected only on the cleared Customer contracts executed at NOM, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

¹⁷ ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the self-regulatory organizations by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG’s information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f).

change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–NASDAQ–2025–050 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–NASDAQ–2025–050. 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–NASDAQ–2025–050 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025–12810 Filed 7–9–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103398; File No. SR–DTC–2025–010]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Settlement Service Guide To Make a Technical Change Relating to DTC's Memo Segregation Function and To Update DTC's Mailing Address

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b–4 thereunder,² notice is hereby given that on June 27, 2025, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act ³ and Rule 19b–4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Settlement Service Guide (“Settlement Guide”) ⁵ to (i) make

a technical change relating to DTC's Memo Segregation (“Memo Seg”) function and (ii) update DTC's mailing address.⁶

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”), and Rule 19b–4 thereunder, DTC is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Settlement Guide to (i) make a technical change relating to DTC's Memo Seg and (ii) update DTC's mailing address.

Memo Segregation

Participants use Memo Seg and its “counter” mechanism to protect a designated quantity of Securities in a given CUSIP ⁷ from unintended intraday Delivery at DTC.⁸ More specifically, when a Participant uses Memo Seg, Delivery of a given CUSIP will not occur if the Delivery would result in the total quantity of Securities in that CUSIP being equal to or less than the amount designated for protection by the Participant, unless (a) the Participant reduces the amount designated under the counter, or (b) the amount designated under the counter is automatically reduced due to other

Participant in the same manner as they are bound by the DTC Rules. Rule 27, *infra* note 6.

⁶ Capitalized terms not defined herein shall have the meaning assigned to such terms in the Rules, By-Laws and Organization Certificate of DTC, available at www.dtcc.com/-/media/Files/Downloads/legal/rules/dtc_rules.pdf.

⁷ A CUSIP number is the identification number created by the American Banking Association's Committee on Uniform Security Identification Procedures (“CUSIP”) to uniquely identify issuers and issues of securities and financial instruments. See Committee on Uniform Security Identification Procedures, available at www.aba.com/about-us/our-story/cusip-securities-identification.

⁸ Participants that are registered broker-dealers can use Memo Seg as a tool to maintain compliance with their obligations under Commission Rule 15c3–3. 17 CFR 240.15c3–3.

²⁰ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(4).

⁵ The Settlement Guide is available at www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf. The Settlement Guide constitutes Procedures of DTC relating to its Settlement services. Pursuant to the DTC Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27 (Procedures), as amended from time to time. Rule 1 (Definitions; Governing Law), Section 1, *infra* note 6. DTC's Procedures are filed with Commission. They are binding on DTC and each

transactions executed by the Participant. In this way, Memo Seg helps automate Securities processing by reducing the number of manual entries a Participant must make to maintain a certain quantity of Securities in an Account.

A Participant can activate any of five Memo Seg indicators by providing DTC with a standing Memo Seg instruction. When the Participant activates a Memo Seg indicator, the Participant's free position and Memo Segregation position are automatically updated according to the Participant-elected indicators. These indicators include, but are not limited to, transactions relating to receipt of certain free and valued Deliveries, movements through the ACATS system, and receipt of Deliveries from the E sub-account ("E Account") of National Securities Clearing Corporation's ("NSCC") Continuous Net Settlement ("CNS") System.⁹

The E Account can be used by NSCC Members for receipt of fully-paid-for securities from NSCC's main CNS account. The NSCC Member receiving Securities from the E Account is credited with the respective fully-paid-for securities in its DTC Participant Account. When a Participant provides a standing Memo Seg instruction relating to securities received into the E Account (i.e., by activating "Indicator 3"), the Participant's Memo Seg counter is automatically increased by the number of shares it receives through the E Account.¹⁰

In a separate proposed rule change filed by NSCC (i.e., SR-NSCC-2025-010) on June 17, 2025 ("NSCC's Rule Filing"), NSCC proposes to decommission the E Account as it is an underutilized CNS function. As a result of NSCC's Rule Filing, DTC's Memo Seg Indicator 3, which correlates with the E Account, would become obsolete. Therefore, pursuant to NSCC's Rule Filing, DTC would make a technical amendment to the Settlement Guide to remove the reference to Indicator 3 and the related functionality for securities received from the E Account. DTC is not otherwise altering its Memo Seg functionality, and it would otherwise remain available to Participants.¹¹ DTC would also make a corresponding edit to remove reference to a certain number of Memo Segregation Indicators.¹²

Address Update

Currently, the Settlement Guide lists the DTC mailing address for letters of instruction to establish or change the Net Debit Cap as DTC's former address at 55 Water Street, New York, NY.¹³ The former address should have been changed to 570 Washington Blvd., Jersey City, NJ 07310 in a prior DTC rule filing but was overlooked.¹⁴ With this proposed rule change, it is being updated.

Implementation Timeframe

The proposed rule change would be implemented in two phases. The proposed changes concerning DTC's mailing address update would be implemented upon filing. The proposed changes concerning elimination of Memo Seg Indicator 3 would be implemented on September 11, 2025.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, among other things, to promote the prompt and accurate clearance and settlement of securities transactions.¹⁵ DTC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.

As described above, the proposed rule change would amend the Settlement Guide to (i) reflect the elimination of an obsolete Memo Seg indicator relating to NSCC's decommissioning of its CNS E Account functionality and (ii) change the mailing address from 55 Water Street, New York, NY to 570 Washington Blvd., Jersey City, NJ 07310 when it was previously overlooked.

Each of these proposed rule changes is intended to provide Participants with current and accurate information regarding DTC services, thus enabling users to be better informed on how they may engage and use DTC for securities transactions. Therefore, DTC believes that the proposed rule change would help promote the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹⁶ requires that the rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the Act. DTC does not believe that the proposed rule change would impose a burden or otherwise have a significant impact on competition. DTC does not believe the proposed change to remove the Memo Seg Indicator 3 would have any impact or impose any burden on competition as it is merely a technical change to the text of the Settlement Guide to correspond with a change to NSCC Rules. Notwithstanding the decommissioning of the E Account functionality proposed by NSCC's Rule Filing, Memo Seg would otherwise remain available to Participants to provide instructions directly through DTC for the protection of fully-paid-for securities. DTC therefore believes the proposed rule change would not impose any burden on competition.

DTC does not believe that the proposed rule change regarding DTC's mailing address would have any impact or impose any burden on competition. The proposed rule change simply updates DTC's contact information that was previously overlooked during an earlier rule filing¹⁷ which should not have any competitive impact on Participants or their use of DTC services.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC will amend this filing to publicly file such comments as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at

⁹ Capitalized terms not defined herein shall have the meaning assigned to such terms in the NSCC Rules & Procedures ("NSCC Rules"), available at www.dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf.

¹⁰ Settlement Guide, *supra* note 5, at 40–42.

¹¹ *Id.*

¹² The Settlement Guide erroneously stated that a Participant could activate any of five Memo Segregation indicators, although there were six

Memo Segregation indicators. *Id.*, at 41–42. With this proposed edit, any future changes to the number of available Memo Segregation indicators will not require an edit to the paragraph preceding the table of Memo Segregation indicators.

¹³ *Supra* note 5, at 21.

¹⁴ Securities Exchange Act Release No. 97250 (Apr. 4, 2023), 88 FR 21214 (Apr. 10, 2023) (SR-DTC-2023-004).

¹⁵ 15 U.S.C. 78q-1(b)(3)(F).

¹⁶ 15 U.S.C. 78q-1(b)(3)(I).

¹⁷ *Supra* note 14.

www.sec.gov/rules-regulations/how-submit-comments. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸ and Rule 19b-4(f)(6) thereunder.¹⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-DTC-2025-010 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-DTC-2025-010. 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](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 DTC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). 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-DTC-2025-010 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12817 Filed 7-9-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103395; File No. SR-Phlx-2025-26]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Lower the Options Regulatory Fee (ORF)

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2025, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is

publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to decrease Phlx's Options Regulatory Fee or "ORF."

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on August 1, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/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

Phlx proposes to decrease its ORF at Options 7, Section 6, D from \$0.0034 to \$0.0024 per contract side effective August 1, 2025.

Background on Current ORF

Today, Phlx assesses its ORF for each Customer option transaction that is either: (1) executed by a member organization³ on Phlx; or (2) cleared by

³ The term "member organization" means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities and which has the status of a member organization by virtue of (i) admission to membership given to it by the Membership Department pursuant to the provisions of General 3, Sections 5 and 10 or the By-Laws or (ii) the transitional rules adopted by the Exchange pursuant to Section 6-4 of the By-Laws. References herein to officer or partner, when used in the context of a member organization, shall include any person holding a similar position in any organization other than a corporation or partnership that has the status

Continued

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f)(4).

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

a Phlx member organization at OCC in the Customer range, even if the transaction was executed by a non-member organization of Phlx, regardless of the exchange on which the transaction occurs.⁴ If the OCC clearing member is a Phlx member organization, ORF is assessed and collected on all ultimately cleared Customer contracts (after adjustment for CMTA;⁵) and (2) if the OCC clearing member is not a Phlx member organization, ORF is collected only on the cleared Customer contracts executed at Phlx, taking into account any CMTA instructions which may result in collecting the ORF from a non-member organization.⁶ The current Phlx ORF is \$0.0034 per contract side.

Today, in the case where a member organization both executes a transaction and clears the transaction, the ORF will be assessed to and collected from that member organization. Today, in the case where a member organization executes a transaction and a different member organization clears the transaction, the ORF will be assessed to and collected from the member organization who clears the transaction and not the member organization who executes the transaction. Today, in the case where a non-member executes a transaction at an away market and a member organization clears the transaction, the ORF will be assessed to and collected from the member organization who clears the transaction. Today, in the case where a member organization executes a transaction on Phlx and a non-member clears the transaction, the ORF will be assessed to the member organization that executed the transaction on Phlx and collected from the non-member who cleared the transaction. Today, in the case where a member organization

executes a transaction at an away market and a non-member ultimately clears the transaction, the ORF will not be assessed to the member organization who executed the transaction or collected from the non-member who cleared the transaction because the Exchange does not have access to the data to make absolutely certain that ORF should apply. Further, the data does not allow the Exchange to identify the member organization executing the trade at an away market.

ORF Revenue and Monitoring of ORF

Today, the Exchange monitors the amount of revenue collected from the ORF ("ORF Regulatory Revenue") to ensure that it, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs.⁷ In determining whether an expense is considered an Options Regulatory Cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset Options Regulatory Cost.

ORF Regulatory Revenue, when combined with all of the Exchange's other regulatory fees and fines, is designed to recover the Options Regulatory Costs to the Exchange of the supervision and regulation of member Customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Options Regulatory Costs include direct regulatory expenses and certain indirect expenses in support of the regulatory function. The direct expenses include in-house and third-party service provider costs to support the day-to-day regulatory work such as surveillance, investigations and examinations. The indirect expenses are only those expenses that are in support of the regulatory functions, such areas include Office of the General Counsel, technology, finance, and internal audit. Indirect expenses will not exceed 35% of the total Options Regulatory Costs, in which case direct expenses could be 65% or more of total Options Regulatory Costs.⁸

⁷ The regulatory costs for options comprise a subset of the Exchange's regulatory budget that is specifically related to options regulatory expenses and encompasses the cost to regulate all member organizations' options activity ("Options Regulatory Cost").

⁸ Direct and indirect expenses are based on the Exchange's 2025 Regulatory Budget.

Proposal for August 1, 2025

At this time, the Exchange proposes to decrease Phlx's ORF from \$0.0034 to \$0.0024 per contract side, effective August 1, 2025, as a result of a decrease to its FINRA Regulatory Services Agreement ("RSA") fees. Recently, the Exchange amended its FINRA RSA resulting in less cost to the Exchange thereby impacting Options Regulatory Costs.

Phlx notes that there can be no assurance that the Options Regulatory Costs for the remainder of 2025 will not differ materially from these expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at the current level going forward. The Exchange notes however, that when combined with regulatory fees and fines, the ORF Regulatory Revenue that may be generated utilizing an ORF rate of \$0.0034 per contract side may result in ORF Regulatory Revenue which exceeds the Exchange's estimated Options Regulatory Costs for 2025. The Exchange therefore proposes to reduce its ORF to \$0.0024 per contract side to ensure that ORF Regulatory Revenue does not exceed the Exchange's estimated Options Regulatory Costs in 2025. Particularly, the Exchange believes that reducing the ORF when combined with all of the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering its Options Regulatory Costs, while lessening the potential for generating excess revenue that may otherwise occur using the rate of \$0.0034 per contract side.⁹ The Exchange notified member organizations of the proposed decrease to the ORF through an Options Trader Alert.¹⁰

The Exchange will continue to monitor the amount of ORF Regulatory Revenue collected from the ORF to ensure that ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed Options Regulatory Costs. If the Exchange determines that to be the case, the Exchange will adjust the ORF by submitting a fee change filing to the Commission and notifying¹¹ its member

⁹ The Exchange notes that its regulatory responsibilities with respect to member organizations compliance with options sales practice rules have largely been allocated to FINRA under a 17d-2 agreement. The ORF is not designed to cover the cost of that options sales practice regulation.

¹⁰ See Options Trader Alert #2025-27.

¹¹ The Exchange will provide member organizations with such notice at least 30 calendar days prior to the effective date of the change.

of a member organization. See General 1, Section 1(17).

⁴ The Exchange uses reports from OCC when assessing and collecting the ORF. Market participants must record the appropriate account origin code on all orders at the time of entry of the order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.

⁵ CMTA or Clearing member organization Trade Assignment is a form of "give-up" whereby the position will be assigned to a specific clearing firm at OCC.

⁶ By way of example, if Broker A, an Phlx member organization, routes a Customer order to CBOE and the transaction executes on CBOE and clears in Broker A's OCC Clearing account, ORF will be collected by Phlx from Broker A's clearing account at OCC via direct debit. While this transaction was executed on a market other than Phlx, it was cleared by an Phlx member organization in the member's OCC clearing account in the Customer range, therefore there is a regulatory nexus between Phlx and the transaction. If Broker A was not an Phlx member organization, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on Phlx nor was it cleared by an Phlx member organization.

organizations via an Options Trader Alert.¹²

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁴ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed reduction of ORF is reasonable because it would help ensure that ORF Regulatory Revenue does not exceed a material portion of the Exchange’s ORF Regulatory Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange’s ORF Regulatory Costs. Further, the Exchange believes the proposed fee change is reasonable because Customer transactions will be subject to a lower ORF than the rate that would otherwise be in effect on August 1, 2025.

The Exchange had designed the ORF to generate ORF Regulatory Revenue that would be less than the amount of the Exchange’s ORF Regulatory Costs to ensure that it, in combination with its other regulatory fees and fines, does not exceed ORF Regulatory Costs, which is consistent with the view of the Commission that regulatory fees be used for regulatory purposes and not to support the Exchange’s business operations. As discussed above, however, after review of its ORF Regulatory Costs and ORF Regulatory Revenue, which includes revenues from ORF and other regulatory fees and fines, the Exchange determined that absent a reduction in ORF it may collect ORF Regulatory Revenue which would exceed its ORF Regulatory Costs. Indeed, the Exchange notes that when

taking into account the lower cost resulting from the amended FINRA RSA, it estimates the ORF may generate ORF Regulatory Revenue that would cover more than the approximated Exchange’s projected ORF Regulatory Costs. As such, the Exchange believes it’s reasonable and appropriate to reduce the ORF amount from \$0.0034 to \$0.0024 per contract side.

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all member organizations on all their transactions that clear in the Customer range at OCC.¹⁶ The Exchange believes the ORF ensures fairness by assessing higher fees to those member organizations that require more Exchange regulatory services based on the amount of Customer options business they conduct. Regulating Customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-Customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (e.g., staff expenses), as well as investigations into Customer complaints and the terminations of registered persons. As a result, the costs associated with administering the Customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-Customer component of its regulatory program. Moreover, the Exchange notes that it has broad regulatory responsibilities with respect to activities of its member organizations, a small portion of which takes place on away exchanges. Indeed, the Exchange cannot effectively review for such conduct without looking at and evaluating activity regardless of where it transpires. In addition to its own surveillance programs, the Exchange also works with other SROs and exchanges on intermarket surveillance related issues. Through its participation in the Intermarket Surveillance Group (“ISG”)¹⁷ the Exchange shares

information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange’s regulatory activities with respect to Customer trading activity of its member organizations.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because ORF applies to all customer activity, thereby raising ORF Regulatory Revenue to offset Options Regulatory Cost. It also supplements the regulatory revenue derived from non-customer activity. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of ORF Regulatory Revenue collected from the ORF, in combinations with its other regulatory fees and fines, does not exceed Options Regulatory Cost.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁸ and Rule 19b-4(f)(2)¹⁹ thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings

information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4(f)(2).

¹² The Exchange notes that in connection with this proposal, it provided the Commission confidential details regarding the Exchange’s projected regulatory revenue, including projected revenue from ORF, along with a projected regulatory expense.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ If the OCC clearing member is a Phlx member organization, ORF will be assessed and collected on all cleared Customer contracts (after adjustment for CMTA); and (2) if the OCC clearing member is not a Phlx member organization, ORF will be collected only on the cleared Customer contracts executed at Phlx, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

¹⁷ ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the self-regulatory organizations by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG’s

to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2025-26 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-Phlx-2025-26. 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-Phlx-2025-26 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2025-12808 Filed 7-9-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35668; 812-15822]

Wedbush Series Trust and Wedbush Fund Advisers, LLC

July 8, 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 ("Act") for an exemption from section 15(a) of the Act, as well as from certain disclosure requirements in rule 20a-1 under the Act, Item 19(a)(3) of Form N-1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and sections 6-07(2)(a), (b), and (c) of Regulation S-X ("Disclosure Requirements").

SUMMARY OF APPLICATION: The requested exemption would permit Applicants to enter into and materially amend subadvisory agreements with subadvisers without shareholder approval and would grant relief from the Disclosure Requirements as they relate to fees paid to the subadvisers.

APPLICANTS: Wedbush Series Trust and Wedbush Fund Advisers, LLC.

FILING DATE: The application was filed on May 29, 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 should be received by the Commission by 5:30 p.m. on August 4, 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:

Secretarys-Office@sec.gov. Applicant: Matthew J. Bromberg, Wedbush Series Trust, 225 South Lake Avenue, Pasadena, California 91101, with a copy to Eric Simanek, Esq., Evershed Sutherland (US) LLP, 700 6th Street Northwest, Washington DC 20001.

FOR FURTHER INFORMATION CONTACT:

Rachel Loko, 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 May 29, 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. 2025-12888 Filed 7-9-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103397; File No. SR-SAPPHIRE-2025-25]

Self-Regulatory Organizations; MIAx Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule To Establish Fees for Industry Members Related to Reasonably Budgeted Costs of the National Market System Plan Governing the Consolidated Audit Trail for the Period From July 1, 2025 Through December 31, 2025

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

²⁰ 17 CFR 200.30-3(a)(12).

on June 30, 2025, MIAX Sapphire, LLC (“MIAX Sapphire” or “Exchange”) filed with the Securities and Exchange Commission (the “SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange’s Fee Schedule (“Fee Schedule”) to establish fees for Industry Members³ related to reasonably budgeted CAT costs of the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”) for the period from July 1, 2025 through December 31, 2025. These fees would be payable to Consolidated Audit Trail, LLC (“CAT LLC” or the “Company”) and referred to as CAT Fee 2025–2, and would be described in a section of the Exchange’s fee schedule entitled “Consolidated Audit Trail Funding Fees.” The fee rate for CAT Fee 2025–2 would be \$0.000009 per executed equivalent share. CAT Executing Brokers will receive their first monthly invoice for CAT Fee 2025–2 in August 2025 calculated based on their transactions as CAT Executing Brokers for the Buyer (“CEBB”) and/or CAT Executing Brokers for the Seller (“CEBS”) in July 2025. As described further below, CAT Fee 2025–2 is anticipated to be in place for six months, and is anticipated to recover approximately one-half of the costs set forth in the reasonably budgeted CAT costs for 2025. CAT LLC intends for CAT Fee 2025–2 to replace CAT Fee 2025–1 (which has a fee rate of \$0.000022), as discussed herein.⁴

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/all-options-exchanges/rule->

filings, at MIAX Sapphire’s principal office, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the self-regulatory organizations (“SROs”) to submit a national market system (“NMS”) plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities across all markets, from the time of order inception through routing, cancellation, modification or execution.⁵ On November 15, 2016, the Commission approved the CAT NMS Plan.⁶ Under the CAT NMS Plan, the Operating Committee has the discretion to establish funding for CAT LLC to operate the CAT, including establishing fees for Industry Members to be assessed by CAT LLC that would be implemented on behalf of CAT LLC by the Participants.⁷ The Operating Committee adopted a revised funding model to fund the CAT (“CAT Funding Model”). On September 6, 2023, the Commission approved the CAT Funding Model after concluding that the model was reasonable and that it satisfied the requirements of Section 11A of the Exchange Act and Rule 608 thereunder.⁸

The CAT Funding Model provides a framework for the recovery of the costs to create, develop and maintain the CAT, including providing a method for

allocating costs to fund the CAT among Participants and Industry Members. The CAT Funding Model establishes two categories of fees: (1) CAT fees assessed by CAT LLC and payable by certain Industry Members to recover a portion of historical CAT costs previously paid by the Participants (“Historical CAT Assessment” fees); and (2) CAT fees assessed by CAT LLC and payable by Participants and Industry Members to fund prospective CAT costs (“CAT Fees”).⁹

Under the CAT Funding Model, Participants, CEBBs and CEBSs are subject to fees designed to cover the ongoing budgeted costs of the CAT, as determined by the Operating Committee. “The Operating Committee will establish fees (‘CAT Fees’) to be payable by Participants and Industry Members with regard to CAT costs not previously paid by the Participants (‘Prospective CAT Costs’).”¹⁰ In establishing a CAT Fee, the Operating Committee will calculate a “Fee Rate” for the relevant period. Then, for each month in which a CAT Fee is in effect, each CEBB and CEBS would be required to pay the fee for each transaction in Eligible Securities executed by the CEBB or CEBS from the prior month as set forth in CAT Data, where the fee for each transaction will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Fee Rate.¹¹

The CAT Fees to be paid by CEBBs and CEBSs are designed to contribute toward the recovery of two-thirds of the budgeted CAT costs for the relevant period.¹² The CAT Funding Model is designed to require that the Participants contribute to the recovery of the remaining one-third of the budgeted CAT costs.¹³ Participants would be subject to the same Fee Rate as CEBBs and CEBSs.¹⁴ While CAT Fees charged to Industry Members become effective

⁹ Under the CAT Funding Model, the Operating Committee may establish CAT Fees related to CAT costs going forward. Section 11.3(a) of the CAT NMS Plan. This filing only establishes CAT Fee 2025–2 related to reasonably budgeted CAT costs for the period from July 1, 2025 through December 31, 2025 as described herein; it does not address any other potential CAT Fees related to CAT costs. Any such other CAT Fee will be subject to a separate fee filing. In addition, under the CAT Funding Model, the Operating Committee may establish one or more Historical CAT Assessments. Section 11.3(b) of the CAT NMS Plan. This filing does not address any Historical CAT Assessments.

¹⁰ Section 11.3(a) of the CAT NMS Plan.

¹¹ In approving the CAT Funding Model, the Commission stated that, “[t]he proposed recovery of Prospective CAT Costs is appropriate.” CAT Funding Model Approval Order at 62651.

¹² Section 11.3(a)(iii)(A) of the CAT NMS Plan.

¹³ Section 11.3(a)(ii)(A) of the CAT NMS Plan.

¹⁴ Section 11.3(a)(ii) of the CAT NMS Plan.

³ An “Industry Member” is defined as “a member of a national securities exchange or a member of a national securities association.” See Miami International Securities Exchange, LLC (“MIAX Rule”) Rule 1701(u). The Exchange notes that MIAX Chapter XVII is incorporated by reference into the Exchange’s rulebook. As such, MIAX Chapter XVII also applies to the Exchange. See also Section 1.1 of the CAT NMS Plan. Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the CAT NMS Plan and/or the CAT Compliance Rule. See MIAX Rule 1701.

⁴ See paragraph (a)(iv) of Consolidated Audit Trail Funding Fees. See Exchange Fee Schedule, Section 8(a). See also Securities Exchange Act Rel. No. 102150 (Dec. 27, 2024) 90 FR 4818 (Jan. 16, 2025) (SR-SAPPHIRE–2024–43) (“Fee Filing for CAT Fee 2025–1”).

⁵ Securities Exchange Act Rel. No. 67457 (July 18, 2012), 77 FR 45722 (Aug. 1, 2012).

⁶ Securities Exchange Act Rel. No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (“CAT NMS Plan Approval Order”).

⁷ Section 11.1(b) of the CAT NMS Plan.

⁸ Securities Exchange Act Rel. No. 98290 (Sept. 6, 2023), 88 FR 62628 (Sept. 12, 2023) (“CAT Funding Model Approval Order”).

in accordance with the requirements of Section 19(b) of the Exchange Act,¹⁵ CAT fees charged to Participants are implemented via an approval of the CAT fees by the Operating Committee in accordance with the requirements of the CAT NMS Plan.¹⁶ Accordingly, this filing does not address Participant CAT fees as they are described in the CAT NMS Plan.¹⁷

CAT LLC proposes to charge CEBBs and CEBs (as described in more detail below) CAT Fee 2025–2 to recover the reasonably budgeted CAT costs for the period from July 1, 2025 through December 31, 2025 in accordance with the CAT Funding Model. To implement this fee on behalf of CAT LLC, the CAT NMS Plan requires the Participants to “file with the SEC under Section 19(b) of the Exchange Act any such fees on Industry Members that the Operating Committee approves, and such fees shall be labeled as ‘Consolidated Audit Trail Funding Fees.’”¹⁸ The Plan further states that “[o]nce the Operating

Committee has approved such Fee Rate, the Participants shall be required to file with the SEC pursuant to Section 19(b) of the Exchange Act CAT Fees to be charged to Industry Members calculated using such Fee Rate.”¹⁹ Accordingly, the purpose of this filing is to implement a CAT Fee on behalf of CAT LLC for Industry Members, referred to as CAT Fee 2025–2, in accordance with the CAT NMS Plan.

(1) CAT Executing Brokers

CAT Fee 2025–2 will be charged to each CEBB and CEBs for each applicable transaction in Eligible Securities.²⁰ The CAT NMS Plan defines a “CAT Executing Broker” to mean:

(a) with respect to a transaction in an Eligible Security that is executed on an exchange, the Industry Member identified as the Industry Member responsible for the order on the buy-side of the transaction and the Industry Member responsible for the sell-side of the transaction in the equity order trade event and option trade event in the CAT Data submitted to the CAT by the

relevant exchange pursuant to the Participant Technical Specifications; and (b) with respect to a transaction in an Eligible Security that is executed otherwise than on an exchange and required to be reported to an equity trade reporting facility of a registered national securities association, the Industry Member identified as the executing broker and the Industry Member identified as the contra-side executing broker in the TRF/ORF/ADF transaction data event in the CAT Data submitted to the CAT by FINRA pursuant to the Participant Technical Specifications; provided, however, in those circumstances where there is a non-Industry Member identified as the contra-side executing broker in the TRF/ORF/ADF transaction data event or no contra-side executing broker is identified in the TRF/ORF/ADF transaction data event, then the Industry Member identified as the executing broker in the TRF/ORF/ADF transaction data event would be treated as CAT Executing Broker for the Buyer and for the Seller.²¹

The following fields of the Participant Technical Specifications indicate the CAT Executing Brokers for the transactions executed on an exchange:

EQUITY ORDER TRADE (EOT)²²

No.	Field name	Data type	Description	Include key
12.n.8/13.n.8	member	Member Alias ...	The identifier for the member firm that is responsible for the order on this side of the trade. Not required if there is no order for the side as indicated by the NOBUYID/NOSELLID instruction. This must be provided if orderID is provided.	C

OPTION TRADE (OT)²³

No.	Field name	Data type	Description	Include key
16.n.13/17.n.13	member	Member Alias ...	The identifier for the member firm that is responsible for the order	R

In addition, the following fields of the Participant Technical Specifications would indicate the CAT Executing

Brokers for the transactions executed otherwise than on an exchange:

TRF/ORF/ADF TRANSACTION DATA EVENT (TRF)²⁴

No.	Field name	Data type	Description	Include key
26	Reporting Executing Mpid.	Member Alias ...	MPID of the executing party	R

¹⁵ Section 11.3(a)(i)(A)(I) of the CAT NMS Plan.

¹⁶ CAT Funding Model Approval Order at 62659.

¹⁷ See Section 11.3(a)(ii) and Appendix B of the CAT NMS Plan.

¹⁸ Section 11.1(b) of the CAT NMS Plan.

¹⁹ Section 11.3(a)(i)(A)(I) of the CAT NMS Plan.

²⁰ In its approval of the CAT Funding Model, the Commission determined that charging CAT fees to CAT Executing Brokers was reasonable. In reaching this conclusion, the Commission noted that the use of CAT Executing Brokers is appropriate because the CAT Funding Model is based upon the calculation of *executed* equivalent shares, and,

therefore, charging CAT Executing Brokers would reflect their executing role in each transaction.

Furthermore, the Commission noted that, because CAT Executing Brokers are already identified in transaction reports from the exchanges and FINRA’s equity trade reporting facilities recorded in CAT Data, charging CAT Executing Brokers could streamline the billing process. CAT Funding Model Approval Order at 62629.

²¹ Section 1.1 of the CAT NMS Plan. Note that CEBBs and CEBs may, but are not required to, pass-through their CAT Fees to their clients, who may, in turn, pass their fees to their clients until they are imposed ultimately on the account that

executed the transaction. See CAT Funding Model Approval Order at 62649.

²² See Table 23, Section 4.7 (Order Trade Event) of the CAT Reporting Technical Specifications for Plan Participants, Version 4.1.1 r1 (Apr. 14, 2025), https://www.catnmsplan.com/sites/default/files/2025-04/04.14.2025_CAT_Reporting_Technical_Specifications_for_Participants_4.1.1-r1.pdf (“CAT Reporting Technical Specifications for Plan Participants”).

²³ See Table 51, Section 5.2.5.1 (Simple Option Trade Event) of the CAT Reporting Technical Specifications for Plan Participants.

TRF/ORF/ADF TRANSACTION DATA EVENT (TRF)²⁴—Continued

No.	Field name	Data type	Description	Include key
28	Contra Executing Mpid.	Member Alias ...	MPID of the contra-side executing party	C

(2) Calculation of Fee Rate 2025–2

The Operating Committee determined the Fee Rate to be used in calculating CAT Fee 2025–2 (“Fee Rate 2025–2”) by dividing the reasonably budgeted CAT costs (“Budgeted CAT Costs 2025–2”) for the period from July 1, 2025 through December 31, 2025 (“CAT Fee 2025–2 Period”) by the reasonably projected total executed share volume of all transactions in Eligible Securities for the six-month recovery period, as discussed in detail below.²⁵ Based on this calculation, the Operating Committee has determined that Fee Rate 2025–2 would be \$0.00002651641828376661 per executed equivalent share. This rate is then divided by three and rounded to determine the fee rate of \$0.000009 per executed equivalent share that will be assessed to CEBBs and CEBSS, as also discussed in detail below.

(A) CAT Fee 2025–2 Period

CAT LLC proposes to implement CAT Fee 2025–2 as the third CAT Fee related to Prospective CAT Costs. CAT LLC proposes to commence CAT Fee 2025–2 during the year, rather than at the beginning of the year. Accordingly, CAT Fee 2025–2 “would be calculated as described in paragraph (II)” of Section 11.3(a)(i)(A) of the CAT NMS Plan,²⁶ which states that “[d]uring each year, the Operating Committee will calculate a new Fee Rate by dividing the reasonably budgeted CAT costs for the remainder of the year by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the remainder of the year.”²⁷ For CAT Fee 2025–2, the reasonably budgeted CAT costs for “the remainder of the year” are the reasonably budgeted CAT costs from July 1, 2025 through December 31, 2025 as set forth in the updated annual budget for 2025 for CAT LLC approved by the Operating Committee on May 19, 2025 (“Updated 2025 CAT Budget”).²⁸

(B) Executed Equivalent Shares for Transactions in Eligible Securities

Under the CAT NMS Plan, for purposes of calculating CAT Fees, executed equivalent shares in a transaction in Eligible Securities will be reasonably counted as follows: (1) each executed share for a transaction in NMS Stocks will be counted as one executed equivalent share; (2) each executed contract for a transaction in Listed Options will be counted based on the multiplier applicable to the specific Listed Options (*i.e.*, 100 executed equivalent shares or such other applicable multiplier); and (3) each executed share for a transaction in OTC Equity Securities will be counted as 0.01 executed equivalent share.²⁹

(C) Budgeted CAT Costs 2025–2

The CAT NMS Plan states that “[t]he budgeted CAT costs for the year shall be comprised of all reasonable fees, costs and expenses reasonably budgeted to be incurred by or for the Company in connection with the development, implementation and operation of the CAT as set forth in the annual operating budget approved by the Operating Committee pursuant to Section 11.1(a) of the CAT NMS Plan, or as adjusted during the year by the Operating Committee.”³⁰ Section 11.1(a) of the CAT NMS Plan describes the requirement for the Operating Committee to approve an operating budget for CAT LLC on an annual basis. It requires the budget to “include the projected costs of the Company, including the costs of developing and operating the CAT for the upcoming year, and the sources of all revenues to cover such costs, as well as the funding of any reserve that the Operating Committee reasonably deems appropriate for the prudent operation of the Company.” Section 11.1(a)(i) of the CAT NMS Plan further states that:

[w]ithout limiting the foregoing, the reasonably budgeted CAT costs shall include

technology (including cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs), legal, consulting, insurance, professional and administration, and public relations costs, a reserve and such other cost categories as reasonably determined by the Operating Committee to be included in the budget.

In accordance with the requirements under the CAT NMS Plan, the Operating Committee approved an annual budget for 2025 for CAT LLC (“Original 2025 CAT Budget”) in November 2024.³¹ In May 2025, the Operating Committee approved an updated budget for 2025, referred to as the Updated 2025 CAT Budget. The Updated 2025 CAT Budget includes actual costs for each category for the first quarter of 2025, with updated estimated costs for each category for the second, third and fourth quarters of 2025. The updated costs for the third and fourth quarters set forth in the Updated 2025 CAT Budget (*i.e.*, Budgeted CAT Costs 2025–2) are the costs used in calculating CAT Fee 2025–2. The 2025 CAT budgets, both the Original 2025 CAT Budget and the Updated 2025 CAT Budget, were prepared on the accrual basis of accounting, whereas prior CAT budgets were prepared on the cash basis of accounting.³²

As described in detail below, the Budgeted CAT Costs 2025–2 would be \$60,726,412. CEBBs collectively will be responsible for one-third of the Budgeted CAT Costs 2025–2 (which is \$20,242,137.33), and CEBSS collectively will be responsible for one-third of the Budgeted CAT Costs 2025–2 (which is \$20,242,137.33).

³¹ The Original 2025 CAT Budget is available on the CAT website (https://www.catnmsplan.com/sites/default/files/2024-11/11.20.24-CAT-LLC-2025-Financial_and_Operating-Budget.pdf).

³² CAT budgets for periods prior to 2025 were prepared on the cash basis of accounting, as such budgets were primarily used to determine the dollar amount of promissory notes from the Participants that were required to fund the ongoing operations of the CAT. Commencing in 2025, with the contemplated recovery of costs from Industry Members and the Participants via CAT Fees, the Original 2025 CAT Budget was prepared on the accrual basis of accounting to properly match projected revenues with estimated expenses incurred. A cash basis budget reflects expenditures when paid, while an accrual basis budget reflects expenditures when incurred. In moving from a cash basis budget to an accrual basis budget there is no double counting of expenses.

²⁴ See Table 61, Section 6.1 (TRF/ORF/ADF Transaction Data Event) of the CAT Reporting Technical Specifications for Plan Participants.

²⁵ Section 11.3(a)(i) of the CAT NMS Plan.

²⁶ Section 11.3(a)(i)(A)(IV) of the CAT NMS Plan.

²⁷ Section 11.3(a)(i)(A)(III) of the CAT NMS Plan.

²⁸ The Updated 2025 CAT Budget is available on the CAT website (https://www.catnmsplan.com/sites/default/files/2025-05/05.19.25-CAT-LLC-2025-Financial_and_Operating-Budget.pdf).

²⁹ Section 11.3(a)(i)(B) of the CAT NMS Plan. In approving the CAT Funding Model, the Commission concluded that “the use of executed equivalent share volume as the basis of the proposed cost allocation methodology is reasonable and consistent with the approach taken by the funding principles of the CAT NMS Plan.” CAT Funding Model Approval Order at 62640.

³⁰ Section 11.3(a)(i)(C) of the CAT NMS Plan.

The following describes in detail the Budgeted CAT Costs 2025–2 for CAT Fee 2025–2. The following cost details are provided in accordance with the requirement in the CAT NMS Plan to provide in the fee filing the following:

the budget for the upcoming year (or remainder of the year, as applicable), including a brief description of each line item in the budget, including (1) technology line items of cloud hosting services, operating fees, CAIS operating fees, change

request fees and capitalized developed technology costs, (2) legal, (3) consulting, (4) insurance, (5) professional and administration, and (6) public relations costs, a reserve and/or such other categories as reasonably determined by the Operating Committee to be included in the budget, and the reason for changes in each such line item from the prior CAT fee filing.³³

Each of the costs described below are reasonable, appropriate and necessary

for the creation, implementation and maintenance of CAT.

The following table breaks down the Budgeted CAT Costs 2025–2 into the categories set forth in Section 11.3(a)(iii)(B) of the CAT NMS Plan.³⁴ The Budgeted CAT Costs 2025–2 reflect the costs set forth in the third and fourth quarters of the Updated 2025 CAT Budget. The Budgeted CAT Costs 2025–2 are the costs used in calculating CAT Fee 2025–2.

Budget category	Budgeted CAT costs 2025–2 ^b (i.e., costs for Q3–Q4 of 2025)
Capitalized Developed Technology Costs ^a	^c \$0
Technology Costs:	108,551,142
Cloud Hosting Services	^d 82,222,276
Operating Fees	^e 15,453,942
CAIS Operating Fees	^f 10,374,924
Change Request Fees	^g 500,000
Legal	^h 3,631,342
Consulting	ⁱ 866,167
Insurance	^j 1,594,452
Professional and administration	^k 609,818
Public relations	^l 0
Subtotal	115,252,921
Reserve	^m (54,526,510)
Total Budgeted CAT Costs 2025–2	60,726,412

^a The non-cash amortization of these capitalized developed technology costs to be incurred during the CAT Fee 2025–2 Period have been appropriately excluded from the above table.³⁵

^b Budgeted CAT Costs 2025–2 described in this table of costs were determined based an analysis of a variety of factors, including historical costs/invoices, estimated costs from respective vendors/service providers, contractual terms with vendors/service providers, anticipated service levels and needs, and discussions with vendors and Participants.

^c This cost number for capitalized developed technology costs is calculated by adding together the Capitalized Developed Technology Costs and the Software License Fee—2025, each for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: (\$0 + \$0) + (\$0 + \$0) = \$0.

^d This cost number for cloud hosting services is calculated by adding together the cloud hosting services costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$40,362,043 + \$41,860,233 = \$82,222,276.

^e This cost number for operating fees is calculated by adding together the operating fees and the Cyber Insurance Premium Adjustment, each for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: (\$7,225,473 + \$7,225,473) + (\$501,498 + \$501,498) = \$15,453,942.

^f This cost number for CAIS operating fees is calculated by adding together the CAIS operating fees for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$5,187,462 + \$5,187,462 = \$10,374,924.

^g This cost number for change request fees is calculated by adding together the placeholder for possible change requests for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$250,000 + \$250,000 = \$500,000.

^h This cost number for legal services is calculated by adding together the legal costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$1,815,671 + \$1,815,671 = \$3,631,342.

ⁱ This cost number for consulting services is calculated by adding together the consulting costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$433,084 + \$433,083 = \$866,167.

^j This cost number for insurance is calculated by adding together the insurance costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$1,594,452 + \$0 = \$1,594,452.

^k This cost number for professional and administration services is calculated by adding together the professional and administration costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$414,818 + \$195,000 = \$609,818.

^l This cost number for public relations is calculated by adding together the public relations costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$0 + \$0 = \$0.

^m This reduction in the reserve is calculated by adding together the 25% Incremental Liquidity Reserve Accrued during 2025 for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget: \$27,263,255 + \$27,263,255 = \$54,526,510.

To the extent that CAT LLC enters into notes with Participants or others to pay costs incurred during the period in which CAT Fee 2025–2 is in effect, CAT LLC will use the proceeds from CAT Fee

2025–2 and the related Participant CAT fees to repay such notes.

The following table compares the annual budgeted CAT costs as set forth in the updated annual CAT budget for

2024 approved by the Operating Committee in July 2024 (“Updated 2024 CAT Budget”),³⁶ the Original 2025 CAT Budget and the Updated 2025 CAT Budget, and is provided for

³³ Section 11.3(a)(iii)(B) of the CAT NMS Plan.

³⁴ Note that costs and related cost calculations provided in this filing may reflect minor variations from the budgeted costs due to rounding.

³⁵ With respect to certain costs that were “appropriately excluded,” such excluded costs

relate to the amortization of capitalized technology costs, which are amortized over the life of the Plan Processor Agreement. As such costs have already been otherwise reflected in the filing, their inclusion would double count the capitalized technology costs. In addition, amortization is a non-cash expense.

³⁶ Consolidated Audit Trail, LLC 2024 Financial and Operating Budget—Mid-Year Update—July 2024 (https://www.catnmsplan.com/sites/default/files/2024-08/07.31.24-CAT-LLC-2024-Financial_and_Operating-Budget.pdf).

informational purposes. In each case, the costs provided reflect the costs for the entire year for each of the budgets;

this differs from the above chart which focuses on budgeted costs for only the third and fourth quarters of 2025,

which, as noted, are the costs that are used in the calculation of the fee rate in this fee filing.

Budget category	Full year 2024 budgeted CAT costs from updated 2024 CAT budget ^a	Full year 2025 budgeted CAT costs from original 2025 CAT budget	Full year 2025 budgeted CAT costs from updated 2025 CAT budget
Capitalized Developed Technology Costs ^b	\$7,761,480	\$3,923,360	\$4,871,962
Technology Costs	196,921,118	234,925,808	211,548,471
Cloud Hosting Services	148,789,981	182,594,630	159,230,937
Operating Fees ^c	27,768,718	30,831,330	30,817,686
CAIS Operating Fees	20,199,919	20,749,848	20,749,848
Change Request Fees	162,500	750,000	750,000
Legal	8,146,599	5,720,000	7,370,002
Consulting	1,600,000	1,750,000	1,749,998
Insurance	1,342,345	1,594,452	1,594,452
Professional and administration	823,930	882,456	1,193,090
Public relations	93,275	50,000	6,575
Subtotal	216,688,747	248,846,076	228,334,551
Reserve	13,847,693	23,842,200	(13,858,958)
Total Budgeted CAT Costs	230,536,440	272,688,276	214,475,593

^a As noted above, the Updated 2024 CAT Budget was prepared on the cash basis of accounting, while the Original 2025 CAT Budget and the Updated 2025 CAT Budget were prepared on the accrual basis of accounting.

^b This cost number is calculated by adding together the Capitalized Developed Technology Costs and the Software License Fee for each budget.

^c This cost number is calculated by adding together the Operating fees and the Cyber Insurance Premium Adjustment for each budget.

In addition, the following table compares the first quarter of the Original 2025 CAT Budget with the first quarter of the Updated 2025 CAT Budget. The Updated 2025 CAT Budget includes actual costs for January,

February and March 2025, whereas the Original 2025 CAT Budget included budgeted costs for these three months. The variance from the first quarter of the Original 2025 CAT Budget to the actuals for the first quarter of 2025 (as set forth

in the Updated 2025 CAT Budget) in the last column of the following chart are used in this filing in supporting the reasonableness of the estimates for each category of costs.

Budget category	First quarter of original 2025 CAT budget	Actuals for first quarter of 2025	Variance from first quarter of original 2025 CAT budget to actuals for first quarter of 2025
Capitalized Developed Technology Costs ^a	\$3,923,360	\$4,871,962	Increase by \$948,602. ^b
Technology Costs:	52,490,273	49,181,253	
Cloud Hosting Services	39,640,542	36,357,017	Decrease by 3,283,525. ^c
Operating Fees ^d	7,662,270	7,636,774	Decrease by 25,496.
CAIS Operating Fees	5,187,462	5,187,462	No change.
Change Request Fees	0	0	No change.
Legal	1,430,000	1,922,990	Increase by \$492,990. ^e
Consulting	437,500	450,745	Increase by \$13,245.
Insurance	0	0	No change.
Professional and administration	168,750	297,513	Increase by \$128,763.
Public relations	12,500	6,575	Decrease by \$5,925.
Total	58,462,385	56,731,038	Decrease by \$1,731,347.

^a This cost number is calculated by adding together the capitalized developed technology costs and the software license fee for each budget.

^b The variance is the result of costs related to the software license fee for CAIS in accordance with the Plan Processor Agreement with FCAT.

^c The variance is attributable to, among other things, (1) a decrease in costs related to changes made pursuant to an amendment to the CAT NMS Plan to implement cost savings measures³⁷ ("Cost Savings Amendment"), and (2) cost decreases related to optimizations resulting in reduced processing [sic] and storage costs.

^d This cost number is calculated by adding together the operating fees and the cyber insurance premium adjustment for each budget.

^e The variance is attributable to unanticipated issues that required additional legal efforts on behalf of CAT LLC that developed after the budget was created.

³⁷ Securities Exchange Act Rel. No. 101901 (Dec. 12, 2024), 89 FR 103033 (Dec. 18, 2024) ("Cost Savings Amendment").

(i) Technology Costs—Cloud Hosting Services

(a) Description of Cloud Hosting Services Costs

Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the cloud hosting services costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$82,222,276 in technology costs for cloud hosting services for the CAT Fee 2025–2 Period. The technology costs for cloud hosting services represent costs reasonably budgeted to be incurred for services provided by the cloud services provider for the CAT, Amazon Web Services, Inc. (“AWS”) during the CAT Fee 2025–2 Period.

In the agreement between CAT LLC and the Plan Processor for the CAT (“Plan Processor Agreement”), FINRA CAT, LLC (“FCAT”), AWS was named as the subcontractor to provide cloud hosting services. Under the Plan Processor Agreement, CAT LLC is required to pay FCAT the fees incurred by the Plan Processor for cloud hosting services provided by AWS as FCAT’s subcontractor on a monthly basis for the cloud hosting services, and FCAT, in turn, pays such fees to AWS. The fees for cloud hosting services were negotiated by FCAT on an arm’s length basis with the goals of managing costs and receiving services required to comply with the CAT NMS Plan and Rule 613, taking into consideration a variety of factors, including the expected volume of data, the breadth of services provided and market rates for similar services. Services provided by AWS include storage services, databases, compute services and other services (such as networking, management tools and DevOps tools), as well as various environments for CAT, such as development, performance testing, test, and production environments. FCAT utilizes such cloud hosting services for a broad array of services for the CAT, such as data ingestion, data management, and analytic tools for the CAT. AWS performs cloud hosting services for both the CAT transaction database as well as the CAT Customer and Account Information System (“CAIS”). It is anticipated that such cloud hosting services will continue during the CAT Fee 2025–2 Period.

The cost for AWS cloud services for the CAT is a function of the volume of CAT Data, largely as a result of the processing and storage of the CAT

Data.³⁸ The greater the amount of CAT Data, the greater the cost of AWS services to CAT LLC. During the CAT Fee 2025–2 Period, it is expected that AWS will provide cloud hosting services for volumes of CAT Data far in excess of the volume predictions set forth in the CAT NMS Plan. The CAT NMS Plan states, when all CAT Reporters are submitting their data to the CAT, it “must be sized to receive[,] process and load more than 58 billion records per day,”³⁹ and that “[i]t is expected that the Central Repository will grow to more than 29 petabytes of raw, uncompressed data.”⁴⁰ In contrast with those estimates, the Q1 2025 data volumes averaged 752 billion events per day. The Q1 2025 data volumes reflected a 30% year over year growth rate compared to Q1 2024, which averaged 577 billion events per day, and reflected a 25% increase from the prior quarter Q4 2024, which averaged 602 billion events per day. The highest peak data volume to date of 1.45 trillion events was recorded on April 7, 2025. The top five peak days were recorded in April 2025.

CAT LLC estimates that the budget for cloud hosting services costs during the CAT Fee 2025–2 Period will be approximately \$82,222,276. The budget for cloud hosting services costs during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for cloud hosting services costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁴¹

CAT LLC estimated the budget for the cost for cloud hosting services for the CAT Fee 2025–2 Period based on an assumption of 40% annual year-over-year volume growth for the transaction database and an assumption of 5% annual year-over-year volume growth for CAIS. CAT LLC determined these growth assumptions in coordination with FCAT based on an analysis of a variety of existing data and alternative growth scenarios. In particular, in determining to use the 40% annual year-over-year volume growth in events per day, CAT LLC considered, among other things, the average annual year-over-year volume growth for 2019

through 2024 of approximately 45%, the average annual year-over-year volume growth for 2020 through 2024 of approximately 30%, and the average monthly growth rate for 2024 of approximately 50%.⁴²

This process for estimating the budget for cloud hosting services costs for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the cloud hosting services costs for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for cloud hosting services of \$39,640,542 for the first quarter of 2025. The actual costs for cloud hosting services for the first quarter of 2025, which are set forth in the Updated 2025 CAT Budget, were \$36,357,017. Therefore, the variance between budgeted and actual cloud hosting services costs for this period was an approximate decrease of 8%. Accordingly, CAT LLC believes that the process for estimating the budgeted cloud hosting services costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for cloud hosting services costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the cloud hosting services costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁴³ Specifically, the following describes the differences (if any) in the costs for cloud hosting services as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted costs for cloud hosting services as set forth in the Original 2025 CAT Budget were \$182,594,630, and the annual 2025 budgeted costs for cloud hosting services as set forth in the Updated 2025 CAT Budget are \$159,230,937. Accordingly, budgeted annual costs for cloud hosting services decreased by \$23,363,693 from the Original 2025 CAT

³⁸ In addition to the effect of the data volume on the cloud hosting costs, the processing timelines set forth in the Plan contribute to the cloud hosting costs. For further discussion of the effect of processing timelines on cloud hosting costs, see Section 3(b)(2)(A)(i) below.

³⁹ Appendix D–4 of the CAT NMS Plan at n.262.

⁴⁰ Appendix D–5 of the CAT NMS Plan.

⁴¹ This calculation is \$40,362,043 + \$41,860,233 = \$82,222,276.

⁴² Note that these growth rates are based on events processed and stored in the CAT. Executed transactions are a small subset of such events. As a result, the number of transactions in the CAT, and, hence, the number of executed equivalent shares, is not directly correlated with the number of events processed in the CAT or the costs of cloud hosting services for the CAT. Accordingly, the number of executed equivalent shares may stay relatively constant from year to year while the number of events processed and stored in the CAT may grow significantly.

⁴³ Fee Filing for CAT Fee 2025–1.

Budget to the Updated 2025 CAT Budget, which is an approximate 13% reduction in cloud hosting services costs for the full year of 2025.

Correspondingly, the budgeted costs for cloud hosting services for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$97,748,713,⁴⁴ and the budgeted costs for cloud hosting services for third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$82,222,276.⁴⁵ Accordingly, the budgeted costs for cloud hosting services for the third and fourth quarters of 2025 decreased by \$15,526,437 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget, which is approximately a 16% reduction in cloud hosting services costs for the third and fourth quarters of 2025.

The decrease in costs for cloud hosting services from the Original 2025 CAT Budget to the Updated 2025 CAT Budget, both for the full year for 2025 and for the third and fourth quarters of 2025, reflects (1) a decrease in costs related to changes made pursuant to the Cost Savings Amendment; (2) cost decreases related to optimizations resulting in reduced processing [*sic*] and storage costs; and (3) volume increases below the initial projection.

(ii) Technology Costs—Operating Fees

(a) Description of Operating Fees

Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the operating fees set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$15,453,942 in technology costs for operating fees for the CAT Fee 2025–2 Period. Operating fees are those fees paid by CAT LLC to FCAT as the Plan Processor to operate and maintain the CAT and to perform business operations related to the system, including compliance, security, testing, training, communications with the industry (*e.g.*, management of the FINRA CAT Helpdesk, FAQs, website and webinars) and program management as required by the CAT NMS Plan. Operating fees also include market data provider costs, as discussed below.

Plan Processor: FCAT. Under the Plan Processor Agreement with FCAT, CAT LLC is required to pay FCAT a negotiated monthly fixed price for the

operation of the CAT. This fixed price contract was negotiated on an arm's length basis with the goals of managing costs and receiving services required to comply with the CAT NMS Plan and Rule 613, taking into consideration a variety of factors, including the breadth of services provided and market rates for similar types of activity. It is anticipated that FCAT will provide a variety of services to the CAT during the CAT Fee 2025–2 Period, including the following:

- Provide the CAT-related functions and services as the Plan Processor as required by SEC Rule 613 and the CAT NMS Plan in connection with the operation and maintenance of the CAT;
- Address compliance items, including drafting CAT policies and procedures, and addressing Regulation SCI requirements;
- Provide support to the Operating Committee, the Compliance Subcommittee and CAT working groups;
- Assist with interpretive efforts, exemptive requests and amendments regarding the CAT NMS Plan;
- Oversee the security of the CAT;
- Monitor the operation of the CAT, including with regard to Participant and Industry Member reporting;
- Provide support to subcontractors under the Plan Processor Agreement;
- Provide support in discussions with the Participants and the SEC and its staff;
- Operate the FINRA CAT Helpdesk;
- Facilitate communications with the industry, including via FAQs, CAT Alerts, meetings, presentations and webinars;
- Administer the CAT website and all of its content;
- Maintain cyber security insurance related to the CAT;
- Assist with billing, collection and other CAT fee-related activity; and
- Provide technical support and assistance with connectivity, data access, and user support, including the use of CAT Data and query tools, for Participants and the SEC staff.

CAT LLC calculated the budget for the FCAT technology costs for operating fees for the CAT Fee 2025–2 Period based on the recurring monthly operating fees under the Plan Processor Agreement.

Market Data Provider: Algoseek. It is anticipated that the operating fees costs for the CAT Fee 2025–2 Period will include costs related to the receipt of certain market data for the CAT pursuant to an agreement between FCAT and Algoseek, LLC (“Algoseek”). CAT LLC determined that Algoseek would provide market data that

included data elements set forth in Section 6.5(a)(ii) of the CAT NMS Plan, and that the fees were reasonable and in line with market rates for the market data received. All costs under the contract would be treated as a direct pass through cost to CAT LLC. CAT LLC estimated the budget for the costs for Algoseek for the CAT Fee 2025–2 Period based on the monthly rate set forth in the agreement between Algoseek and FCAT.

Operating Fee Estimates. CAT LLC estimates that the budget for operating fees during the CAT Fee 2025–2 Period will be approximately \$15,453,942. The budget for operating fees during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for operating fees for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁴⁶

As discussed above, CAT LLC estimated the budget for the operating fees during the CAT Fee 2025–2 Period based on monthly rates set forth in the Plan Processor Agreement and the agreement with Algoseek. CAT LLC also recognized that the operating fees are generally consistent throughout the year. This process for estimating the budget for the operating fees for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the operating fees for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for operating fees of \$7,662,270 for the first quarter of 2025.⁴⁷ The actual costs for operating fees for first quarter of 2025 were \$7,636,774.⁴⁸ Therefore, the variance between budgeted and actual operating fees for this period was not material. Accordingly, CAT LLC believes that the process for estimating the budgeted operating fees for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for operating fees from the prior CAT Fee filing. Accordingly, this filing describes the changes from the operating fees set forth in the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee

⁴⁶ This calculation is (\$7,225,473 + \$7,225,473) + (\$501,498 + \$501,498) = \$15,453,942.

⁴⁷ This calculation is \$7,221,522 + \$440,748 = \$7,662,270.

⁴⁸ This calculation is \$7,196,026 + \$440,748 = \$7,636,774.

⁴⁴ This calculation is \$46,382,724 + \$51,365,989 = \$97,748,713.

⁴⁵ This calculation is \$40,362,043 + \$41,860,233 = \$82,222,276.

2025–1.⁴⁹ Specifically, the following describes the differences (if any) in the costs for operating fees as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted costs for operating fees as set forth in the Original 2025 CAT Budget were \$30,831,330,⁵⁰ and the annual 2025 budgeted costs for operating fees as set forth in the Updated 2025 CAT Budget are \$30,817,686.⁵¹ Accordingly, budgeted annual costs for operating fees did not change materially from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budgeted costs for operating fees for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$15,446,040,⁵² and the budgeted costs for operating fees for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$15,453,942.⁵³ Accordingly, the budgeted costs for operating fees for the third and fourth quarters of 2025 did not change materially from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

(iii) Technology Costs—CAIS Operating Fees

(a) Description of CAIS Operating Fees

Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the CAIS operating fees set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$10,374,924 in technology costs for CAIS operating fees for the CAT Fee 2025–2 Period. CAIS operating fees represent the fees paid to FCAT for services provided with regard to the operation and maintenance of CAIS, and to perform the business operations related to the system, including compliance, security, testing, training, communications with the industry (e.g., management of the FINRA CAT Helpdesk, FAQs, website and webinars) and program management. The CAT is required under the CAT NMS Plan to

capture and store Customer Identifying Information and Customer Account Information in a database separate from the transactional database and to create a CAT-Customer-ID for each Customer. As of May 31, 2024, the implementation of CAIS was completed.⁵⁴

During the CAT Fee 2025–2 Period, it is anticipated that FCAT will provide CAIS-related services. Under the Plan Processor Agreement with FCAT, CAT LLC is required to pay FCAT for CAIS-related services provided by FCAT on a monthly basis. CAT LLC negotiated the fees for FCAT's CAIS-related services on an arm's length basis with the goals of managing costs and receiving services required to comply with the CAT NMS Plan, taking into consideration a variety of factors, including the services to be provided and market rates for similar types of activity. During the CAT Fee 2025–2 Period, it is anticipated that FCAT will continue to provide services relating to the ongoing operation, maintenance and support of CAIS.

CAT LLC estimates that the budget for CAIS operating fees during the CAT Fee 2025–2 Period will be approximately \$10,374,924. The budget for CAIS operating fees during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for CAIS operating fees for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁵⁵

CAT LLC calculated the budget for FCAT's CAIS-related services for the CAT Fee 2025–2 Period based on the recurring monthly CAIS operating fees under the Plan Processor Agreement. This process for estimating the budget for the CAIS operating fees for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the CAIS operating fees for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget of \$5,187,462 for CAIS operating fees for the first quarter of 2025. The actual costs for CAIS operating fees for the first quarter of 2025, which are set forth in the Updated 2025 CAT Budget, were \$5,187,462. There was no variance between budgeted and actual CAIS operating fees for the first quarter of 2025. Accordingly, CAT LLC believes that the process for estimating the budgeted CAIS operating fees for the CAT Fee 2025–2 Period is reasonable.

⁵⁴ For a discussion of the implementation timeline for CAIS, see CAT Alert 2023–01.

⁵⁵ This calculation is \$5,187,462 + \$5,187,462 = \$10,374,924.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for CAIS operating fees from the prior CAT Fee filing. Accordingly, this filing describes the changes in CAIS operating fees from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁵⁶ Specifically, the following describes the differences (if any) in the costs for CAIS operating fees as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

CAIS operating fees are based on a recurring monthly rate payable to FCAT and are unchanged from the prior CAT Fee filing. The annual 2025 budgeted costs for CAIS operating fees as set forth in the Original 2025 CAT Budget were \$20,749,848, and the annual 2025 budgeted costs for CAIS operating fees as set forth in the Updated 2025 CAT Budget are \$20,749,848. Accordingly, the budgeted annual costs for CAIS operating fees are the same for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

Correspondingly, the budgeted costs for CAIS operating fees for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$10,374,924, and the budgeted costs for CAIS operating fees for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$10,374,924.⁵⁷ Accordingly, the budget costs for CAIS operating fees for the third and fourth quarters of 2025 are the same for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

Accordingly, there were no changes in the line item for CAIS operating fees from the prior CAT Fee filing.

(iv) Technology Costs—Change Request Fees

(a) Description of Change Request Fees

Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the change request fees set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$500,000 in technology costs for change request fees for the CAT Fee

⁵⁶ See Fee Filing for CAT Fee 2025–1.

⁵⁷ This calculation is \$5,187,462 + \$5,187,462 = \$10,374,924, for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

⁴⁹ See Fee Filing for CAT Fee 2025–1.

⁵⁰ This calculation is \$28,886,088 + \$1,945,242 = \$30,831,330.

⁵¹ This calculation is \$28,872,444 + \$1,945,242 = \$30,817,686.

⁵² This calculation is (\$7,221,522 + \$7,221,522) + (\$501,498 + \$501,498) = \$15,446,040.

⁵³ This calculation is (\$7,225,473 + \$7,225,473) + (\$501,498 + \$501,498) = \$15,453,942.

2025–2 Period. The technology costs related to change request fees include costs related to certain modifications, upgrades or other changes to the CAT.

Change requests are standard practice and necessary to reflect operational changes, including changes related to new market developments, such as new market participants. In general, if CAT LLC determines that a modification, upgrade or other changes to the functionality or service is necessary and appropriate, CAT LLC will submit a request for such a change to the Plan Processor. The Plan Processor will then respond to the request with a proposal for implementing the change, including the cost (if any) of such a change. CAT LLC then determines whether to approve the proposed change.

The change request budget line is established to include expected costs to be incurred in which the nature of the costs (*i.e.*, capitalization versus expensing) have not yet been determined. Upon the incurrence of such costs, the final determination of capitalization versus expensing is determined and then such costs are reclassified from the change request line to the appropriate technology cost line item.

During the CAT Fee 2025–2 Period, it is anticipated that CAT LLC will engage FCAT to pursue certain change requests in accordance with the Plan Processor Agreement. The budget for change requests for the CAT Fee 2025–2 Period includes a placeholder of \$500,000 for potential change request fees that may be necessary in accordance with the Plan Processor Agreement. The placeholder amount was determined based on prior experience with change requests related to the CAT.

CAT LLC estimates that the budget for change requests during the CAT Fee 2025–2 Period will be approximately \$500,000. The budget for change requests during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for the change requests for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁵⁸

CAT LLC estimated the budget for the potential change requests for the CAT Fee 2025–2 Period based on, among other things, a review of past change requests and potential future change request needs, as well as discussions with FCAT. This process for estimating the budget for the change requests for the CAT Fee 2025–2 Period is the same

process by which CAT LLC estimated the change requests cost for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a change request budget of \$0 for the the [*sic*] first quarter of 2025. The actual costs for change requests for the first quarter of 2025, which are set forth in the Updated 2025 CAT Budget, were \$0. There was no variance between budgeted and actual change request costs for the first quarter of 2025. Accordingly, CAT LLC believes that the process for estimating the budgeted change request costs for 2025 is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for change request fees from the prior CAT Fee filing. Accordingly, this filing describes the changes in the change request fees from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁵⁹ Specifically, the following describes the differences (if any) in the costs for change requests as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted costs for change requests as set forth in the Original 2025 CAT Budget were \$750,000, and the annual 2025 budgeted costs for change requests as set forth in the Updated 2025 CAT Budget are \$750,000. Accordingly, budgeted annual costs for change requests are the same for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

Correspondingly, the budgeted costs for change requests for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$500,000, and the budgeted costs for change request for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$500,000.⁶⁰ Accordingly, the budgeted costs for change requests for the third and fourth quarters of 2025 are the same for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

Accordingly, there were no changes in the line item for change requests from the prior CAT Fee filing.

(v) Technology Costs—Capitalized Developed Technology Costs

(a) Description of Capitalized Developed Technology Costs

Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the capitalized developed technology costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that includes \$0 in technology costs for capitalized developed technology costs for the CAT Fee 2025–2 Period. This category of costs includes the budget for capitalizable application development costs incurred in the development of the CAT. It is anticipated that such costs will include certain costs related to the software license fee for CAIS in accordance with the Plan Processor Agreement with FCAT, as well as costs related to a set of technology changes to be implemented by FCAT.

CAT LLC estimates that the budget for capitalized developed technology costs during the CAT Fee 2025–2 Period will be approximately \$0. The budget for capitalized developed technology costs during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for capitalized developed technology costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁶¹

CAT LLC estimated the budget for capitalized developed technology costs for the CAT Fee 2025–2 Period based on an analysis of a variety of factors, including information related to potential technology costs and related contractual and Plan requirements, and discussions with FCAT regarding such potential technology costs. This process for estimating the budget for capitalized developed technology costs for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the capitalized developed technology costs for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for capitalized developed technology costs of \$3,923,360 for the first quarter of 2025.⁶² The actual costs for capitalized developed technology costs for the first quarter of 2025 were \$4,871,962.⁶³ The budgeted costs and the actual costs for the line item of capitalized developed technology costs for the first quarter of 2025 were the

⁵⁹ This calculation is (\$0 + \$0) + (\$0 + \$0) = \$0.

⁶² This calculation is \$1,150,000 + \$2,773,360 = \$3,923,360.

⁶³ This calculation is \$1,150,000 + \$3,721,962 = \$4,871,962.

⁵⁸ This calculation is \$250,000 + \$250,000 = \$500,000.

⁶⁰ This calculation is \$250,000 + \$250,000 = \$500,000, for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

same: \$1,150,000. As a result, this variance is attributable to software license fees, which is the the [sic] other line item included in the capitalized developed technology costs for Budgeted CAT Fees 2025–2. The variance of \$948,602 is the result of costs related to the software license fee for CAIS in accordance with the Plan Processor Agreement with FCAT. Accordingly, CAT LLC believes that the process for estimating the budgeted capitalized developed technology costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for capitalized developed technology costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the capitalized developed technology costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁶⁴ Specifically, the following describes the differences (if any) in the costs for capitalized developed technology costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budget for capitalized developed technology costs as set forth in the Original 2025 CAT Budget were \$3,923,360,⁶⁵ and the annual 2025 budget for capitalized developed technology costs as set forth in the Updated 2025 CAT Budget are \$4,871,962.⁶⁶ Accordingly, the annual budget for capitalized developed technology costs increased by \$948,602 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025. This increase in the annual budget for capitalized developed technology costs was the result of costs related to the software license fee for CAIS in accordance with the Plan Processor Agreement with FCAT.

In addition, the budget for capitalized developed technology costs for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget was \$0,⁶⁷ and the budgeted capitalized developed technology costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget was

\$0.⁶⁸ Accordingly, the budgeted capitalized developed technology costs for the third and fourth quarters of 2025 was the same for both the Original 2025 CAT Budget and the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

(vi) Legal Costs

(a) Description of Legal Costs

Section 11.3(a)(iii)(B)(B)(2) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the legal costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that includes \$3,631,342 in legal costs for the CAT Fee 2025–2 Period. This category of costs represents budgeted costs for legal services for this period. CAT LLC anticipates that it will receive legal services from two law firms, Wilmer Cutler Pickering Hale and Dorr LLP (“WilmerHale”) and Jenner & Block LLP (“Jenner”), during the CAT Fee 2025–2 Period.

Law Firm: WilmerHale. It is anticipated that legal costs during the CAT Fee 2025–2 Period will include costs related to the legal services performed by WilmerHale. CAT LLC anticipates that it will continue to employ WilmerHale during the CAT Fee 2025–2 Period based on, among other things, their expertise, long history with the project and recognition that the hourly fee rates for this law firm are anticipated to be in line with market rates for specialized legal expertise. WilmerHale’s billing rates are negotiated on an annual basis and are determined with reference to the rates charged by other leading law firms for similar work. The Participants assess WilmerHale’s performance and review prospective budgets and staffing plans submitted by WilmerHale on an annual basis. The legal fees will be paid by CAT LLC to WilmerHale.

During the CAT Fee 2025–2 Period, it is anticipated that WilmerHale will provide legal services related to the following:

- Assist with CAT fee filings and related funding issues;
- Draft exemptive requests from CAT NMS Plan requirements and/or proposed amendments to the CAT NMS Plan;
- Provide legal guidance with respect to interpretations of CAT NMS Plan requirements;
- Provide legal support for the Operating Committee, Compliance Subcommittee, working groups and Leadership Team;

- Draft SRO rule filings related to the CAT Compliance Rule;

- Manage corporate governance matters, including supporting Operating Committee meetings and preparing resolutions and consents;

- Assist with communications with the industry, including CAT Alerts and presentations;

- Provide guidance regarding the confidentiality of CAT Data;

- Assist with cost management analyses and proposals;

- Assist with commercial contract-related matters, including change orders and amendments, Plan Processor Agreement items, and subcontract matters;

- Provide support with regard to discussions with the SEC and its staff, including with respect to addressing interpretive and implementation issues;

- Provide legal guidance with respect to the CAT budgets;

- Provide background assistance to other counsel for CAT matters;

- Assist with legal responses related to third-party data requests; and

- Provide legal support regarding CAT policies and procedures.

CAT LLC estimated the budget for the legal costs for WilmerHale for the CAT Fee 2025–2 Period through an analysis of a variety of factors, including WilmerHale fee rates, historical legal fees, and information related to pending legal issues and potential future legal issues.

Law Firm: Jenner. It is anticipated that legal costs during the CAT Fee 2025–2 Period will include costs related to the legal services performed by Jenner. CAT LLC anticipates that it will continue to employ Jenner during the CAT Fee 2025–2 Period based on among other things, their expertise, history with the project and recognition that their hourly fee rates are in line with market rates for specialized legal expertise. The legal fees will be paid by CAT LLC to Jenner.

During the CAT Fee 2025–2 Period, it is anticipated that Jenner will continue to provide legal assistance to CAT LLC regarding certain litigation matters, including: (1) CAT LLC’s defense against a lawsuit filed in the Western District of Texas against the SEC Chair, the SEC and CAT LLC challenging the validity of Rule 613 and the CAT and alleging various constitutional, statutory, and common law claims;⁶⁹ (2) CAT LLC’s intervention in a lawsuit in the Eleventh Circuit filed by various parties against the SEC challenging the SEC’s approval of the CAT Funding

⁶⁴ See Fee Filing for CAT Fee 2025–1.

⁶⁵ This calculation is \$1,150,000 + \$2,773,360 = \$3,923,360.

⁶⁶ This calculation is \$1,150,000 + \$3,721,962 = \$4,871,962.

⁶⁷ This calculation is (\$0 + \$0) + (\$0 + \$0) = \$0.

⁶⁸ This calculation is (\$0 + \$0) + (\$0 + \$0) = \$0.

⁶⁹ *Davidson v. Gensler*, Case No. 6:24–cv–197 (W.D. Tex.).

Model;⁷⁰ and (3) a lawsuit in the Eleventh Circuit filed by Citadel Securities LLC seeking review of the SEC's May 20, 2024 order⁷¹ granting the Participants temporary conditional exemptive relief related to the reporting of bids and/or offers made in response to a request for quote or other form of solicitation response provided in standard electronic format that is not immediately actionable.⁷² Litigation involving CAT LLC is an expense of operating the CAT, and, therefore, is appropriately an obligation of both Participants and Industry Members under the CAT Funding Model.

CAT LLC estimated the budget for the legal costs for Jenner for the CAT Fee 2025–2 Period through an analysis of a variety of factors, including Jenner's fee rates, historical legal fees, and information related to pending legal issues and potential future legal issues.

Legal Cost Estimates. CAT LLC estimates that the budget for legal services during the CAT Fee 2025–2 Period will be approximately \$3,631,342. The budget for legal services during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for the legal services for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁷³

CAT LLC estimated the budget for the legal services for the CAT Fee 2025–2 Period based on an analysis of a variety of factors, including law firm fee rates, historical legal fees, and information related to pending legal issues and potential future legal issues. This process for estimating the budget for the legal services for CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the legal cost for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for legal costs of \$1,430,000 for the first quarter of 2025. The actual costs for legal services for the first quarter of 2025, which are set forth in the Updated 2025 Budget, were \$1,922,990. The increase of \$492,990 was due to unanticipated issues that required additional legal efforts on behalf of CAT LLC that developed after the budget was created. Such additional costs were

primarily due to additional legal work in responding to an SEC examination related to the CAT, for commercial contract-related matters, including with regard to the Plan Processor Agreement, and related to cost savings initiatives. Accordingly, CAT LLC believes that the process for estimating the budgeted legal costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for legal costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the legal costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁷⁴ Specifically, the following describes the differences (if any) in the legal costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted legal costs as set forth in the Original 2025 CAT Budget were \$5,720,000, and the annual 2025 budgeted legal costs as set forth in the Updated 2025 CAT Budget are \$7,370,002. Accordingly, the annual budget for legal costs increased by \$1,650,002 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budgeted legal costs for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$2,860,000,⁷⁵ and the budgeted legal costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$3,631,342.⁷⁶ Accordingly, the budget for legal costs for the third and fourth quarters of 2025 increased by \$771,342 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

This budgeted increase in the legal costs in the Updated 2025 CAT Budget from the Original 2025 Budget, both for the full year for 2025 and for the third and fourth quarters of 2025, was primarily due to an anticipated increase in legal costs related to litigation matters as well as regulatory and corporate legal matters.

(vii) Consulting Costs

(a) Description of Consulting Costs

Section 11.3(a)(iii)(B)(B)(3) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the consulting costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$866,167 in consulting costs for the CAT Fee 2025–2 Period. The consulting costs represent the fees estimated to be paid to the consulting firm Deloitte & Touche LLP (“Deloitte”) as project manager during the CAT Fee 2025–2 Period. These consulting costs include costs for advisory services related to the operation of the CAT, and meeting facilitation and communications coordination, vendor support and financial analyses.

It is anticipated that the costs for CAT during the CAT Fee 2025–2 Period will include costs related to consulting services performed by Deloitte. CAT LLC anticipates that it will continue to employ Deloitte during the CAT Fee 2025–2 Period based on, among other things, their expertise, long history with the project, and the recognition that it is anticipated that the consulting fees will remain in line with market rates for this type of specialized consulting work. Deloitte's fee rates are negotiated on an annual basis. CAT LLC assesses Deloitte's performance and reviews prospective budgets and staffing plans submitted by Deloitte on an annual basis. The consulting fees will be paid by CAT LLC to Deloitte.

It is anticipated that Deloitte will provide a variety of consulting services to the CAT during the CAT Fee 2025–2 Period, including the following:

- Implement program operations for the CAT project;
- Provide support to the Operating Committee, the Chair of the Operating Committee and the Leadership Team, including project management support, coordination and planning for meetings and communications, and interfacing with law firms and the SEC;
- Assist with cost and funding matters for the CAT, including assistance with loans and the CAT bank account for CAT funding;
- Provide support for updating the SEC on the progress of the development of the CAT; and
- Provide support for third party vendors for the CAT, including FCAT, Anchin and the law firms engaged by CAT LLC.

In addition, the consulting costs include the compensation for the Chair of the CAT Operating Committee.

⁷⁰ *American Securities Ass'n v. Securities and Exchange Commission*, Case No. 23–13396 (11th Cir.).

⁷¹ Securities Exchange Act Rel. No. 100181 (May 20, 2024), 89 FR 45715 (May 23, 2024).

⁷² *Citadel Securities LLC v. United States Securities and Exchange Commission*, Case No. 24–12300 (11th Cir.).

⁷³ This calculation is \$1,815,671 + \$1,815,671 = \$3,631,342.

⁷⁴ See Fee Filing for CAT Fee 2025–1.

⁷⁵ This calculation is \$1,430,000 + \$1,430,000 = \$2,860,000.

⁷⁶ This calculation is \$1,815,671 + \$1,815,671 = \$3,631,342.

CAT LLC estimates that the budget for consulting costs during the CAT Fee 2025–2 Period will be approximately \$866,167. The budget for consulting costs during the CAT Fee 2025–2 Period is calculated based on the Updated 2025 CAT Budget. Specifically, this estimate was calculated by adding the budgeted amounts for consulting services for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget.⁷⁷

CAT LLC estimates the budget for the consulting costs for Deloitte for the CAT Fee 2025–2 Period based on the current statement of work with Deloitte, which took into consideration past consulting costs, potential future consulting needs, the proposed rates and other contractual issues, as well as discussions with Deloitte. This process for estimating the budget for consulting costs for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the consulting costs for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for consulting services of \$437,500 for the first quarter of 2025. The actual costs for consulting services for the first quarter of 2025, which are set forth in the Updated 2025 CAT Budget, were \$450,745. Therefore, the variance between budgeted and actual consulting costs for the first quarter of 2025 was approximately 3%. Accordingly, CAT LLC believes that the process for estimating the budgeted consulting costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for consulting costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the consulting costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁷⁸ Specifically, the following describes the differences (if any) in the consulting costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budget for consulting costs as set forth in the Original 2025 CAT Budget was \$1,750,000, and the annual 2025 budget for consulting costs as set forth in the

Updated 2025 CAT Budget is approximately \$1,750,000. Accordingly, the annual budget for consulting costs has not changed from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budget for consulting costs for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget was \$875,000,⁷⁹ and the budget for consulting costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget is \$866,167.⁸⁰ Accordingly, the budget for consulting costs for the third and fourth quarters of 2025 decreased by \$8,833 (which is approximately 1%), from the Original 2025 CAT Budget to the Updated 2025 CAT Budget. Therefore, the budget for consulting costs for the third and fourth quarters of 2025 remained nearly the same in the Original 2025 CAT Budget and the Updated 2025 CAT Budget.

(viii) Insurance Costs

(a) Description of Insurance Costs

Section 11.3(a)(iii)(B)(B)(4) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the insurance costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$1,594,452 in insurance costs for the CAT Fee 2025–2 Period. The insurance costs represent the costs to be incurred for insurance for CAT during the CAT Fee 2025–2 Period.

It is anticipated that the insurance costs for CAT during the CAT Fee 2025–2 Period will include costs related to cyber security liability insurance, directors' and officers' liability insurance, and errors and omissions liability insurance brokered by USI Insurance Services LLC ("USI"). Such policies are standard for corporate entities, and cyber security liability insurance is important for the CAT System. CAT LLC anticipates that it will continue to maintain this insurance during the CAT Fee 2025–2 Period, and notes that the annual premiums for these policies were competitive for the coverage provided. CAT LLC estimated the budget for the insurance costs for the CAT Fee 2025–2 Period based on the insurance estimate from USI for 2025.

The annual premiums would be paid by CAT LLC to USI.⁸¹

The budgeted insurance costs for the CAT Fee 2025–2 Period are based on an insurance cost estimate from USI for 2025. Accordingly, CAT LLC believes that the process for estimating the budgeted insurance costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for insurance costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the insurance costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁸² Specifically, the following describes the differences (if any) in insurance costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted insurance costs as set forth in the Original 2025 CAT Budget were \$1,594,452, and the annual 2025 budgeted insurance costs as set forth in the Updated 2025 CAT Budget are \$1,594,452. Accordingly, the annual budgeted insurance costs remained the same for the Original 2025 CAT Budget and the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budgeted insurance costs for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$1,594,452,⁸³ and the budgeted insurance costs for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$1,594,452.⁸⁴ Accordingly, the budgeted insurance costs for the third and fourth quarters of 2025 remained the same in the Original 2025 CAT Budget and the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

(ix) Professional and Administration Costs

(a) Description of Professional and Administration Costs

Section 11.3(a)(iii)(B)(B)(5) of the CAT NMS Plan requires the fee filing for a

⁸¹ Note that CAT LLC generally pays its USI insurance premiums once per year, and such payment is scheduled to occur during the third quarter of 2025.

⁸² See Fee Filing for CAT Fee 2025–1.

⁸³ This calculation is \$1,594,452 + \$0 = \$1,594,452.

⁸⁴ This calculation is \$1,594,452 + \$0 = \$1,594,452.

⁷⁷ This calculation is \$433,084 + \$433,083 = \$866,167.

⁷⁸ See Fee Filing for CAT Fee 2025–1.

⁷⁹ This calculation is \$437,500 + \$437,500 = \$875,000.

⁸⁰ This calculation is \$433,084 + \$433,083 = \$866,167.

Prospective CAT Fee to provide a brief description of the professional and administration costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$609,818 in professional and administration costs for the CAT Fee 2025–2 Period. In adopting the CAT NMS Plan, the Commission amended the Plan to add a requirement that CAT LLC's financial statements be prepared in compliance with GAAP, audited by an independent public accounting firm, and made publicly available.⁸⁵ The professional and administration costs would include costs related to accounting and accounting advisory services to support the operating and financial functions of CAT, financial statement audit services by an independent accounting firm, preparation of tax returns, and various cash management and treasury functions. The professional and administration costs represent the fees to be paid to Anchin Block & Anchin ("Anchin") and Grant Thornton LLP ("Grant Thornton") for financial services during the CAT Fee 2025–2 Period.

Financial Advisory Firm: Anchin. It is anticipated that the professional and administration costs for the CAT Fee 2025–2 Period will include costs related to financial advisory services performed by Anchin. CAT LLC anticipates that it will continue to employ Anchin during the CAT Fee 2025–2 Period based on, among other things, the firm's relevant expertise and fees, which are anticipated to remain in line with market rates for these financial advisory services. The fees for these services will be paid by CAT LLC to Anchin.

It is anticipated that Anchin will provide a variety of services to the CAT during the CAT Fee 2025–2 Period, including the following:

- Update and maintain internal controls;
- Provide cash management and treasury functions;
- Facilitate bill payments to vendors;
- Facilitate repayments of promissory notes to Participants;
- Provide monthly bookkeeping;
- Review vendor invoices and documentation in support of cash disbursements;
- Review documentation to ensure that repayments of promissory notes to Participants are in accordance with established policies and procedures;
- Provide accounting research and consultations on various accounting, financial reporting and tax matters;

- Address not-for-profit tax and accounting considerations;
 - Prepare tax returns;
 - Address various accounting, financial reporting and operating inquiries from Participants;
 - Develop and maintain annual operating and financial budgets, including budget to actual fluctuation analyses;
 - Support compliance with the CAT NMS Plan;
 - Work with and provide support to the Operating Committee and various CAT working groups;
 - Prepare monthly, quarterly and annual financial statements;
 - Review and reconcile the monthly FINRA CAT reports/analyses related to billings, collections, outstanding accounts receivable and cash account;
 - Perform certain verification, completeness, and validation testing related to the monthly FINRA CAT reports/analyses related to billings;
 - Support the annual financial statement audits by an independent auditor;
 - Review historical costs from inception;
 - Provide accounting and financial information in support of SEC filings; and
 - Perform additional ad hoc accounting and financial advisory services, as requested by CAT LLC.
- CAT LLC estimated the annual budget for the costs for Anchin based on historical costs adjusted for cost of living rate increases, and projected incremental advisory and support services.

Accounting Firm: Grant Thornton. It is anticipated that the professional and administration costs for the CAT Fee 2025–2 Period will include costs related to accounting services performed by Grant Thornton. CAT LLC anticipates that it will continue to employ Grant Thornton during the CAT Fee 2025–2 Period based on, among other things, the firm's relevant expertise and fees, which are anticipated to remain in line with market rates for these financial advisory services. It is anticipated that Grant Thornton will continue to be engaged as an independent accounting firm to complete the audit of CAT LLC's financial statements, in accordance with the requirements of the CAT NMS Plan. The fees for these services will be paid by CAT LLC to Grant Thornton. CAT LLC estimated the budget for the accounting costs for Grant Thornton for the CAT Fee 2025–2 Period based on the anticipated hourly rates and the anticipated services plus an administrative fee.

Professional and Administration Cost Estimates. CAT LLC estimates that the budget for professional and administration services during the CAT Fee 2025–2 Period will be approximately \$609,818. The budget for professional and administration services during the CAT Fee 2025–2 Period is based on the Updated 2025 CAT Budget. CAT LLC estimated the budget for the professional and administration costs for the CAT Fee 2025–2 Period based on a review of past professional and administration costs, potential future professional and administration needs, the proposed rates and other contractual issues, as well as discussions with Anchin and Grant Thornton. This process for estimating the budget for the professional and administration costs for the CAT Fee 2025–2 Period is the same process by which CAT LLC estimated the professional and administration costs for the Original 2025 CAT Budget. The Original 2025 CAT Budget estimated a budget for professional and administration costs of \$168,750 for the first quarter of 2025. The actual costs for professional and administration services for the first quarter of 2025, which are set forth in the Updated 2025 Budget, were \$297,513. The increase of \$128,763 was due to unanticipated issues that required additional professional and administration efforts on behalf of CAT LLC that developed after the budget was created. Such additional costs were primarily due to increases in both financial advisory costs and accounting costs as a result of incremental controls and procedures relating to billings and collections of fees from Participants and Industry Members and the corresponding repayments of promissory notes on historical costs as well as incremental subsequent events procedures relating to the 2023 audit for CAT LLC. Accordingly, CAT LLC believes that the process for estimating the budgeted professional and administration costs for the CAT Fee 2025–2 Period is reasonable.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for professional and administration costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the professional and administration costs from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective

⁸⁵ Section 9.2 of the CAT NMS Plan.

CAT Fee, CAT Fee 2025–1.⁸⁶

Specifically, the following describes the differences (if any) in the professional and administration costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual 2025 budgeted professional and administration costs as set forth in the Original 2025 CAT Budget were \$882,456, and the annual 2025 budgeted professional and administration costs as set forth in the Updated 2025 CAT Budget are \$1,193,090. Accordingly, the budgeted annual costs for professional and administration services increased by \$310,634 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budgeted costs for professional and administration services for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$444,246,⁸⁷ and the budgeted costs for professional and administration services services [*sic*] for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$609,818.⁸⁸ Accordingly, the budgeted costs for professional and administration services for the third and fourth quarters of 2025 increased by \$165,572 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

This budgeted increase in the professional and administration costs in the Updated 2025 CAT Budget from the Original 2025 Budget, both for the full year for 2025 and for the third and fourth quarters of 2025, was primarily due to increases in both financial advisory costs and accounting costs as a result of additional anticipated efforts related to billings and collections of fees from Participants and Industry Members, coupled with expected incremental efforts related to supporting CAT LLC's independent auditors for the 2024 audit.

(x) Public Relations Costs

(a) Description of Public Relations Costs

Section 11.3(a)(iii)(B)(B)(6) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the public relations costs set forth in the budget. The Operating Committee approved an operating

budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that included \$0 in public relations costs for the CAT Fee 2025–2 Period. The public relations costs represent the fees paid to a public relations firm for professional communications services to CAT, including media relations consulting, strategy and execution. Because CAT LLC anticipates that it will not engage a public relations firm for the third and fourth quarters of 2025, the budget for public relations costs for this period is \$0.

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for public relations costs from the prior CAT Fee filing. Accordingly, this filing describes the changes in the public relations costs from the Updated 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁸⁹ Specifically, the following describes the differences (if any) in the public relations costs as set forth in the Original 2025 CAT Budget versus the Updated 2025 CAT Budget for the full year of 2025 as well as for the third and fourth quarters of 2025, and the reasons for any changes.

The annual budgeted public relations costs for 2025 as set forth in the Original 2025 CAT Budget were \$50,000, and the annual budgeted public relations costs for 2025 as set forth in the Updated 2025 CAT Budget are \$6,575. Accordingly, the annual budget for public relations cost for 2025 decreased by \$43,425 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the full year of 2025.

Correspondingly, the budgeted costs for public relations services for the third and fourth quarters of 2025 as set forth in the Original 2025 CAT Budget were \$25,000,⁹⁰ and the budgeted costs for public relations services for the third and fourth quarters of 2025 as set forth in the Updated 2025 CAT Budget are \$0.⁹¹ Accordingly, the budgeted costs for public relations services for the third and fourth quarters of 2025 decreased by \$25,000 from the Original 2025 CAT Budget to the Updated 2025 CAT Budget for the third and fourth quarters of 2025.

This budgeted decrease in the public relations costs from the Original 2025 CAT Budget to the Updated 2025 CAT Budget, both for the full year for 2025

and for the third and fourth quarters of 2025, was primarily due to CAT LLC's anticipation that it would not engage a public relations firm for the remainder of 2025.

(xi) Reserve

(a) Description of Reserve

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to provide a brief description of the reserve costs set forth in the budget. The Operating Committee approved an operating budget for the CAT pursuant to Section 11.1(a) of the CAT NMS Plan that includes a reserve amount for 2025. Section 11.1(a)(i) of the CAT NMS Plan states that the budget shall include a reserve. Section 11.1(a)(ii) of the CAT NMS Plan further describes the reserve as follows:

For the reserve referenced in paragraph (a)(i) of this Section, the budget will include an amount reasonably necessary to allow the Company to maintain a reserve of not more than 25% of the annual budget. To the extent collected CAT fees exceed CAT costs, including the reserve of 25% of the annual budget, such surplus shall be used to offset future fees. For the avoidance of doubt, the Company will only include an amount for the reserve in the annual budget if the Company does not have a sufficient reserve (which shall be up to but not more than 25% of the annual budget). For the avoidance of doubt, the calculation of the amount of the reserve would exclude the amount of the reserve from the budget.

CAT LLC determined to maintain a reserve in the amount of 25% of the total expenses set forth in Updated 2025 CAT Budget (which does not include the reserve amount). Accordingly, the total 25% reserve was calculated by multiplying the total expenses set forth in the Updated 2025 CAT Budget (other than the reserve) by 25%, which is \$57,083,638.⁹²

The Updated 2025 CAT Budget states that CAT LLC had accrued \$70,942,596 for the reserve as of the beginning of 2025, and an additional \$28,846,075 during the first quarter of 2025, from the collection of CAT Fees 2024–1 and 2025–1 and the related Participant CAT Fees. In addition, the Updated 2025 CAT Budget anticipates the collection of an additional \$11,821,477 during the second quarter of 2025 via CAT Fee 2025–1 and the related Participant CAT Fee. Accordingly, the Updated 2025 CAT Budget estimates that CAT LLC would collect a surplus reserve amount through June 2025 of \$54,526,412 over the 25% reserve amount of

⁸⁶ See Fee Filing for CAT Fee 2025–1.

⁸⁷ This calculation is \$168,750 + \$275,496 = \$444,246.

⁸⁸ This calculation is \$414,818 + \$195,000 = \$609,818.

⁸⁹ See Fee Filing for CAT Fee 2025–1.

⁹⁰ This calculation is \$12,500 + \$12,500 = \$25,000.

⁹¹ This calculation is \$0 + \$0 = \$0.

⁹² The reserve was calculated by multiplying \$228,334,551 by 25%, which equals approximately \$57,083,638.

\$57,083,638.⁹³ The following chart summarizes the calculation of the surplus reserve amount included in

Budgeted CAT Costs 2025–2 and used to calculate CAT Fee 2025–2:

1. Total reserve as of the beginning of 2025	\$70,942,596
2. Total reserve collected during the Q1 2025	28,846,075
3. Total reserve estimated for Q2 2025	11,821,477
4. TOTAL RESERVE COLLECTED or ESTIMATED TO BE COLLECTED by END of Q2 of 2025 (Row 1 + Row 2 + Row 3)	111,610,148
5. Budgeted 2025 Reserve (Total 2025 CAT costs other than reserve (\$228,334,551) multiplied by 25%)	57,083,638
TOTAL SURPLUS RESERVE (Row 4 – Row 5)	54,526,412

Such surplus was related, in part, to (i) the collection of CAT fees in excess of the budgeted CAT costs for 2024 and 2025 in light of the greater actual executed equivalent share volume than the projected executed equivalent share volume for CAT Fees 2024–1 and 2025–1, and (ii) a reduction in anticipated

budgeted costs associated with the implementation of certain cost savings measures approved by the SEC pertaining to the processing of options market maker quotes and the storage of certain data.⁹⁴ As set forth in the Budgeted CAT Costs 2025–2, the surplus reserve balance of \$54,526,412 would be used to

offset a portion of CAT costs for the third and fourth quarters of 2025, thereby reducing the fee rate to be paid for CAT Fee 2025–2. Specifically, the total costs used to calculate the fee rate for CAT Fee 2025–2 would be reduced by the amount of the surplus reserve as set forth in the following table:

1. Total Budgeted CAT Costs 2025–2 Other than Reserve (<i>i.e.</i> , costs for Q3 and Q4 of 2025)	\$115,252,921
2. Surplus Reserve	(54,526,510)
3. Total Budgeted CAT Costs 2025–2 (Row 1 – Row 2)	60,726,412

Accordingly, the fee rate for CAT Fee 2025–2 is calculated based on this reduced amount of \$60,726,412, resulting in a fee rate of \$0.000009 per executed equivalent share. If the fee rate for CAT Fee 2025–2 were calculated solely based on the reasonably budgeted costs for CAT for July–December 2025 excluding the reduction in that amount due to the surplus reserve offset (that is, based on \$115,252,921, not \$60,726,412), the fee rate would be the higher rate of \$0.000017.⁹⁵

(b) Changes From Prior Fee Filing

Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan requires the fee filing for a Prospective CAT Fee to describe the reason for changes in the line item for a reserve from the prior CAT Fee filing. Accordingly, this filing describes the changes in the reserve from the Original 2025 CAT Budget, which was used in the calculation of the prior Prospective CAT Fee, CAT Fee 2025–1.⁹⁶

For the Original 2025 CAT Budget, CAT LLC determined to maintain a reserve in the amount of 25% of budgeted CAT costs (other than the reserve). Accordingly, the total 25% reserve was calculated by multiplying the budgeted CAT costs (other than the reserve) as set forth in the Original 2025 CAT Budget (which is \$248,846,076) by

25%, for a target reserve amount of \$62,211,519. However, the Original 2025 CAT Budget recognized that a portion of the reserve—\$38,369,315—would have been previously collected, and therefore would not need to be included the budgeted CAT costs to be recovered by the CAT Fees. Specifically, the Original 2025 CAT Budget recognized that there was (i) a liquidity reserve balance of \$27,695,385 at the beginning of 2025, (ii) a favorable variance of \$10,084,698 for budgeted versus actual cloud hosting services costs covering the period from July 16, 2024 through September 30, 2024, and (iii) a Participation Fee from a new Participant in the CAT NMS Plan of \$589,232. These three items totaled \$38,369,315. Accordingly, the Original 2025 CAT Budget only included \$23,842,200 to be collected towards the reserve via the CAT Fee. This \$23,842,200 is calculated by reducing the total 25% reserve amount of \$62,211,519 by the \$38,369,315 previously collected for the reserve. In the Original 2025 CAT Budget, the budget anticipated collecting the remaining reserve amount of \$23,842,200 evenly throughout the year, that is, \$5,960,500 for each quarter.

As discussed above, CAT LLC determined to maintain a reserve in the

amount of 25% of the budgeted CAT costs (other than the reserve). Accordingly, the total 25% reserve was calculated by multiplying the budgeted CAT costs (other than the reserve) as set forth in the Updated 2025 CAT Budget (which is \$228,334,551) by 25%, for a target reserve amount of \$57,083,638.⁹⁷ However, the Updated 2025 CAT Budget states that CAT LLC had accrued \$70,942,596 for the reserve as of the beginning of 2025, and an additional \$28,846,075 during the first quarter of 2025, from the collection of CAT Fees 2024–1 and 2025–1 and the related Participant CAT Fees. In addition, the Updated 2025 CAT Budget anticipates the collection of an additional \$11,821,477 during the second quarter of 2025 via CAT Fee 2025–1 and the related Participant CAT Fee. Accordingly, the Updated 2025 CAT Budget estimates that CAT LLC would collect a surplus reserve amount through June 2025 of \$54,526,412 in excess of the 25% targeted reserve amount of \$57,083,638.⁹⁸ Accordingly, the Updated 2025 CAT Budget anticipates reducing the recoverable CAT costs by \$54,526,412 in the second half of 2025, specifically a reduction of \$27,263,255 in each of the third and fourth quarters of 2025.

⁹³ This calculation is $(\$70,942,596 + \$28,846,075 + \$11,821,477) - \$57,083,638 = \$54,526,412$.

⁹⁴ See Cost Savings Amendment.

⁹⁵ See CAT Fee Alert 2025–2 (5/29/25).

⁹⁶ See Fee Filing for CAT Fee 2025–1.

⁹⁷ The reserve was calculated by multiplying \$228,334,551 by 25%, which equals approximately \$57,083,638.

⁹⁸ This calculation is $(\$70,942,596 + \$28,846,075 + \$11,821,477) - \$57,083,638 = \$54,526,412$.

As discussed above, such surplus reserve balance of \$54,526,412 would be used to offset a portion of CAT costs for the third and fourth quarters of 2025, thereby reducing the fee rate for CAT Fee 2025–2 in accordance with Section 11.1(a)(ii) of the CAT NMS Plan. Section 11.1(a)(ii) of the CAT NMS Plan states that “[t]o the extent collected CAT fees exceed CAT costs, including the reserve of 25% of the annual budget, such surplus shall be used to offset future fees.”

(D) Projected Total Executed Equivalent Share Volume

The calculation of Fee Rate 2025–2 also requires the determination of the projected total executed equivalent share volume of transactions in Eligible Securities for the CAT Fee 2025–2 Period. Under the CAT NMS Plan, the Operating Committee is required to “reasonably determine the projected total executed equivalent share volume of all transactions in Eligible Securities for each relevant period based on the executed equivalent share volume of all transactions in Eligible Securities for the prior twelve months.”⁹⁹ The Operating Committee is required to base its projection on the prior twelve months, but it may use its discretion to analyze the likely volume for the upcoming year. Such discretion would allow the Operating Committee to use its judgment when estimating projected total executed equivalent share volume if the volume over the prior twelve months was unusual or otherwise unfit to serve as the basis of a future volume estimate.¹⁰⁰

The total executed equivalent share volume of transactions in Eligible Securities for the 12-month period from April 2024 through March 2025 was 4,580,287,680,646.28 executed equivalent shares. The Operating Committee has determined to calculate the projected total executed equivalent share volume for the six-month recovery period for CAT Fee 2025–2 by multiplying by one-half the executed equivalent share volume for the 12-month period from April 2024 through March 2025. The Operating Committee determined that such an approach was reasonable as the CAT’s annual executed equivalent share volume has remained relatively constant. For example, the executed equivalent share volume for 2021 was 3,963,697,612,395, the executed equivalent share volume for 2022 was 4,039,821,841,560.31, the executed equivalent share volume for 2023 was 3,868,940,345,680.6, and the

executed equivalent share volume for 2024 was 4,295,884,600,069.41. Accordingly, the projected total executed equivalent share volume for the six-month period for CAT Fee 2025–2 is projected to be 2,290,143,840,323.14 executed equivalent shares.¹⁰¹

The projected total executed equivalent share volume of all transactions in Eligible Securities for the six-month recovery period for CAT Fee 2025–2 and a description of the calculation of the projection is provided in this filing in accordance with the requirement in the CAT NMS Plan to provide such information in a fee filing for a CAT Fee.¹⁰²

(E) Fee Rate 2025–2

Fee Rate 2025–2 would be calculated by dividing the Budgeted CAT Costs 2025–2 by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the six-month recovery period for CAT Fee 2025–2, as described in detail above.¹⁰³ Specifically, Fee Rate 2025–2 would be calculated by dividing \$60,726,412 by 2,290,143,840,323.14 executed equivalent shares. As a result, Fee Rate 2025–2 would be \$0.00002651641828376661 per executed equivalent share. Fee Rate 2025–2 is provided in this filing in accordance with the requirement in the CAT NMS Plan to provide the Fee Rate in a fee filing for a CAT Fee.¹⁰⁴

(3) Monthly Fees

CEBBs and CEBSs would be required to pay fees for CAT Fee 2025–2 on a monthly basis for six months, from August 2025 until January 2026. A CEBB’s or CEBS’s fee for each month would be calculated based on the transactions in Eligible Securities executed by the CEBB or CEBS from the prior month.¹⁰⁵ Proposed paragraph (a)(5)(A) of the fee schedule would state that each CAT Executing Broker would receive its first invoice for CAT Fee 2025–2 in August 2025, and would receive an invoice for CAT Fee 2025–2 each month thereafter until January

¹⁰¹ This projection was calculated by multiplying 4,580,287,680,646.28 executed equivalent shares by one-half.

¹⁰² Section 11.3(a)(iii)(B) of the CAT NMS Plan.

¹⁰³ In approving the CAT Funding Model, the Commission stated that “[t]he manner in which the Fee Rate for Prospective CAT Costs will be calculated (*i.e.*, by dividing the CAT costs reasonably budgeted for the upcoming year by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the year) is reasonable.” CAT Funding Model Approval Order at 62651.

¹⁰⁴ See Section 11.3(a)(iii)(B)(A) of the CAT NMS Plan.

¹⁰⁵ See proposed paragraph (a)(5)(B) of the fee schedule.

2026. Proposed paragraph (a)(5)(B) of the fee schedule would state that “Consolidated Audited Trail, LLC shall provide each CAT Executing Broker with an invoice for CAT Fee 2025–2 on a monthly basis.” In addition, paragraph (b)(1) of the fee schedule states that each CEBB and CEBS is required to pay its CAT fees “each month.”

(4) Consolidated Audit Trail Funding Fees

To implement CAT Fee 2025–2, the Exchange proposes to add a new paragraph to the “Consolidated Audit Trail Funding Fees” section of the Exchange’s fee schedule, to include the proposed paragraphs described below.

(A) Fee Schedule for CAT Fee 2025–2

The CAT NMS Plan states that:

Each Industry Member that is the CAT Executing Broker for the buyer in a transaction in Eligible Securities (“CAT Executing Broker for the Buyer” or “CEBB”) and each Industry Member that is the CAT Executing Broker for the seller in a transaction in Eligible Securities (“CAT Executing Broker for the Seller” or “CEBS”) will be required to pay a CAT Fee for each such transaction in Eligible Securities in the prior month based on CAT Data. The CEBB’s CAT Fee or CEBS’s CAT Fee (as applicable) for each transaction in Eligible Securities will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Fee Rate reasonably determined pursuant to paragraph (a)(i) of this Section 11.3.¹⁰⁶

Accordingly, based on the factors discussed above, the Exchange proposes to add paragraph (a)(5) to the Consolidated Audit Trail Funding Fees section of its fee schedule. Proposed paragraph (a)(5) would state the following:

(A) Each CAT Executing Broker shall receive its first invoice for CAT Fee 2025–2 in August 2025, which shall set forth the CAT Fee 2025–2 fees calculated based on transactions in July 2025, and shall receive an invoice for CAT Fee 2025–2 for each month thereafter until January 2026.

(B) Consolidated Audit Trail, LLC shall provide each CAT Executing Broker with an invoice for CAT Fee 2025–2 on a monthly basis. Each month, such invoices shall set forth a fee for each transaction in Eligible Securities executed by the CAT Executing Broker in its capacity as a CAT Executing Broker for the Buyer (“CEBB”) and/or the CAT Executing Broker for the Seller (“CEBS”) (as applicable) from the prior month as set forth in CAT Data. The fee for each such transaction will be calculated by multiplying the number of executed equivalent shares in the transaction by the fee rate of \$0.000009 per executed equivalent share.

¹⁰⁶ Section 11.3(a)(iii)(A) of the CAT NMS Plan.

⁹⁹ Section 11.3(a)(i)(D) of the CAT NMS Plan.

¹⁰⁰ CAT Funding Model Approval Order at 62651.

(C) Notwithstanding the last invoice date of January 2026 for CAT Fee 2025–2 in paragraph 5(A), CAT Fee 2025–2 shall continue in effect after January 2026, with each CAT Executing Broker receiving an invoice for CAT Fee 2025–2 each month, until a new subsequent CAT Fee is in effect with regard to Industry Members in accordance with Section 19(b) of the Exchange Act. Consolidated Audit Trail, LLC will provide notice when CAT Fee 2025–2 will no longer be in effect.

(D) Each CAT Executing Broker shall be required to pay each invoice for CAT Fee 2025–2 in accordance with paragraph (b).

As noted in the Plan amendment for the CAT Funding Model, “[a]s a practical matter, the fee filing would provide the exact fee per executed equivalent share to be paid for the CAT Fees, by multiplying the Fee Rate by one-third and describing the relevant number of decimal places for the fee.”¹⁰⁷ Accordingly, proposed paragraph (a)(5)(B) of the fee schedule would set forth a fee rate of \$0.000009 per executed equivalent share. This fee rate is calculated by multiplying Fee Rate 2025–2 of \$0.00002651641828376661 by one-third, and rounding the result to six decimal places.¹⁰⁸ The Operating Committee determined to use six decimal places to balance the accuracy of the calculation with the potential systems and other impracticalities of using additional decimal places in the calculation.

The proposed language in paragraph (a)(5)(A) of the fee schedule would describe when CAT Executing Brokers would receive their first monthly invoice for CAT Fee 2025–2. Specifically, CAT Executing Brokers would receive their first monthly invoice for CAT Fee 2025–2 in August 2025 and the fees set forth in that invoice would be calculated based on transactions executed in July 2025. The payment for the first invoice would be required within 30 days after the receipt of the first invoice (unless a longer period is indicated), as described in paragraph (b)(2) of the fee schedule.

Proposed paragraph (a)(5)(A) of the fee schedule also would describe the monthly cadence of the invoices for CAT Fee 2025–2. Specifically, after the first invoices are provided to CAT Executing Brokers in August 2025, invoices will be sent to CAT Executing Brokers each month thereafter until January 2026.

Proposed paragraph (a)(5)(B) of the fee schedule would describe the invoices for CAT Fee 2025–2. Proposed paragraph (a)(5)(B) of the fee schedule would state that “Consolidated Audit Trail, LLC shall provide each CAT Executing Broker with an invoice for CAT Fee 2025–2 on a monthly basis.” Proposed paragraph (a)(5)(B) of the fee schedule also would describe the fees to be set forth in the invoices for CAT Fee 2025–2. Specifically, it would state that “[e]ach month, such invoices shall set forth a fee for each transaction in Eligible Securities executed by the CAT Executing Broker in its capacity as a CAT Executing Broker for the Buyer (‘CEBB’) and/or the CAT Executing Broker for the Seller (‘CEBS’) (as applicable) from the prior month as set forth in CAT Data. The fee for each such transaction will be calculated by multiplying the number of executed equivalent shares in the transaction by the fee rate of \$0.000009 per executed equivalent share.”

Since CAT Fee 2025–2 is a monthly fee based on actual transaction volume from the prior month, CAT Fee 2025–2 may collect more or less than two-thirds of the Budgeted CAT Costs 2025–2. To the extent that CAT Fee 2025–2 collects more than two-thirds of the Budgeted CAT Costs 2025–2, any excess money collected will be used to offset future fees and/or to fund the reserve for the CAT. To the extent that CAT Fee 2025–2 collects less than two-thirds of the Budgeted CAT Costs 2025–2, the budget for the CAT in the ensuing months will reflect such shortfall.

Furthermore, proposed paragraph (a)(5)(C) of the fee schedule would describe how long CAT Fee 2025–2 would remain in effect. It would state that “[n]otwithstanding the last invoice date of January 2026 for CAT Fee 2025–2 in paragraph 5(A), CAT Fee 2025–2 shall continue in effect after January 2026, with each CAT Executing Broker receiving an invoice for CAT Fee 2025–2 each month, until a new subsequent CAT Fee is in effect with regard to Industry Members in accordance with Section 19(b) of the Exchange Act. Consolidated Audit Trail, LLC will provide notice when CAT Fee 2025–2 will no longer be in effect.”

Finally, proposed paragraph (a)(5)(D) of the fee schedule would set forth the requirement for the CAT Executing Brokers to pay the invoices for CAT Fee 2025–2. It would state that “[e]ach CAT Executing Broker shall be required to pay each invoice for CAT Fee 2025–2 in accordance with paragraph (b).”

(B) Manner of Payment

Paragraph (b)(1) of the “Consolidated Audit Trail Funding Fees” section of the fee schedule describes the manner of payment of Industry Member CAT fees. It states that “[e]ach CAT Executing Broker shall pay its CAT fees as required pursuant to paragraph (a) each month to the Consolidated Audit Trail, LLC in the manner prescribed by the Consolidated Audit Trail, LLC.” The CAT NMS Plan requires the Operating Committee to establish a system for the collection of CAT fees.¹⁰⁹ The Plan Processor has established a billing system for CAT fees.¹¹⁰ Accordingly, CAT Executing Brokers would be required to pay CAT Fee 2025–2 in accordance with such system.

(C) Failure To Pay CAT Fees

The CAT NMS Plan further states that:

Participants shall require each Industry Member to pay all applicable fees authorized under this Article XI within thirty (30) days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated). If an Industry Member fails to pay any such fee when due (as determined in accordance with the preceding sentence), such Industry Member shall pay interest on the outstanding balance from such due date until such fee is paid at a per annum rate equal to the lesser of: (a) the Prime Rate plus 300 basis points; or (b) the maximum rate permitted by applicable law.¹¹¹

Paragraph (b)(2) of the fee schedule states that:

Each CAT Executing Broker shall pay the CAT fees required pursuant to paragraph (a) within thirty days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated). If a CAT Executing Broker fails to pay any such CAT fee when due, such CAT Executing Broker shall pay interest on the outstanding balance from such due date until such fee is paid at a per annum rate equal to the lesser of (i) the Prime Rate plus 300 basis points, or (ii) the maximum rate permitted by applicable law.

The requirements of paragraph (b)(2) would apply to CAT Fee 2025–2.

(5) CAT Fee Details

The CAT NMS Plan states that:

Details regarding the calculation of a Participant or CAT Executing Broker's CAT

¹⁰⁹ Section 11.4 of the CAT NMS Plan.

¹¹⁰ The billing process and system are described in CAT Alert 2023–02 as well as the CAT FAQs related to the billing of CAT fees, the Industry Member CAT Reporter Portal User Guide, the FCAT Industry Member Onboarding Guide, the FCAT Connectivity Supplement for Industry Members and the CAT Billing Webinars (dated Sept. 28, 2023 and Nov. 7, 2023), each available on the CAT website.

¹¹¹ Section 11.4 of the CAT NMS Plan.

¹⁰⁷ CAT Funding Model Approval Order at 62658, n.658.

¹⁰⁸ Dividing \$0.00002651641828376661 by three equals \$0.000008838806094588872. Rounding \$0.000008838806094588872 to six decimal places equals \$0.000009.

Fees will be provided upon request to such Participant or CAT Executing Broker. At a minimum, such details would include each Participant or CAT Executing Broker's executed equivalent share volume and corresponding fee by (1) Listed Options, NMS Stocks and OTC Equity Securities, (2) by transactions executed on each exchange and transactions executed otherwise than on an exchange, and (3) by buy-side transactions and sell-side transactions.¹¹²

Such information would provide CEBBs and CEBs with the ability to understand the details regarding the calculation of their CAT Fee.¹¹³ CAT LLC will provide CAT Executing Brokers with these details regarding the calculation of their CAT Fees on their monthly invoice for the CAT Fees.

In addition, CAT LLC will make certain aggregate statistics regarding CAT Fees publicly available. Specifically, the CAT NMS Plan states that, "[f]or each CAT Fee, at a minimum, CAT LLC will make publicly available the aggregate executed equivalent share volume and corresponding aggregate fee by (1) Listed Options, NMS Stocks and OTC Equity Securities, (2) by transactions executed on each exchange and transactions executed otherwise than on an exchange, and (3) by buy-side transactions and sell-side transactions."¹¹⁴ Such aggregate statistics will be available on the CAT website.

Furthermore, CAT LLC will make publicly available on the CAT website the total amount invoiced each month that CAT Fee 2025–2 is in effect as well as the total amount invoiced for CAT Fee 2025–2 for all months since its commencement. CAT LLC also will make publicly available on the CAT website the total costs to be collected from Industry Members for CAT Fee 2025–2.

(6) Financial Accountability Milestones

The CAT NMS Plan states that "[n]o Participant will make a filing with the SEC pursuant to Section 19(b) of the Exchange Act regarding any CAT Fee related to Prospective CAT Costs until

the Financial Accountability Milestone related to Period 4 described in Section 11.6 has been satisfied."¹¹⁵ Under Section 1.1 of the CAT NMS Plan, a Financial Accountability Milestone is considered complete as of the date identified in the Participants' Quarterly Progress Reports. As indicated by the Participants' Quarterly Progress Report for the second and third quarter of 2024,¹¹⁶ the Financial Accountability Milestone related to Period 4 was satisfied on July 15, 2024. In addition, the satisfaction of the Financial Accountability Milestone related to Period 4 was described in detail in the fee filing for the first Prospective CAT Fee, CAT Fee 2024–1.¹¹⁷

(7) Relationship to CAT Fee 2025–1

CAT LLC intends for CAT Fee 2025–2 to replace CAT Fee 2025–1 (which has a fee rate of \$0.000022).¹¹⁸ Accordingly, as long as CAT Fee 2025–2 is in effect, CAT Fee 2025–1 would not be charged to CEBBs, CEBs and Participants. Specifically, subject to CAT Fee 2025–2 being in effect, CAT LLC intends to send the last invoice for CAT Fee 2025–1 in July 2025 based on June 2025 transactions and, correspondingly, to send the first invoice for CAT Fee 2025–2 in August 2025 based on July 2025 transactions.

(8) Participant Invoices

While CAT Fees charged to Industry Members become effective in accordance with the requirements of Section 19(b) of the Exchange Act,¹¹⁹ CAT fees charged to Participants are implemented via an approval of the CAT fees by the Operating Committee in accordance with the requirements of the CAT NMS Plan.¹²⁰ On May 28, 2025, the Operating Committee approved the Participant fee related to CAT Fee 2025–2. Specifically, pursuant to the requirements of CAT NMS Plan,¹²¹ each Participant would be required to pay a CAT fee calculated using the fee rate of \$0.000009 per executed equivalent share, which is the same fee rate that applies to CEBBs and CEBs. Like CEBBs and CEBs, each Participant would be required to pay such CAT fees on a monthly basis for six months, from

September 2025 until February 2026, and each Participant's fee for each month would be calculated based on the transactions in Eligible Securities executed on the applicable exchange (for the Participant exchanges) or otherwise than on an exchange (for FINRA) in the prior month. Accordingly, each Participant will receive its first invoice in August 2025, and would receive an invoice each month thereafter until January 2026. Like with the CAT Fee 2025–2 applicable to CEBBs and CEBs as described in proposed paragraph (a)(5)(C) of the fee schedule, notwithstanding the last invoice date of January 2026, Participants will continue to receive invoices for this fee each month until a new subsequent CAT Fee is in effect with regard to Industry Members. Furthermore, Section 11.4 of the CAT NMS Plan states that each Participant is required to pay such invoices as required by Section 3.7(b) of the CAT NMS Plan. Section 3.7(b) states, in part, that

[e]ach Participant shall pay all fees or other amounts required to be paid under this Agreement within thirty (30) days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated) (the "Payment Date"). The Participant shall pay interest on the outstanding balance from the Payment Date until such fee or amount is paid at a per annum rate equal to the lesser of: (i) Prime Rate plus 300 basis points; or (ii) the maximum rate permitted by applicable law.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of the Exchange Act. The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹²² which requires, among other things, that the Exchange's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and not designed to permit unfair discrimination between customers, issuers, brokers and dealers. The Exchange also believes that the proposed rule change is consistent with the provisions of Section 6(b)(4) of the Act,¹²³ because it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The

¹¹² Section 11.3(a)(iv)(A) of the CAT NMS Plan.

¹¹³ In approving the CAT Funding Model, the Commission stated that, "[i]n the Commission's view, providing CAT Execut[ing] Brokers information regarding the calculation of their CAT Fees will aid in transparency and permit CAT Execut[ing] Brokers to confirm the accuracy of their invoices for CAT Fees." CAT Funding Model Approval Order at 62667.

¹¹⁴ Section 11.3(a)(iv)(B) of the CAT NMS Plan. In approving the CAT Funding Model, the Commission stated that "[t]he publication of the aggregate executed equivalent share volume and aggregate fee is appropriate because it would allow Participants and CAT Executing Brokers a high-level validation of executed volume and fees." CAT Funding Model Approval Order at 62667.

¹¹⁵ Section 11.3(a)(iii)(C) of the CAT NMS Plan.

¹¹⁶ Q2 & Q3 2024 Quarterly Progress Report (July 29, 2024).

¹¹⁷ See Securities Exchange Act Rel. No. 100827 (Aug. 27, 2024) 89 FR 71472 (Sept. 3, 2024) (SR-MIAX-2024-33) ("Fee Filing for CAT Fee 2024–1").

¹¹⁸ Note that CAT Fee 2025–2 is separate from and will be in addition to any Historical CAT Assessment to Industry Members.

¹¹⁹ Section 11.3(a)(i)(A)(I) of the CAT NMS Plan.

¹²⁰ CAT Funding Model Approval Order at 62659.

¹²¹ See Section 11.3(a)(ii) and Appendix B of the CAT NMS Plan.

¹²² 15 U.S.C. 78f(b)(6).

¹²³ 15 U.S.C. 78f(b)(4).

Exchange further believes that the proposed rule change is consistent with Section 6(b)(8) of the Act,¹²⁴ which requires that the Exchange's rules not impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Exchange Act. These provisions also require that the Exchange be "so organized and [have] the capacity to be able to carry out the purposes" of the Act and "to comply, and . . . to enforce compliance by its members and persons associated with its members," with the provisions of the Exchange Act.¹²⁵ Accordingly, a reasonable reading of the Act indicates that it intended that regulatory funding be sufficient to permit an exchange to fulfill its statutory responsibility under the Act, and contemplated that such funding would be achieved through equitable assessments on the members, issuers, and other users of an exchange's facilities.

The Exchange believes that this proposal is consistent with the Act because it implements provisions of the Plan and is designed to assist the Exchange in meeting regulatory obligations pursuant to the Plan. In approving the Plan, the SEC noted that the Plan "is necessary and appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanism of a national market system, or is otherwise in furtherance of the purposes of the Act."¹²⁶ To the extent that this proposal implements the Plan and applies specific requirements to Industry Members, the Exchange believes that this proposal furthers the objectives of the Plan, as identified by the SEC, and is therefore consistent with the Act.

The Exchange believes that the proposed fees to be paid by the CEBBs and CEBs are reasonable, equitably allocated and not unfairly discriminatory. First, the CAT Fee 2025–2 fees to be collected are directly associated with the budgeted costs of establishing and maintaining the CAT, where such costs include Plan Processor costs and costs related to technology, legal, consulting, insurance, professional and administration, and public relations costs.

The proposed CAT Fee 2025–2 fees would be charged to Industry Members in support of the maintenance of a consolidated audit trail for regulatory purposes. The proposed fees, therefore,

are consistent with the Commission's view that regulatory fees be used for regulatory purposes and not to support the Exchange's business operations. The proposed fees would not cover Exchange services unrelated to the CAT. In addition, any surplus would be used as a reserve to offset future fees. Given the direct relationship between CAT fees and CAT costs, the Exchange believes that the proposed fees are reasonable, equitable and not unfairly discriminatory.

As further discussed below, the SEC approved the CAT Funding Model, finding it was reasonable and that it equitably allocates fees among Participants and Industry Members. The Exchange believes that the proposed fees adopted pursuant to the CAT Funding Model approved by the SEC are reasonable, equitably allocated and not unfairly discriminatory.

(1) Implementation of CAT Funding Model in CAT NMS Plan

Section 11.1(b) of the CAT NMS Plan states that "[t]he Participants shall file with the SEC under Section 19(b) of the Exchange Act any such fees on Industry Members that the Operating Committee approves." Per Section 11.1(b) of the CAT NMS Plan, the Exchange has filed this fee filing to implement the Industry Member CAT fees included in the CAT Funding Model. The Exchange believes that this proposal is consistent with the Exchange Act because it is consistent with, and implements, the CAT Funding Model in the CAT NMS Plan, and is designed to assist the Exchange and its Industry Members in meeting regulatory obligations pursuant to the CAT NMS Plan. In approving the CAT NMS Plan, the SEC noted that the Plan "is necessary and appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanism of a national market system, or is otherwise in furtherance of the purposes of the Act."¹²⁷ Similarly, in approving the CAT Funding Model, the SEC concluded that the CAT Funding Model met this standard.¹²⁸ As this proposal implements the Plan and the CAT Funding Model described therein, and applies specific requirements to Industry Members in compliance with the Plan, the Exchange believes that this proposal furthers the objectives of the Plan, as identified by the SEC, and is therefore consistent with the Exchange Act.

(2) Calculation of Fee Rate for CAT Fee 2025–2 Is Reasonable

The SEC has determined that the CAT Funding Model is reasonable and satisfies the requirements of the Exchange Act. Specifically, the SEC has concluded that the method for determining CAT Fees as set forth in Section 11.3 of the CAT NMS Plan, including the formula for calculating the Fee Rate, the identification of the parties responsible for payment and the transactions subject to the fee rate for CAT Fees, is reasonable and satisfies the Exchange Act.¹²⁹ In each respect, as discussed above, CAT Fee 2025–2 is calculated, and would be applied, in accordance with the requirements applicable to CAT Fees as set forth in the CAT NMS Plan. Furthermore, as discussed below, the Exchange believes that each of the figures for the variables in the SEC-approved formula for calculating the fee rate for CAT Fee 2025–2 is reasonable and consistent with the Exchange Act. Calculation of Fee Rate 2025–2 for CAT Fee 2025–2 requires the figures for Budgeted CAT Costs 2025–2, the executed equivalent share volume for the prior twelve months, the determination of the CAT Fee 2025–2 Period, and the projection of the executed equivalent share volume for the CAT Fee 2025–2 Period. Each of these variables is reasonable and satisfies the Exchange Act, as discussed throughout this filing.

(A) Budgeted CAT Costs 2025–2

The formula for calculating a Fee Rate requires the amount of Budgeted CAT Costs to be recovered. Specifically, Section 11.3(a)(iii)(B) of the CAT NMS Plan requires a fee filing to provide:

the budget for the upcoming year (or remainder of the year, as applicable), including a brief description of each line item in the budget, including (1) the technology line items of cloud hosting services, operating fees, CAIS operating fees, change request fees, and capitalized developed technology costs, (2) legal, (3) consulting, (4) insurance, (5) professional and administration, and (6) public relations costs, a reserve and/or such other categories as reasonably determined by the Operating Committee to be included in the budget, and the reason for changes in each such line item from the prior CAT fee filing.

In accordance with this requirement, the Exchange has set forth the amount and type of Budgeted CAT Costs 2025–2 for each of these categories above.

Section 11.3(a)(iii)(B) of the CAT NMS Plan also requires that the fee filing provide "sufficient detail to demonstrate that the budget for the

¹²⁴ 15 U.S.C. 78f(b)(8).

¹²⁵ See 15 U.S.C. 78f(b)(1).

¹²⁶ CAT NMS Plan Approval Order at 84697.

¹²⁷ *Id.*

¹²⁸ CAT Funding Model Approval Order at 62686.

¹²⁹ *Id.* at 62662–63.

upcoming year, or part of year, as applicable, is reasonable and appropriate.” As discussed below, the Exchange believes that the budget for the CAT Fee 2025–2 Period is “reasonable and appropriate.” Each of the costs included in CAT Fee 2025–2 are reasonable and appropriate because the costs are consistent with standard industry practice, based on the need to comply with the requirements of the CAT NMS Plan, incurred subject to negotiations performed on an arm’s length basis, and/or are consistent with the needs of any legal entity, particularly one with no employees.

(i) Technology: Cloud Hosting Services

In approving the CAT Funding Model, the Commission recognized that it is appropriate to recover budgeted costs related to cloud hosting services as a part of CAT Fees.¹³⁰ CAT LLC determined that the budgeted costs related to cloud hosting services described in this filing are reasonable and should be included as a part of Budgeted CAT Costs 2025–2. As described above, the cloud hosting services costs reflect, among other things, the breadth of the CAT cloud activities, data volumes far in excess of the original volume estimates, the need for specialized cloud services given the volume and unique nature of the CAT, the processing time requirements of the Plan, and regular efforts to seek to minimize costs where permissible under the Plan. CAT LLC determined that use of cloud hosting services is necessary for implementation of the CAT, particularly given the substantial data volumes associated with the CAT, and that the fees for cloud hosting services negotiated by FCAT were reasonable, taking into consideration a variety of factors, including the expected volume of data and the breadth of services provided and market rates for similar services.¹³¹ Indeed, the actual costs of the CAT are far in excess of the original estimated costs of the CAT due to various factors, including the higher volumes and greater complexity of the CAT than anticipated when Rule 613 was originally adopted.

To comply with the requirements of the Plan, the breadth of the cloud activities related to the CAT is substantial. The cloud services not only include the production environment for the CAT, but they also include two industry testing environments, support environments for quality assurance and

stress testing and disaster recovery capabilities. Moreover, the cloud storage costs are driven by the requirements of the Plan, which requires the storage of multiple versions of the data, from the original submitted version of the data through various processing steps, to the final version of the data.

Data volume is a significant driver of costs for cloud hosting services. When the Commission adopted the CAT NMS Plan in 2016, it estimated that the CAT would need to receive 58 billion records per day¹³² and that annual operating costs for the CAT would range from \$36.5 million to \$55 million.¹³³ In contrast to the 2016 projections, the actual daily Q1 2025 data volumes averaged 752 billion events per day.

In addition to the effect of the data volume on the cloud hosting costs, the processing timelines set forth in the Plan contribute to the cloud hosting costs. Although CAT LLC has proactively sought to manage cloud hosting costs while complying with the Plan, including through requests to the Commission for exemptive relief and amendments to the CAT NMS Plan to reduce costs, stringent CAT NMS Plan requirements do not allow for any material flexibility in cloud architecture design choices, processing timelines (e.g., the use of non-peak processing windows), or lower-cost storage tiers. As a result, the required CAT processing timelines contribute to the cloud hosting costs of the CAT.

The costs for cloud hosting services also reflect the need for specialized cloud hosting services given the data volume and unique processing needs of the CAT. The data volume as well as the data processing needs of the CAT necessitate the use of cloud hosting services. The equipment, power and services required for an on-premises data model, the alternative to cloud hosting services, would be cost prohibitive. Moreover, as CAT was being developed, there were limited cloud hosting providers that could satisfy all the necessary CAT requirements, including the operational and security criteria. Over time, more providers offering cloud hosting services that would satisfy these criteria have entered the market. CAT LLC will continue to evaluate alternative cloud hosting services, recognizing that the time and cost to move to an alternative cloud provider would be substantial.

The reasonableness of the cloud hosting services costs is further supported by key cost discipline mechanisms for the CAT—a cost-based

funding structure, cost transparency, cost management efforts (including regular efforts to lower compute and storage costs where permitted by the Plan) and oversight. Together, these mechanisms help ensure the ongoing reasonableness of the CAT’s costs and the level of fees assessed to support those costs.¹³⁴

(ii) Technology: Operating Fees

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted costs related to operating fees as a part of CAT Fees.¹³⁵ CAT LLC determined that the budgeted costs related to operating fees described in this filing are reasonable and should be included as a part of Budgeted CAT Costs 2025–2.

The operating fees would include the negotiated fees paid by CAT LLC to the Plan Processor to operate and maintain the system for order-related information and to perform business operations related to the system, including compliance, security, testing, training, communications with the industry (e.g., management of the FINRA CAT Helpdesk, FAQs, website and webinars) and program management. CAT LLC determined that the selection of FCAT as the Plan Processor was reasonable and appropriate given its expertise with securities regulatory reporting, after a process of considering other potential candidates.¹³⁶ CAT LLC also determined that the fixed price contract, negotiated on an arm’s length basis with the goals of managing costs and receiving services required to comply with the CAT NMS Plan and Rule 613, was reasonable and appropriate, taking into consideration a variety of factors, including the breadth of services provided and market rates for similar types of activity.¹³⁷ The services to be performed by FCAT for CAT Fee 2025–2 Period and the budgeted costs related to such services are described above.¹³⁸

The operating costs also include costs related to the receipt of market data. CAT LLC anticipates receiving certain market data from Algoseek during the CAT Fee 2025–2 Period. CAT LLC anticipates that Algoseek will provide data as set forth in the SIP Data requirements of the CAT NMS Plan and that the fees are reasonable and in line

¹³⁰ Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan.

¹³¹ For a discussion of the amount and type of cloud hosting services fees, see Section 3(a)(2)(C)(i) above.

¹³² Appendix D–4 of the CAT NMS Plan at n.262.

¹³³ CAT NMS Plan Approval Order at 84801.

¹³⁴ See Securities Exchange Act Rel. No. 97151 (Mar. 15, 2023), 88 FR 17086, 17117 (Mar. 21, 2023) (describing key cost discipline mechanisms for the CAT).

¹³⁵ Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan.

¹³⁶ See Section 3(a)(2)(C)(ii) above.

¹³⁷ *Id.*

¹³⁸ *Id.*

with market rates for market data received.¹³⁹

(iii) Technology: CAIS Operating Fees

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted costs related to CAIS operating fees as a part of CAT Fees.¹⁴⁰ CAT LLC determined that the budgeted costs related to CAIS operating fees described in this filing are reasonable and should be included as a part of the Budgeted CAT Costs 2025–1. The CAIS operating fees would include the fees paid to the Plan Processor to operate and maintain CAIS and to perform the business operations related to the system, including compliance, security, testing, training, communications with the industry (*e.g.*, management of the FINRA CAT Helpdesk, FAQs, website and webinars) and program management. CAT LLC determined that the fees for FCAT's CAIS-related services, negotiated on an arm's length basis with the goals of managing costs and receiving services required to comply with the CAT NMS Plan, taking into consideration a variety of factors, including the services to be provided and market rates for similar types of activity, are reasonable and appropriate.¹⁴¹ The services to be performed by FCAT for the CAT Fee 2025–2 Period and the budgeted costs for such services are described above.¹⁴²

(iv) Technology: Change Request Fees

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted costs related to change request fees as a part of CAT Fees.¹⁴³ CAT LLC determined that the budgeted costs related to change request fees described in this filing are reasonable and should be included as a part of the Budgeted CAT Costs 2025–2. It is common practice to utilize a change request process to address evolving needs in technology projects. This is particularly true for a project like CAT that is the first of its kind, both in substance and in scale. The substance and costs of each of the change requests are evaluated by the Operating Committee and approved in accordance with the requirements for Operating Committee meetings. In each case, CAT LLC forecasts that the change requests will be necessary to implement the CAT. As described above,¹⁴⁴ CAT LLC

has included a reasonable placeholder budget amount for potential change requests that may arise during 2025. As noted above, the total budgeted costs for change requests during the CAT Fee 2025–2 Period represent a small percentage of the Budgeted CAT Costs 2025–2—that is, less than 1% of Budgeted CAT Costs 2025–2.

(v) Capitalized Developed Technology Costs

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted costs related to capitalized developed technology costs as a part of CAT Fees.¹⁴⁵ In general, capitalized developed technology costs would include costs related to, for example, certain development costs, costs related to certain modifications, upgrades and other changes to the CAT, CAIS implementation fees and license fees. The amount and type of budgeted capitalized developed technology costs for the CAT Fee 2025–2 Period, which relate to the CAIS software license fee and technology changes to be implemented by FCAT, are described in more detail above.¹⁴⁶ Specifically, CAT LLC determined that it was reasonable not to include any capitalized developed technology costs in the Budgeted CAT Costs 2025–2.

(vi) Legal

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted costs related to legal fees as a part of CAT Fees.¹⁴⁷ CAT LLC determined that the budgeted legal costs described in this filing are reasonable and should be included as a part of the Budgeted CAT Costs 2025–2. Given the unique nature of the CAT, the number of parties involved with the CAT (including, for example, the SEC, Participants, Industry Members, and vendors) and the many regulatory, contractual and other issues associated with the CAT, the scope of the necessary legal services is substantial. CAT LLC determined that the scope of the proposed legal services is necessary to implement and maintain the CAT and that the legal rates reflect the specialized services necessary for such a project. CAT LLC determined to hire and continue to use each law firm based on a variety of factors, including their relevant expertise and fees. In each case, CAT LLC determined that the fee rates were in line with market rates for specialized legal expertise. In addition,

CAT LLC determined that the budgeted costs for the legal projects were appropriate given the breadth of the services provided. The services to be performed by each law firm for the CAT Fee 2025–2 Period and the budgeted costs related to such services are described above.¹⁴⁸

(vii) Consulting

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted consulting costs as a part of CAT Fees.¹⁴⁹ CAT LLC determined that the budgeted consulting costs described in this filing are reasonable and should be included as a part of Budgeted CAT Costs 2025–2. Because there are no CAT employees¹⁵⁰ and because of the significant number of issues associated with the CAT, the consultants are budgeted to provide assistance in the management of various CAT matters and the processes related to such matters.¹⁵¹ CAT LLC determined the budgeted consulting costs were appropriate, as the consulting services were to be provided at reasonable market rates that were comparable to the rates charged by other consulting firms for similar work. Moreover, the total budgeted costs for such consulting services were appropriate in light of the breadth of services provided by Deloitte. The services budgeted to be performed by Deloitte and the budgeted costs related to such services are described above.¹⁵²

(viii) Insurance

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted insurance costs as a part of CAT Fees.¹⁵³ CAT LLC determined that the budgeted insurance costs described in this filing are reasonable and should be included as a part of the Budgeted CAT Costs 2025–2. CAT LLC determined that it is common practice to have directors' and officers' liability insurance, and errors and omissions liability insurance. CAT LLC further determined that it was important to have cyber security insurance given the nature of the CAT, and such a decision is consistent with

¹³⁹ *Id.*

¹⁴⁰ Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan.

¹⁴¹ See Section 3(a)(2)(C)(iii) above.

¹⁴² *Id.*

¹⁴³ Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan.

¹⁴⁴ See Section 3(a)(2)(C)(iv) above.

¹⁴⁵ Section 11.3(a)(iii)(B)(B)(1) of the CAT NMS Plan.

¹⁴⁶ See Section 3(a)(2)(C)(v) above.

¹⁴⁷ Section 11.3(a)(iii)(B)(B)(2) of the CAT NMS Plan.

¹⁴⁸ See Section 3(a)(2)(C)(vi) above.

¹⁴⁹ Section 11.3(a)(iii)(B)(B)(3) of the CAT NMS Plan.

¹⁵⁰ As stated in the filing of the proposed CAT NMS Plan, "[i]t is the intent of the Participants that the Company have no employees." Securities Exchange Act Rel. No. 77724 (Apr. 27, 2016), 81 FR 30614, 30621 (May 17, 2016).

¹⁵¹ CAT LLC uses certain third parties to perform tasks that may be performed by administrators for other NMS Plans. See, *e.g.*, CTA Plan and CQ Plan.

¹⁵² Section 3(a)(2)(C)(vii) above.

¹⁵³ Section 11.3(a)(iii)(B)(B)(4) of the CAT NMS Plan.

the CAT NMS Plan, which states that the cyber incident response plan may include “[i]nsurance against security breaches.”¹⁵⁴ As discussed above,¹⁵⁵ CAT LLC determined that the budgeted insurance costs were appropriate given its prior experience with this market and an analysis of the alternative insurance offerings. Based on this analysis, CAT LLC determined that the selected insurance policies provided appropriate coverage at reasonable market rates.¹⁵⁶

(ix) Professional and Administration

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted professional and administration costs as a part of CAT Fees.¹⁵⁷ CAT LLC determined that the budgeted professional and administration costs described in this filing are reasonable and should be included as a part of Budgeted CAT Costs 2025–2. Because there are no CAT employees, all required accounting, financial, tax, cash management and treasury functions for CAT LLC have been outsourced at market rates. In addition, the required annual financial statement audit of CAT LLC is included in professional and administration costs, which costs are also at market rates. The services performed by Anchin and Grant Thornton and the costs related to such services are described above.¹⁵⁸

CAT LLC anticipates continuing to make use of Anchin, a financial advisory firm, to assist with financial matters for the CAT. CAT LLC determined that the budgeted costs for Anchin were appropriate, as the financial advisory services were to be provided at reasonable market rates that were comparable to the rates charged by other such firms for similar work. Moreover, the total budgeted costs for such financial advisory services were appropriate in light of the breadth of services provided by Anchin. The services budgeted to be performed by Anchin and the budgeted costs related to such services are described above.¹⁵⁹

CAT LLC anticipates continuing to make use of Grant Thornton, an independent accounting firm, to complete the audit of CAT LLC’s financial statements, in accordance with the requirements of the CAT NMS Plan. CAT LLC determined that the budgeted costs for Grant Thornton were

appropriate, as the accounting services were to be provided at reasonable market rates that were comparable to the rates charged by other such firms for similar work. Moreover, the total budgeted costs for such accounting services were appropriate in light of the breadth of services provided by Grant Thornton. The services budgeted to be performed by Grant Thornton and the budgeted costs related to such services are described above.¹⁶⁰

(x) Public Relations Costs

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted public relations costs as a part of CAT Fees.¹⁶¹ However, as described above,¹⁶² CAT LLC determined not to include any public relations costs in Budgeted CAT Costs 2025–2. CAT LLC determined that it was reasonable not to include any public relations costs in the Budgeted CAT Costs 2025–2.

(xi) Reserve

In approving the CAT Funding Model, the SEC recognized that it is appropriate to recover budgeted reserve costs as a part of CAT Fees.¹⁶³ CAT LLC determined that the reserve in the amount of 25% of the Updated 2025 CAT Budget (other than the reserve) complies with the requirements of the CAT NMS Plan related to a reserve, is a reasonable amount, and, therefore, should be included as a part of the Updated 2025 CAT Budget.

In its approval order for the CAT Funding Model, the Commission stated that it would be reasonable for the annual operating budget for the CAT to “include a reserve of not more than 25% of the annual budget.”¹⁶⁴ In making this statement, the Commission noted the following:

Because the CAT is a critical regulatory tool/system, the CAT needs to have a stable funding source to build financial stability to support the Company as a going concern. Funding for the CAT, as noted in Section 11.1(b), is the responsibility of the Participants and the industry. Because CAT fees are charged based on the budget, which is based on anticipated volume, it is reasonable to have a reserve on hand to prevent a shortfall in the event there is an unexpectedly high volume in a given year. A reserve would help to assure that the CAT has sufficient resources to cover costs should

there be unanticipated costs or costs that are higher than expected.¹⁶⁵

The SEC also recognized that a reserve would help address the difficulty in predicting certain variable CAT costs, like trading volume.¹⁶⁶ The SEC also recognized that CAT fees will be collected approximately three months after trading activity on which a CAT fee is based, or 25% of the year, and that the reserve would be available to address funding needs related to this three-month delay.¹⁶⁷ The inclusion of the proposed reserve in the Updated 2025 CAT Budget would provide each of these benefits to the CAT. The reserve is discussed further above.¹⁶⁸

As discussed further below,¹⁶⁹ however, a surplus reserve balance in excess of the budgeted 25% reserve has been collected through the first quarter of 2025 and has been budgeted to be collected during the second quarter of 2025. Accordingly, the Updated 2025 CAT Budget indicates that this surplus would be used to offset a portion of CAT costs for the third and fourth quarters of 2025, thereby reducing the fee rate for CAT Fee 2025–2 (\$0.000009 per executed equivalent share) as compared to CAT Fee 2025–1 (\$0.000022 per executed equivalent share), and that no additional reserve is budgeted to be collected during the third and fourth quarters of 2025.

(B) Reconciliation of Budget to the Collected Fees

The CAT NMS Plan also requires fee filings for Prospective CAT Fees to include “a discussion of how the budget is reconciled to the collected fees.”¹⁷⁰ As discussed above,¹⁷¹ the Updated 2025 CAT Budget states that CAT LLC had accrued \$70,942,596 for the reserve as of the beginning of 2025, and an additional \$28,846,075 during the first quarter of 2025, from the collection of CAT Fees 2024–1 and 2025–1 and the related Participant CAT Fees. In addition, the Updated 2025 CAT Budget anticipates the collection of an additional \$11,821,477 during the second quarter of 2025 via CAT Fee 2025–1 and the related Participant CAT Fee. Accordingly, the Updated 2025 CAT Budget estimates that CAT LLC would maintain a 25% reserve amount of \$57,083,638 and collect a surplus reserve amount through June 2025 of

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ See Section 3(a)(2)(C)(xi) above.

¹⁶⁹ See Section 3(b)(2)(B) below.

¹⁷⁰ Section 11.3(a)(iii)(B)(C) of the CAT NMS Plan.

¹⁷¹ See Section 3(a)(2)(C)(xi) above.

¹⁵⁴ Appendix D–14 of the CAT NMS Plan.

¹⁵⁵ See Section 3(a)(2)(C)(viii) above.

¹⁵⁶ *Id.*

¹⁵⁷ Section 11.3(a)(iii)(B)(B)(5) of the CAT NMS Plan.

¹⁵⁸ See Section 3(a)(2)(C)(ix) above.

¹⁵⁹ *Id.*

¹⁶⁰ *Id.*

¹⁶¹ Section 11.3(a)(iii)(B)(B)(6) of the CAT NMS Plan.

¹⁶² See Section 3(a)(2)(C)(x) above.

¹⁶³ Section 11.3(a)(iii)(B)(B) of the CAT NMS Plan.

¹⁶⁴ CAT Funding Model Approval Order at 62657.

\$54,526,412 over the 25% reserve amount of \$57,083,638.¹⁷² Such surplus reserve balance of \$54,526,412 would be used to offset a portion of CAT costs for the third and fourth quarters of 2025, thereby reducing the fee rate for CAT Fee 2025–2 (\$0.000009 per executed equivalent share) as compared to CAT Fee 2025–1 (\$0.000022 per executed equivalent share).

(C) Total Executed Equivalent Share Volume for the Prior 12 Months

The total executed equivalent share volume of transactions in Eligible Securities for the period from April 2024 through March 2025 was 4,580,287,680,646.28 executed equivalent shares. CAT LLC determined the total executed equivalent share volume for the prior twelve months by counting executed equivalent shares in the same manner as it counts executed equivalent shares for CAT billing purposes.¹⁷³

(D) Projected Executed Equivalent Share Volume for the CAT Fee 2025–2 Period

CAT LLC has determined that the projected total executed equivalent share volume for the six months of CAT Fee 2025–2 Period by multiplying by one-half the executed equivalent share volume for the prior twelve months: one-half times 4,580,287,680,646.28 executed equivalent shares.¹⁷⁴ CAT LLC determined that such an approach was reasonable as the CAT's annual executed equivalent share volume has remained relatively constant in recent years. For example, the executed equivalent share volume for 2021 was 3,963,697,612,395, the executed equivalent share volume for 2022 was 4,039,821,841,560.31, the executed equivalent share volume for 2023 was 3,868,940,345,680.6, and the executed equivalent share volume for 2024 was 4,295,884,600,069.41.

(E) Actual Fee Rate for CAT Fee 2025–2

(i) Decimal Places

As noted in the approval order for the CAT Funding Model, as a practical matter, the fee filing for a CAT Fee would provide the exact fee per executed equivalent share to be paid for each CAT Fee, by multiplying the Fee Rate by one-third and describing the relevant number of decimal places for the fee rate.¹⁷⁵ Accordingly, proposed

paragraph (a)(5)(B) of the fee schedule would set forth a fee rate of \$0.000009 per executed equivalent share. This fee rate is calculated by multiplying Fee Rate 2025–2 by one-third and rounding the result to six decimal places. CAT LLC determined that the use of six decimal places is reasonable as it balances the accuracy of the calculation with the potential systems and other impracticalities of using additional decimal places in the calculation.¹⁷⁶

(ii) Reasonable Fee Level

The Exchange believes that charging CAT Fee 2025–2 with a fee rate of \$0.000009 per executed equivalent share is reasonable because it provides for a revenue stream for the Company that is aligned with the Budgeted CAT Costs 2025–2. Moreover, the Exchange believes that the level of the fee rate is reasonable, as it is less than CAT Fee 2025–1 and is comparable to other transaction-based fees. Indeed, CAT Fee 2025–2 is significantly lower than fees previously assessed pursuant to Section 31 (e.g., \$0.0009 per share to \$0.0004 per share),¹⁷⁷ and, as a result, the magnitude of CAT Fee 2025–2 is small, and therefore will mitigate any potential adverse economic effects or inefficiencies.¹⁷⁸

(3) CAT Fee 2025–2 Provides for an Equitable Allocation of Fees

CAT Fee 2025–2 provides for an equitable allocation of fees, as it equitably allocates CAT costs between and among the Participants and Industry Members. The SEC approved the CAT Funding Model, finding that each aspect of the CAT Funding Model satisfied the requirements of the Exchange Act, including the formula for calculating CAT Fees as well as the Industry Members to be charged the CAT Fees.¹⁷⁹ In approving the CAT Funding Model, the SEC stated that “[t]he Participants have sufficiently demonstrated that the proposed

allocation of fees is reasonable.”¹⁸⁰ Accordingly, the CAT Funding Model sets forth the requirements for allocating fees related to Budgeted CAT Costs among Participants and Industry Members, and the fee filings for CAT Fees must comply with those requirements.

CAT Fee 2025–2 provides for an equitable allocation of fees as it complies with the requirements regarding the calculation of CAT Fees as set forth in the CAT NMS Plan. For example, as described above, the calculation of CAT Fee 2025–2 complies with the formula set forth in Section 11.3(a) of the CAT NMS Plan. In addition, CAT Fee 2025–2 would be charged to CEBBs and CEBBs in accordance with Section 11.3(a) of the CAT NMS Plan. Furthermore, the Participants would be charged for their designated share of the Budgeted CAT Costs 2025–2 through a fee implemented via the CAT NMS Plan, which would have the same fee rate as CAT Fee 2025–2.

In addition, as discussed above, each of the inputs into the calculation of CAT Fee 2025–2—the Budgeted CAT Costs 2025–2, the count for the executed equivalent share volume for the prior 12 months, and the projected executed equivalent share volume for the CAT Fee 2025–2 Period—are reasonable. Moreover, these inputs lead to a reasonable fee rate for CAT Fee 2025–2 that is lower than other fee rates for transaction-based fees. A reasonable fee rate allocated in accordance with the requirements of the CAT Funding Model provides for an equitable allocation of fees.

(4) CAT Fee 2025–2 Is Not Unfairly Discriminatory

CAT Fee 2025–2 is not an unfairly discriminatory fee. The SEC approved the CAT Funding Model, finding that each aspect of the CAT Funding Model satisfies the requirements of the Exchange Act. In reaching this conclusion, the SEC analyzed the potential effect of CAT Fees calculated pursuant to the CAT Funding Model on affected categories of market participants, including Participants (including exchanges and FINRA), Industry Members (including subcategories of Industry Members, such as alternative trading systems, CAT Executing Brokers and market makers), and investors generally, and considered market effects related to equities and options, among other things. CAT Fee 2025–2 complies with the requirements regarding the calculation of CAT Fees as

¹⁷⁶ See Section 3(a)(5)(A) above.

¹⁷⁷ CAT Funding Model Approval Order at 62663, 62682. In explaining the comparison of Section 31 fees to CAT fees in the CAT Funding Model Approval Order, the SEC noted that “Section 31 fees are expressed per dollar volume traded. Translating this to a per share range involves identifying reasonable high and low trade sizes. The lower end of this range comes from the 25th percentile in \$ trade size of 1,200 and share trade size of 71 from the first quarter of 2021. The higher end of this range comes from the 75th percentile in \$ trade size of 5,200 and share trade size of 300 from the first quarter of 2021. Section 31 fees have ranged from \$5.10 per \$Million to \$23.10 per \$Million from Oct. 1, 2016 to Mar. 1, 2023.” *Id.* at 62682., n.1100. In 2024, Section 31 fees were raised further to \$27.80 per million dollars.

¹⁷⁸ *Id.*

¹⁷⁹ See Section 11.3(a) of the CAT NMS Plan.

¹⁷² This calculation is $(\$70,942,596 + \$28,846,075 + \$11,821,477) - \$57,083,638 = \$54,526,412$.

¹⁷³ See Section 3(a)(2)(D) above.

¹⁷⁴ *Id.*

¹⁷⁵ CAT Funding Model Approval Order at 62658, n.658.

¹⁸⁰ CAT Funding Model Approval Order at 62629.

set forth in the CAT NMS Plan. In addition, as discussed above, each of the inputs into the calculation of CAT Fee 2025–2 and the resulting fee rate for CAT Fee 2025–2 is reasonable. Therefore, CAT Fee 2025–2 does not impose an unfairly discriminatory fee on Industry Members.

The Exchange believes the proposed fees established pursuant to the CAT Funding Model promote just and equitable principles of trade, and, in general, protect investors and the public interest, and are provided in a transparent manner and with specificity in the fee schedule. The Exchange also believes that the proposed fees are reasonable because they would provide ease of calculation, ease of billing and other administrative functions, and predictability of a fee based on fixed rate per executed equivalent share. Such factors are crucial to estimating a reliable revenue stream for CAT LLC and for permitting Exchange members to reasonably predict their payment obligations for budgeting purposes.

B. Self-Regulatory Organization's Statement on Burden on Competition

Section 6(b)(8) of the Act¹⁸¹ requires that the Exchange's rules not impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Exchange Act. The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that CAT Fee 2025–2 implements provisions of the CAT NMS Plan that were approved by the Commission and is designed to assist the Exchange in meeting its regulatory obligations pursuant to the Plan.

In addition, all Participants (including exchanges and FINRA) are proposing to introduce CAT Fee 2025–2 on behalf of CAT LLC to implement the requirements of the CAT NMS Plan. Therefore, this is not a competitive fee filing, and, therefore, it does not raise competition issues between and among the Participants.

Furthermore, in approving the CAT Funding Model, the SEC analyzed the potential competitive impact of the CAT Funding Model, including competitive issues related to market services, trading services and regulatory services, efficiency concerns, and capital formation.¹⁸² The SEC also analyzed the potential effect of CAT fees calculated

pursuant to the CAT Funding Model on affected categories of market participants, including Participants (including exchanges and FINRA), Industry Members (including subcategories of Industry Members, such as alternative trading systems, CAT Executing Brokers and market makers), and investors generally, and considered market effects related to equities and options, among other things. Based on this analysis, the SEC approved the CAT Funding Model as compliant with the Exchange Act. CAT Fee 2025–2 is calculated and implemented in accordance with the CAT Funding Model as approved by the SEC.

As discussed above, each of the inputs into the calculation of CAT Fee 2025–2 is reasonable and the resulting fee rate for CAT Fee 2025–2 calculated in accordance with the CAT Funding Model is reasonable. Therefore, CAT Fee 2025–2 would not impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Exchange Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸³ and paragraph (f)(2) of Rule 19b–4 thereunder.¹⁸⁴ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–SAPPHIRE–2025–25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–SAPPHIRE–2025–25. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<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–SAPPHIRE–2025–25 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸⁵

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025–12815 Filed 7–9–25; 8:45 am]

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¹⁸¹ 15 U.S.C. 78f(b)(8).

¹⁸² CAT Funding Model Approval Order at 62676–86.

¹⁸³ 15 U.S.C. 78s(b)(3)(A).

¹⁸⁴ 17 CFR 240.19b–4(f)(2).

¹⁸⁵ 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103396; File No. SR-Phlx-2025-25]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Phlx Options 7, Section 4

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2025, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Phlx’s Pricing Schedule at Options 7, Section 4, “Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A)” to amend certain Qualified Contingent Cross (“QCC”) rebates.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/phlx/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

Phlx proposes to amend its Pricing Schedule at Options 7, Section 4, “Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A).” Specifically, Phlx proposes to amend its QCC Rebates.

Today, the Exchange assesses a \$.20 per contract QCC Transaction Fee for a Lead Market Maker,³ Market Maker,⁴ Firm⁵ and Broker-Dealer.⁶ Customers⁷ and Professionals⁸ are not assessed a QCC Transaction Fee. QCC Transaction Fees apply to electronic QCC Orders⁹ and Floor QCC Orders.¹⁰

³ The term “Lead Market Maker” applies to transactions for the account of a Lead Market Maker (as defined in Options 2, Section 12(a)). A Lead Market Maker is an Exchange member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a). An options Lead Market Maker includes a Remote Lead Market Maker which is defined as an options Lead Market Maker in one or more classes that does not have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Options 2, Section 11. See Options 7, Section 1(c). The term “Floor Lead Market Maker” is a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a) and has a physical presence on the Exchange’s trading floor. See Options 8, Section 2(a)(3).

⁴ The term “Market Maker” is defined in Options 1, Section 1(b)(28) as a member of the Exchange who is registered as an options Market Maker pursuant to Options 2, Section 12(a). A Market Maker includes SQTs and RSQTs as well as Floor Market Makers. See Options 7, Section 1(c). The term “Floor Market Maker” is a Market Maker who is neither an SQT or an RSQT. A Floor Market Maker may provide a quote in open outcry. See Options 8, Section 2(a)(4).

⁵ The term “Firm” applies to any transaction that is identified by a member or member organization for clearing in the Firm range at The Options Clearing Corporation. See Options 7, Section 1(c).

⁶ The term “Broker-Dealer” applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Options 7, Section 1(c).

⁷ The term “Customer” applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation (“OCC”) which is not for the account of a broker or dealer or for the account of a “Professional” (as that term is defined in Options 1, Section 1(b)(45)). See Options 7, Section 1(c).

⁸ The term “Professional” applies to transactions for the accounts of Professionals, as defined in Options 1, Section 1(b)(45) means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Options 7, Section 1(c).

⁹ Electronic QCC Orders are described in Options 3, Section 12.

¹⁰ Floor QCC Orders are described in Options 8, Section 30(e).

Today, Phlx pays various QCC Rebates based on certain criteria. Today, the Exchange pays a QCC Rebate of \$0.12 per contract on electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. Today, the Exchange also pays a rebate of \$0.17 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. Additionally, today, the Exchange pays a QCC Rebate of \$0.22 per contract in the event that a member or member organization executes (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization’s QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

Also, today, the Exchange pays a QCC Rebate of \$0.14 per contract on electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. The Exchange pays a rebate of \$0.19 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. The Exchange pays a rebate of \$0.27 per contract in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization’s QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

Today, these QCC rebates are paid to Floor Brokers on all qualifying executed electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), except where the transaction is either: (i) Customer-to-Customer; (ii)

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Customer-to-Professional; (iii) Professional-to-Professional or (iv) a dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions (as defined in Options 7, Section 4). Further, today, volume resulting from all executed electronic QCC Orders and Floor QCC Orders, including Customer-to-Customer, Customer-to-Professional, and Professional-to-Professional transactions and excluding dividend, merger, short stock interest or reversal or conversion strategy executions, is aggregated in determining the applicable member or member organization qualifying QCC contract volume in a given month.

Proposal

At this time, the Exchange proposes to amend the aforementioned rebate to pay a higher rebate when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.. In this case, the Exchange proposes to pay a rebate of \$0.30 per contract (instead of \$0.27 per contract) in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

The Exchange is not otherwise proposing to amend the other rebates and would continue to pay QCC Rebates on all qualifying executed electronic QCC Orders and Floor QCC Orders as described herein.

The Exchange proposal to increase the rebate from \$0.27 to \$0.30 per contract will encourage Phlx members and member organizations to transact a greater number of QCC Orders on the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹² in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges

among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹³

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹⁴ (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.¹⁵ As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”¹⁶

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ . . .”¹⁷ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The Exchange’s proposal to increase a QCC Rebate to \$0.30 per contract (as compared to \$0.27 per contract) when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-

Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, provided the qualifications¹⁸ are met is reasonable because the increase rebate will encourage Phlx members and member organizations to transact a greater number of qualifying QCC contracts and Floor Originated Strategy Executions on Phlx.

The Exchange’s proposal to increase a QCC Rebate to \$0.30 per contract (as compared to \$0.27 per contract) when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, provided the qualifications¹⁹ are met is equitable and not unfairly discriminatory because all members and member organizations may qualify for QCC Rebates, provided they transact the requisite volume. Further, the proposed higher rebate of \$0.30 per contract, when the QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, is equitable and not unfairly discriminatory because the Exchange assesses a QCC Transaction Fee of \$0.20 per contract for Lead Market Makers, Market Makers, Firms and Broker-Dealers and does not assess a QCC Transaction Fee on Customers and Professionals. The current rebate of \$0.22 per contract, when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, is lower as compared to the proposed \$0.30 per contract rebate because Customers and Professionals do not pay a QCC Transaction Fee whereas Lead Market Makers, Market Makers, Broker-Dealers, and Firms pay a \$0.20 per contract QCC Transaction Fee.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not

¹³ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁴ *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

¹⁵ See *NetCoalition*, at 534–535.

¹⁶ *Id.* at 537.

¹⁷ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

¹⁸ The proposed \$0.30 per contract rebate would apply in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization’s QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

¹⁹ See *id.*

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

necessary or appropriate in furtherance of the purposes of the Act.

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants with another choice of where to transact options. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-Market Competition

In terms of intra-market competition, the Exchange's proposal to increase a QCC Rebate to \$0.30 per contract (as compared to \$0.27 per contract) when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, provided the qualifications²⁰ are met does not impose an undue burden on intra-market competition because all members and member organizations may qualify for QCC Rebates, provided they transact the requisite volume. Further, the proposed higher rebate of \$0.30 per contract, when the QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, is equitable and not unfairly discriminatory because the Exchange assesses a QCC Transaction Fee of \$0.20 per contract for Lead Market Makers, Market Makers, Firms and Broker-Dealers and does not assess a QCC Transaction Fee on Customers and Professionals. The current rebate of \$0.22 per contract, when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, is lower as compared to the

proposed \$0.30 per contract rebate because Customers and Professionals do not pay a QCC Transaction Fee whereas Lead Market Makers, Market Makers, Broker-Dealers, and Firms pay a \$0.20 per contract QCC Transaction Fee.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2025-25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-Phlx-2025-25. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<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-Phlx-2025-25 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12812 Filed 7-9-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103393; File No. SR-CboeBZX-2025-048]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Instituting 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 Fidelity Solana Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares

July 7, 2025.

I. Introduction

On March 25, 2025, Cboe BZX Exchange, Inc. ("BZX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares ("Shares") of the Fidelity Solana Fund

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

²⁰ See *id.*

²¹ 15 U.S.C. 78s(b)(3)(A)(ii).

(“Trust”) under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. On April 1, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the original filing in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on April 9, 2025.³

On May 19, 2025, pursuant to Section 19(b)(2) of the Act,⁴ 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.⁵ This order institutes proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

II. Summary of the Proposal, as Modified by Amendment No. 1

As described in more detail in the Notice,⁷ the Exchange proposes to list and trade the Shares of the Trust under BZX Rule 14.11(e)(4), which governs the listing and trading of Commodity-Based Trust Shares on the Exchange.

The investment objective of the Trust is to seek to track the performance of Solana (“SOL”),⁸ as measured by the Fidelity Solana Reference Rate (“Index”), adjusted for the Trust’s expenses and other liabilities.⁹ In seeking to achieve its investment objective, the Trust will hold SOL and will value its Shares daily as of 4:00 p.m. ET using the same methodology used to calculate the Index.¹⁰ The Trust’s assets will only consist of SOL, cash, and cash equivalents.¹¹ When the

Trust creates or redeems its Shares, it will do so in cash and in-kind transactions with authorized participants in blocks of Shares.¹² The Sponsor may stake, or cause to be staked, all or a portion of the Trust’s SOL through one or more trusted staking providers and, in consideration for any staking activity in which the Trust may engage, the Trust would receive all or a portion of the staking rewards generated through staking activities.¹³

III. Proceedings to Determine Whether To Approve or Disapprove SR–CboeBZX–2025–048 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act¹⁴ to determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide comments on the proposed rule change, as modified by Amendment No. 1.

Pursuant to Section 19(b)(2)(B) of the Act,¹⁵ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change’s consistency with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices” and “to protect investors and the public interest.”¹⁶

The Commission asks that commenters address the sufficiency of the Exchange’s statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the proposal to list and trade Shares of the Trust, which would hold SOL, is designed to prevent fraudulent and manipulative acts and practices or raises any new or novel

concerns not previously contemplated by the Commission.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal, as modified by Amendment No. 1, is consistent with Section 6(b)(5) or any other provision of the Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.¹⁷

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved by July 31, 2025. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by August 14, 2025.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–CboeBZX–2025–048 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–2025–048. 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/>

³ See Securities Exchange Act Release No. 102764 (Apr. 3, 2025), 90 FR 15266 (“Notice”). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-cboebzx-2025-048/sr-cboebzx2025048.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 103067, 90 FR 22127 (May. 23, 2025). The Commission designated July 8, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change, as modified by Amendment No. 1.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Notice, *supra* note 3.

⁸ The Exchange states that SOL is a digital asset that is created and transmitted through the operations of the peer-to-peer Solana Network, a decentralized network of computers that operates on cryptographic protocols. See *id.* at 15267.

⁹ See *id.* at 15269. FD Funds Management LLC (“Sponsor”) is the sponsor of the Trust, CSC Delaware Trust Company is the trustee, and a third-party custodian will be responsible for custody of the Trust’s SOL. See *id.* at 15266, 15268–69.

¹⁰ See *id.* at 15269.

¹¹ See *id.*

¹² See *id.*

¹³ See *id.*

¹⁴ 15 U.S.C. 78s(b)(2)(B).

¹⁵ *Id.*

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

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-2025-048 and should be submitted on or before July 31, 2025. Rebuttal comments should be submitted by August 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12814 Filed 7-9-25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103391; File No. SR-GEMX-2025-15]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Lower the Options Regulatory Fee (ORF)

July 7, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2025, Nasdaq GEMX, LLC ("GEMX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit

comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to decrease GEMX's Options Regulatory Fee or "ORF."

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on August 1, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/gemx/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

GEMX proposes to decrease its ORF at Options 7, Section 5 from \$0.0012 to \$0.0009 per contract side effective August 1, 2025.

Background on Current ORF

Today, GEMX assesses its ORF for each Customer option transaction that is either: (1) executed by a Member³ on GEMX; or (2) cleared by an GEMX Member at OCC in the Customer range, even if the transaction was executed by a non-Member of GEMX, regardless of the exchange on which the transaction occurs.⁴ If the OCC clearing member is

an GEMX Member, ORF is assessed and collected on all ultimately cleared Customer contracts (after adjustment for CMTA⁵); and (2) if the OCC clearing member is not an GEMX Member, ORF is collected only on the cleared Customer contracts executed at GEMX, taking into account any CMTA instructions which may result in collecting the ORF from a non-Member.⁶ The current GEMX ORF is \$0.0012 per contract side.

Today, in the case where a Member both executes a transaction and clears the transaction, the ORF will be assessed to and collected from that Member. Today, in the case where a Member executes a transaction and a different Member clears the transaction, the ORF will be assessed to and collected from the Member who clears the transaction and not the Member who executes the transaction. Today, in the case where a non-Member executes a transaction at an away market and a Member clears the transaction, the ORF will be assessed to and collected from the Member who clears the transaction. Today, in the case where a Member executes a transaction on GEMX and a non-Member clears the transaction, the ORF will be assessed to the Member that executed the transaction on GEMX and collected from the non-Member who cleared the transaction. Today, in the case where a Member executes a transaction at an away market and a non-Member ultimately clears the transaction, the ORF will not be assessed to the Member who executed the transaction or collected from the non-Member who cleared the transaction because the Exchange does not have access to the data to make absolutely certain that ORF should apply. Further, the data does not allow the Exchange to identify the Member executing the trade at an away market.

ORF Revenue and Monitoring of ORF

Today, the Exchange monitors the amount of revenue collected from the ORF ("ORF Regulatory Revenue") to

⁵ CMTA or Clearing Member Trade Assignment is a form of "give-up" whereby the position will be assigned to a specific clearing firm at OCC.

⁶ By way of example, if Broker A, an GEMX Member, routes a Customer order to CBOE and the transaction executes on CBOE and clears in Broker A's OCC Clearing account, ORF will be collected by GEMX from Broker A's clearing account at OCC via direct debit. While this transaction was executed on a market other than GEMX, it was cleared by an GEMX Member in the member's OCC clearing account in the Customer range, therefore there is a regulatory nexus between GEMX and the transaction. If Broker A was not an GEMX Member, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on GEMX nor was it cleared by an GEMX Member.

¹⁸ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "Member" means an organization that has been approved to exercise trading rights associated with Exchange Rights. See General 1, Section 1(a)(13).

⁴ The Exchange uses reports from OCC when assessing and collecting the ORF. Market participants must record the appropriate account origin code on all orders at the time of entry of the order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.

ensure that it, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs.⁷ In determining whether an expense is considered an Options Regulatory Cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset Options Regulatory Cost.

ORF Regulatory Revenue, when combined with all of the Exchange's other regulatory fees and fines, is designed to recover the Options Regulatory Costs to the Exchange of the supervision and regulation of member Customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Options Regulatory Costs include direct regulatory expenses and certain indirect expenses in support of the regulatory function. The direct expenses include in-house and third-party service provider costs to support the day-to-day regulatory work such as surveillance, investigations and examinations. The indirect expenses are only those expenses that are in support of the regulatory functions, such areas include Office of the General Counsel, technology, finance, and internal audit. Indirect expenses will not exceed 35% of the total Options Regulatory Costs, in which case direct expenses could be 65% or more of total Options Regulatory Costs.⁸

Proposal for August 1, 2025

At this time, the Exchange proposes to decrease GEMX's ORF from \$0.0012 to \$0.0009 per contract side, effective August 1, 2025, as a result of a decrease to its FINRA Regulatory Services Agreement ("RSA") fees. Recently, the Exchange amended its FINRA RSA resulting in less cost to the Exchange thereby impacting Options Regulatory Costs.

GEMX notes that there can be no assurance that the Options Regulatory Costs for the remainder of 2025 will not differ materially from these expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at the current level going forward. The Exchange notes however, that when combined with

regulatory fees and fines, the ORF Regulatory Revenue that may be generated utilizing an ORF rate of \$0.0012 per contract side may result in ORF Regulatory Revenue which exceeds the Exchange's estimated Options Regulatory Costs for 2025. The Exchange therefore proposes to reduce its ORF to \$0.0009 per contract side to ensure that ORF Regulatory Revenue does not exceed the Exchange's estimated Options Regulatory Costs in 2025. Particularly, the Exchange believes that reducing the ORF when combined with all of the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering its Options Regulatory Costs, while lessening the potential for generating excess revenue that may otherwise occur using the rate of \$0.0012 per contract side.⁹ The Exchange notified Members of the proposed decrease to the ORF through an Options Trader Alert.¹⁰

The Exchange will continue to monitor the amount of ORF Regulatory Revenue collected from the ORF to ensure that ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed Options Regulatory Costs. If the Exchange determines that to be the case, the Exchange will adjust the ORF by submitting a fee change filing to the Commission and notifying¹¹ its Members via an Options Trader Alert.¹²

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁴ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its

facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed reduction of ORF is reasonable because it would help ensure that ORF Regulatory Revenue does not exceed a material portion of the Exchange's ORF Regulatory Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's ORF Regulatory Costs. Further, the Exchange believes the proposed fee change is reasonable because Customer transactions will be subject to a lower ORF than the rate that would otherwise be in effect on August 1, 2025.

The Exchange had designed the ORF to generate ORF Regulatory Revenue that would be less than the amount of the Exchange's ORF Regulatory Costs to ensure that it, in combination with its other regulatory fees and fines, does not exceed ORF Regulatory Costs, which is consistent with the view of the Commission that regulatory fees be used for regulatory purposes and not to support the Exchange's business operations. As discussed above, however, after review of its ORF Regulatory Costs and ORF Regulatory Revenue, which includes revenues from ORF and other regulatory fees and fines, the Exchange determined that absent a reduction in ORF it may collect ORF Regulatory Revenue which would exceed its ORF Regulatory Costs. Indeed, the Exchange notes that when taking into account the lower cost resulting from the amended FINRA RSA, it estimates the ORF may generate ORF Regulatory Revenue that would cover more than the approximated Exchange's projected ORF Regulatory Costs. As such, the Exchange believes it's reasonable and appropriate to reduce the ORF amount from \$0.0012 to \$0.0009 per contract side.

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all Members on all their transactions that clear in the Customer range at OCC.¹⁶ The Exchange believes the ORF ensures fairness by assessing

⁷ The regulatory costs for options comprise a subset of the Exchange's regulatory budget that is specifically related to options regulatory expenses and encompasses the cost to regulate all Members' options activity ("Options Regulatory Cost").

⁸ Direct and indirect expenses are based on the Exchange's 2025 Regulatory Budget.

⁹ The Exchange notes that its regulatory responsibilities with respect to Member compliance with options sales practice rules have largely been allocated to FINRA under a 17d-2 agreement. The ORF is not designed to cover the cost of that options sales practice regulation.

¹⁰ See Options Trader Alert #2025-27.

¹¹ The Exchange will provide Members with such notice at least 30 calendar days prior to the effective date of the change.

¹² The Exchange notes that in connection with this proposal, it provided the Commission confidential details regarding the Exchange's projected regulatory revenue, including projected revenue from ORF, along with a projected regulatory expense.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ If the OCC clearing member is a GEMX Member, ORF will be assessed and collected on all cleared Customer contracts (after adjustment for CMTA); and (2) if the OCC clearing member is not a GEMX Member, ORF will be collected only on the cleared Customer contracts executed at GEMX, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

higher fees to those Members that require more Exchange regulatory services based on the amount of Customer options business they conduct. Regulating Customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-Customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (e.g., staff expenses), as well as investigations into Customer complaints and the terminations of registered persons. As a result, the costs associated with administering the Customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-Customer component of its regulatory program. Moreover, the Exchange notes that it has broad regulatory responsibilities with respect to activities of its Members, a small portion of which takes place on away exchanges. Indeed, the Exchange cannot effectively review for such conduct without looking at and evaluating activity regardless of where it transpires. In addition to its own surveillance programs, the Exchange also works with other SROs and exchanges on intermarket surveillance related issues. Through its participation in the Intermarket Surveillance Group ("ISG")¹⁷ the Exchange shares information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange's regulatory activities with respect to Customer trading activity of its Members.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because ORF applies to all customer activity, thereby raising ORF Regulatory Revenue to offset Options Regulatory Cost. It also supplements the

regulatory revenue derived from non-customer activity. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of ORF Regulatory Revenue collected from the ORF, in combinations with its other regulatory fees and fines, does not exceed Options Regulatory Cost.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸ and paragraph (f) of Rule 19b-4¹⁹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-GEMX-2025-15 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-GEMX-2025-15. 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-GEMX-2025-15 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12816 Filed 7-9-25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103394; File No. SR-NYSEARCA-2025-45]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of the Truth Social Bitcoin and Ethereum ETF, B.T. Under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares)

July 9, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934

¹⁷ ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the self-regulatory organizations by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG's information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f).

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

(“Act”)² and Rule 19b–4 thereunder,³ notice is hereby given that, on June 24, 2025, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the following under NYSE Arca Rule 8.201–E: Truth Social Bitcoin and Ethereum ETF, B.T. (the “Trust”). The proposed rule change is available on the Exchange’s website at www.nyse.com, 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 self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

Under NYSE Arca Rule 8.201–E, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges “Commodity-Based Trust Shares.”⁴ The Exchange proposes to list and trade shares (the “Shares”) of the Trust pursuant to NYSE Arca Rule 8.201–E.⁵

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ Commodity-Based Trust Shares are securities issued by a trust that represent investors’ discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust.

⁵ The Trust expects to file a registration statement on Form S–1 under the Securities Act (the “Registration Statement”). The descriptions of the Trust and Shares contained herein are based, in part, on a draft of the Registration Statement. The

The sponsor of the Trust is Yorkville America Digital, LLC (the “Sponsor”), a Florida limited liability company.

The Trust is a Nevada business trust that operates pursuant to a trust agreement (the “Trust Agreement”) between the Sponsor and the trustee for the Trust (the “Trustee”).

The custodian for the Trust’s bitcoin and ether is Foris DAX Trust Company, LLC (the “Bitcoin and Ether Custodian”). The custodian for the Trust’s cash is referred to here as the “Cash Custodian,” the administrator and transfer agent of the Trust as the “Transfer Agent” and its administrator as the “Trust Administrator.”

Each Share issued by the Trust represents a fractional undivided beneficial interest in the net assets of the Trust. The assets of the Trust consist primarily of bitcoin and ether held by the Bitcoin and Ether Custodian on behalf of the Trust.⁶ As provided for in the Trust Agreement, the Trust’s allocation of its assets to bitcoin and ether (the “allocation ratio”) is initially expected to approximate a three-to-one ratio of the value of the bitcoin held by the Trust to the value of the ether held by the Trust. Any change to the allocation ratio will require an amendment to the Trust Agreement. Additionally, upon any amendment of the Trust Agreement to change the allocation ratio, the Trust will notify Shareholders in a prospectus supplement, in its periodic reports filed pursuant to the requirements of the Exchange Act and/or on the Trust’s website.

Investment Objective

According to the Registration Statement, the Trust is a passive investment vehicle that seeks to reflect

Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

⁶ From time to time, the Trust may be entitled to, or come into possession of rights to acquire, or otherwise establish dominion and control over, any virtual currency (for avoidance of doubt, other than bitcoin and ether) or other asset or right, which rights are incident to the Trust’s ownership of bitcoin and/or ether and arise without any action of the Trust, or of the Sponsor on behalf of the Trust (“Incidental Rights”) and/or virtual currency tokens, or other assets or rights, acquired by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right (“IR Digital Assets”) by virtue of its ownership of bitcoin and/or ether, generally through a fork in the Bitcoin Blockchain or the Ethereum Blockchain, an airdrop offered to holders of bitcoin or ether, or other similar event. With respect to a fork, airdrop or similar event, the Sponsor will cause the Trust to permanently and irrevocably abandon the Incidental Rights and IR Digital Assets. In the event the Trust seeks to change this position, the Exchange would file a subsequent proposed rule change with the Commission.

generally the performance of the price of bitcoin and ether. The Trust seeks to reflect such performance before payment of the Trust’s expenses and liabilities. The Shares are intended to constitute a simpler means of making an investment similar to an investment in bitcoin and ether rather than by acquiring, holding and trading bitcoin and ether directly on a peer-to-peer or other basis or via a digital asset trading platform. The Shares have been designed to remove the obstacles represented by the complexities and operational burdens involved in a direct investment in bitcoin and ether, while at the same time having an intrinsic value that reflects, at any given time, the investment exposure to the bitcoin and ether owned by the Trust at such time, less the Trust’s expenses and liabilities. Although the Shares are not the exact equivalent of a direct investment in bitcoin and ether, they provide investors with an alternative method of achieving investment exposure to bitcoin and ether through the securities market, which may be more familiar to them.

Custody of the Trust’s Bitcoin and Ether

The Bitcoin and Ether Custodian will keep custody of all of the Trust’s bitcoin and ether, other than that which is maintained in a trading account (the “Trading Balance”) with Foris DAX, Inc., the prime execution agent for the Trust (the “Prime Execution Agent”), in accounts that are required to be segregated from the assets held by the Bitcoin and Ether Custodian as principal and the assets of its other customers (the “Vault Balance”). Except to the extent required to facilitate any Staking (as defined herein) activities, the Bitcoin and Ether Custodian will keep all of the private keys associated with the Trust’s bitcoin and ether held by the Bitcoin and Ether Custodian in the Vault Balance in “cold storage,” which refers to a safeguarding method by which the private keys corresponding to the Trust’s bitcoin and ether are generated and stored in an offline manner using computers or devices that are not connected to the internet, which is intended to make them more resistant to hacking.

The Sponsor represents that it will maintain ownership and control of the Trust’s bitcoin and ether in a manner consistent with good delivery requirements for spot commodity transactions.

Valuation of Bitcoin and Ether and Determination of NAV

The net asset value of the trust (the “NAV”) will be equal to the total assets of the Trust, which will consist solely

of bitcoin, ether and cash, less total liabilities of the Trust.

In determining the NAV, the Trust Administrator values the bitcoin held by the Trust based on the CME CF Bitcoin Reference Rate—New York Variant (the “Bitcoin Pricing Benchmark”) and the ether held by the Trust based on the CME CF Ether Reference Rate—New York Variant (the “Ether Pricing Benchmark,” and, together with the Bitcoin Pricing Benchmark, the “Pricing Benchmarks”), unless otherwise determined by the Sponsor in its sole discretion. If either Pricing Benchmark is not available or the Sponsor determines, in its sole discretion, that a Pricing Benchmark should not be used, the Trust’s holdings may be fair valued in accordance with policies approved by the Sponsor. If a Pricing Benchmark is not used, the Trust will notify the Exchange and its shareholders (“Shareholders”) in a prospectus supplement, in its periodic Exchange Act reports and/or on the Trust’s website.

On each day other than a day when NYSE Arca is closed for trading (“Business Day”) at 4:00 p.m. E.T., or as soon thereafter as practicable, the Trust Administrator will evaluate the bitcoin and ether held by the Trust as reflected by the applicable Pricing Benchmark and determine the NAV and net asset value per Share (“NAV per Share”) of the Trust.

According to the Registration Statement, the Pricing Benchmarks are designed based on the IOSCO Principles for Financial Benchmarks and are registered benchmarks under the U.K. Benchmark Regulations (“BMR”). The administrator of the Pricing Benchmarks is CF Benchmarks Ltd. (the “Index Administrator”), a U.K. incorporated company, authorized and regulated by the U.K. Financial Conduct Authority (the “FCA”) as a benchmark administrator, under U.K. BMR.

The Pricing Benchmarks are subject to the U.K. BMR regulations, compliance with which has been subject to a Limited Assurance Audit under the ISAE 3000 standard as of September 12, 2022, and are administered under the CF Benchmarks Control Framework to ensure compliance with U.K. BMR regulations.

According to the Registration Statement, the constituent platforms of the Pricing Benchmarks (the “Constituent Platforms”), as further described below, are selected by the Oversight Committee of the Index Administrator (the “Oversight Committee”). A trading platform is eligible as a Constituent Platform if it offers a market that facilitates the spot

trading of the relevant crypto base asset against the corresponding quote asset, including markets where the quote asset is made fungible with accepted assets and makes trade data and order data available through an API with sufficient reliability, detail and timeliness, in the opinion of the Oversight Committee.

The Bitcoin Pricing Benchmark

The Bitcoin Pricing Benchmark serves as a once-a-day benchmark rate of the U.S. dollar price of bitcoin (“USD/BTC”), calculated as of 4:00 p.m. E.T. The Bitcoin Pricing Benchmark aggregates the trade flow of several bitcoin platforms, during an observation window between 3:00 p.m. and 4:00 p.m. E.T. into the U.S. dollar price of one bitcoin at 4:00 p.m. E.T. Specifically, the Bitcoin Pricing Benchmark is calculated based on the “Relevant Bitcoin Transactions” (as defined below) of all of its constituent bitcoin platforms (collectively, the “Bitcoin Constituent Platforms”), which may change from time to time. A “Relevant Bitcoin Transaction” is any crypto asset versus U.S. dollar spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. E.T. on a Bitcoin Constituent Platform in the USD/BTC pair that is reported and disseminated by a Bitcoin Constituent Platform through its publicly available Application Programming Interface (“API”) and observed by the Index Administrator. The Bitcoin Pricing Benchmark is calculated based on the Relevant Bitcoin Transactions on the Bitcoin Constituent Platforms, as follows:

- All Relevant Bitcoin Transactions are added to a joint list, recording the time of execution and trade price for each transaction;
- The list is partitioned by timestamp into 12 equally sized time intervals of five minutes in length;
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Bitcoin Transactions, *i.e.*, across all Bitcoin Constituent Platforms; and
- The Bitcoin Pricing Benchmark is then determined by the equally weighted average of the volume medians of all partitions.

As of March 31, 2025, the Bitcoin Constituent Platforms were as follows:

- *Crypto.com*: Foris DAX, Inc. d/b/a *Crypto.com* is a U.S.-based platform that is registered as a money services business (“MSB”) with the U.S. Department of Treasury’s Financial Crimes Enforcement Network (“FinCEN”) and licensed as a money transmitter in more than 40 states.

- *Bitstamp*: A U.K.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the New York Department of Financial Services (“NYDFS”) BitLicense regulation, as well as a money transmitter in various U.S. states.

- *Bullish*: A Gibraltar-based platform operated by Bullish (GI) Limited and regulated by the Gibraltar Financial Services Commission (“GFSC”) as a distributed ledger technology (“DLT”) provider for execution and custody services.

- *Coinbase*: A U.S.-based platform registered as an MSB with FinCEN and licensed as a virtual currency business under the NYDFS BitLicense regulation, as well as a money transmitter in various U.S. states.

- *Gemini*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. Gemini is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.

- *itBit*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. itBit is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.

- *Kraken*: A U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states. Kraken is also registered with the FCA and is authorized by the Central Bank of Ireland as a virtual asset service provider. Kraken also holds a variety of other licenses and regulatory approvals, including those from the Japan Financial Services Agency and the Canadian Securities Administrators.

- *LMAX Digital*: A Gibraltar-based platform registered as an MSB with FinCEN and regulated by the GFSC as a DLT provider for execution and custody services. LMAX Digital is part of LMAX Group, a U.K.-based operator of an FCA-regulated multilateral trading facility and broker-dealer.

The Ether Pricing Benchmark

The Ether Pricing Benchmark serves as a once-a-day benchmark rate of the U.S. dollar price of ether (“USD/ETH”), calculated as of 4:00 p.m. E.T. The Ether Pricing Benchmark aggregates the trade flow of several ether platforms, during an observation window between 3:00 p.m. and 4:00 p.m. E.T. into the U.S. dollar price of one ether at 4:00 p.m. E.T. Specifically, the Ether Pricing Benchmark is calculated based on the “Relevant Ether Transactions” (as defined below) of all of its constituent ether platforms (collectively, the “Ether Constituent Platforms”) and, together

with the Bitcoin Constituent Platforms, the “Constituent Platforms”), which may change from time to time. A “Relevant Ether Transaction” is any cryptocurrency versus U.S. dollar spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. E.T. on an Ether Constituent Platform in the USD/ETH pair that is reported and disseminated by an Ether Constituent Platform through its publicly available API and observed by the Index Administrator. The Ether Pricing Benchmark is calculated based on the Relevant Ether Transactions of all of its Ether Constituent Platforms, as follows:

- All Relevant Ether Transactions are added to a joint list, recording the time of execution and trade price for each transaction.
- The list is partitioned by timestamp into 12 equally sized time intervals of five minutes in length.
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Ether Transactions, *i.e.*, across all Ether Constituent Platforms.
- The Ether Pricing Benchmark is then determined by the equally weighted average of the volume medians of all partitions.

As of March 31, 2025, the Ether Constituent Platforms were as follows:

- *Crypto.com*: Foris DAX, Inc. d/b/a *Crypto.com* is a U.S.-based platform that is registered as an MSB with FinCEN and licensed as a money transmitter in more than 40 states.
- *Bitstamp*: A U.K.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the NYDFS BitLicense regulation, as well as a money transmitter in various U.S. states.
- *Coinbase*: A U.S.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the NYDFS BitLicense regulation and licensed as a money transmitter in various U.S. states.
- *Gemini*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. Gemini is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *itBit*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. itBit is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *Kraken*: A U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states. Kraken is also

registered with the FCA and is authorized by the Central Bank of Ireland as a virtual asset service provider. Kraken also holds a variety of other licenses and regulatory approvals, including those from the Japan Financial Services Agency and the Canadian Securities Administrators.

- *LMAX Digital*: A Gibraltar-based platform registered as an MSB with FinCEN and regulated by the GFSC as a DLT provider for execution and custody services. LMAX Digital is part of LMAX Group, a U.K.-based operator of an FCA-regulated multilateral trading facility and broker-dealer.

Bitcoin and the Bitcoin Network

Bitcoin is a digital asset that is created and transmitted through the operations of the peer-to-peer network (the “Bitcoin Network”), a decentralized network of computers that operates pursuant to cryptographic protocols. No single entity owns or operates the Bitcoin Network, the infrastructure of which is collectively maintained by its user base. The Bitcoin Network allows people to exchange tokens of value, called bitcoin, which are recorded on a public transaction ledger known as the “Bitcoin Blockchain.” Bitcoin can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on bitcoin platforms that enable trading in bitcoin or in individual end-user-to-end-user transactions under a barter system.

The Bitcoin Network is commonly understood to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of bitcoin. Rather, bitcoin is created and allocated by the Bitcoin Network’s cryptographic protocols through a “mining” process. The value of bitcoin is determined by the supply of and demand for bitcoin on bitcoin platforms or in private end-user-to-end-user transactions.

New bitcoin are created and rewarded to the miners of a block in the Bitcoin Blockchain for verifying transactions. The Bitcoin Blockchain is a shared database that includes all blocks that have been added by miners, and it is updated to include new blocks as they are added. Each bitcoin transaction is broadcast to the Bitcoin Network and, when included in a block, recorded in the Bitcoin Blockchain. As each new block records outstanding bitcoin transactions, and outstanding transactions are settled and validated through such recording, the Bitcoin Blockchain represents a complete,

transparent and unbroken history of all transactions of the Bitcoin Network.

Overview of the Bitcoin Network’s Operations

In order to own, transfer or use bitcoin directly on the Bitcoin Network (as opposed to through an intermediary, such as a trading platform), a person generally must have internet access to connect to the Bitcoin Network. Bitcoin transactions may be made directly between end users without the need for a third-party intermediary. To prevent the possibility of double-spending bitcoin, a user must notify the Bitcoin Network of the transaction by broadcasting the transaction data to its network peers. The Bitcoin Network provides confirmation against double-spending by memorializing every transaction in the Bitcoin Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending is accomplished through the Bitcoin Network mining process, which adds “blocks” of data, including recent transaction information, to the Bitcoin Blockchain.

Overview of Bitcoin Transfers

Prior to engaging in bitcoin transactions directly on the Bitcoin Network, a user generally must first install on its computer or mobile device a Bitcoin Network software program that will allow the user to generate a private and public key pair associated with a bitcoin address commonly referred to as a “wallet.” The Bitcoin Network software program and the bitcoin address also enable the user to connect to the Bitcoin Network and transfer bitcoin to, and receive bitcoin from, other users.

Each Bitcoin Network address, or wallet, is associated with a unique “public key” and “private key” pair. To receive bitcoin, the bitcoin recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient’s account. The payor approves the transfer to the address provided by the recipient by “signing” a transaction that consists of the recipient’s public key with the private key of the address from where the payor is transferring the bitcoin. The recipient, however, does not make public or provide to the sender its related private key.

Neither the recipient nor the sender reveals its private keys in a transaction because the private key authorizes transfer of the funds in that address to

other users. Therefore, if a user loses his private key, the user may permanently lose access to the bitcoin contained in the associated address. When sending bitcoin, a user's Bitcoin Network software program must validate the transaction with the associated private key. The resulting digitally validated transaction is sent by the user's Bitcoin Network software program to the Bitcoin Network to allow transaction confirmation.

Some bitcoin transactions are conducted "off-blockchain" and are therefore not recorded in the Bitcoin Blockchain. Some "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding bitcoin or the reallocation of ownership of certain bitcoin in a digital wallet containing assets owned by multiple persons, such as a digital wallet maintained by a digital asset trading platform. In contrast to on-blockchain transactions, which are publicly recorded on the Bitcoin Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Off-blockchain transactions do not involve the transfer of transaction data on the Bitcoin Network and do not reflect a movement of bitcoin between addresses recorded in the Bitcoin Blockchain. For these reasons, off-blockchain transactions are subject to risks as any such transfer of bitcoin ownership is not protected by the protocol behind the Bitcoin Network or recorded in, and validated through, the blockchain mechanism.

Summary of a Bitcoin Transaction

In a bitcoin transaction directly on the Bitcoin Network between two parties (as opposed to through an intermediary, such as a platform or a custodian), the following circumstances must initially be in place: (i) the party seeking to send bitcoin must have a Bitcoin Network public key, and the Bitcoin Network must recognize that public key as having sufficient bitcoin for the transaction; (ii) the receiving party must have a Bitcoin Network public key; and (iii) the spending party must have internet access with which to send its spending transaction.

The receiving party must provide the spending party with its public key and allow the Bitcoin Blockchain to record the sending of bitcoin to that public key. After the provision of a recipient's Bitcoin Network public key, the spending party must enter the address into its Bitcoin Network software program along with the number of bitcoin to be sent. The number of bitcoin to be sent will typically be

agreed upon between the two parties based on a set number of bitcoin or an agreed-upon conversion of the value of fiat currency to bitcoin.

Since every computation on the Bitcoin Network requires the payment of bitcoin, including verification and memorialization of bitcoin transfers, there is a transaction fee involved with the transfer, which is based on computation complexity and not on the value of the transfer and is paid by the payor with a fractional number of bitcoin.

After the entry of the Bitcoin Network address, the number of bitcoin to be sent and the transaction fees, if any, to be paid will be transmitted by the spending party. The transmission of the spending transaction results in the creation of a data packet by the spending party's Bitcoin Network software program, which is transmitted onto the Bitcoin Network, resulting in the distribution of the information among the software programs of users across the Bitcoin Network for eventual inclusion in the Bitcoin Blockchain.

Creation of a New Bitcoin

New bitcoin are created through the mining process.

The Bitcoin Network is kept running by computers all over the world. In order to incentivize those who incur the computational costs of securing the network by validating transactions, there is a reward that is given to the computer that was able to create the latest block on the chain. Every 10 minutes, on average, a new block is added to the Bitcoin Blockchain with the latest transactions processed by the network, and the computer that generated this block is currently awarded 3.125 bitcoin. Due to the nature of the algorithm for block generation, this process (called "proof-of-work" consensus) is random. Over time, rewards are expected to be proportionate to the computational power of each machine.

The process by which bitcoin is "mined" results in new blocks being added to the Bitcoin Blockchain and new bitcoin tokens being issued to the miners. Computers on the Bitcoin Network engage in a set of prescribed complex mathematical calculations in order to add a block to the Bitcoin Blockchain and thereby confirm bitcoin transactions included in that block's data.

To begin mining, a user can download and run Bitcoin Network mining software, whereby the user's computer acts as a "node" on the Bitcoin Network that validates blocks. Each block contains the details of some or all of the

most recent transactions that are not memorialized in prior blocks, as well as a record of the award of bitcoin to the miner who added the new block. Each unique block can be solved and added to the Bitcoin Blockchain by only one miner. Therefore, all individual miners and mining pools on the Bitcoin Network are engaged in a competitive process of constantly seeking to increase their computing power to improve their likelihood of solving for new blocks. As more miners join the Bitcoin Network and its processing power increases, the Bitcoin Network adjusts the complexity of the block-solving equation to maintain a predetermined pace of adding a new block to the Bitcoin Blockchain approximately every 10 minutes. A miner's proposed block is added to the Bitcoin Blockchain once a majority of the nodes on the Bitcoin Network confirms the miner's work. Miners that are successful in adding a block to the Bitcoin Blockchain are automatically awarded bitcoin for their effort and may also receive transaction fees paid by transferors whose transactions are recorded in the block. This reward system is the method by which new bitcoin enter circulation.

The Bitcoin Network is designed in such a way that the reward for adding new blocks to the Bitcoin Blockchain decreases over time. More specifically, the reward rate halves approximately every four years. Once new bitcoin tokens are no longer awarded for adding a new block (expected to occur in the year 2140), miners will only have transaction fees to incentivize them, and as a result, it is expected that miners will need to be better compensated with higher transaction fees to ensure that there is adequate incentive for them to continue mining.

Limits on Bitcoin Supply

Under the source code that governs the Bitcoin Network, the supply of new bitcoin is mathematically controlled so that the number of bitcoin grows at a limited rate pursuant to a preset schedule. The number of bitcoin awarded for solving a new block is automatically halved after every 210,000 blocks are added to the Bitcoin Blockchain, approximately every four years. Currently, the fixed reward for solving a new block is 3.125 bitcoin per block, and this is expected to decrease by half to become 1.5625 bitcoin in approximately mid-2028.

This deliberately controlled rate of bitcoin creation means that the number of bitcoin in existence will increase at a controlled rate until the number of bitcoin in existence reaches the predetermined 21 million bitcoin.

However, the 21 million supply cap could be changed pursuant to a hard fork. As of March 31, 2025, approximately 19.8 million bitcoin were outstanding and the date when the 21 million bitcoin limitation will be reached is estimated to be the year 2140.

Ether and the Ethereum Network

Ether is a digital asset that is created and transmitted through the operations of the peer-to-peer network (the “Ethereum Network”), a network of computers, known as nodes, that operates pursuant to cryptographic protocols. No single entity owns or operates the Ethereum Network, the infrastructure of which is collectively maintained by a distributed user base. Ether is not issued by governments, banks or any other centralized authority. The Ethereum Network allows people to exchange tokens of value, called ether, which are recorded on a public transaction ledger known as the Ethereum blockchain (the “Ethereum Blockchain”). Ether can be used to pay for goods and services, including computational power on the Ethereum Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on digital asset exchanges or in individual end-user-to-end-user transactions under a barter system.

The Ethereum Network allows users to write and implement computer programs called smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create digital assets other than ether on the Ethereum Network. Smart contract operations are executed on the Ethereum Blockchain in exchange for payment of ether. The Ethereum Network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money and payments system.

The Ethereum Network is commonly understood to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of ether. Rather, following the initial distribution of ether, ether is created, burned and allocated by the Ethereum Network protocol through a process that is currently subject to an issuance and burn rate. The value of ether is determined by the supply of and demand for ether on the digital asset

exchanges or in private end-user-to-end-user transactions. There is no hard cap which would limit the number of outstanding ether at any one time to a predetermined maximum.

New ether is created and rewarded to the validators of a block in the Ethereum Blockchain for verifying transactions. The Ethereum Blockchain is effectively a decentralized database that includes all blocks that have been validated and it is updated to include new blocks as they are validated. Each ether transaction is broadcast to the Ethereum Network and, when included in a block, recorded in the Ethereum Blockchain. As each new block records outstanding ether transactions, and outstanding transactions are settled and validated through such recording, the Ethereum Blockchain represents a complete, transparent and unbroken history of all transactions of the Ethereum Network.

Among other things, ether is used to pay for transaction fees and computational services (e.g., smart contracts) on the Ethereum Network; users of the Ethereum Network pay for the computational power of the machines executing the requested operations with ether. Requiring payment in ether also is designed to ensure that the Ethereum Network remains economically viable by compensating people for their contributed computational resources and making it costly to spam the network.

Assets in the Ethereum Network are held in accounts. Each account, or “wallet,” is made up of at least two components: a public address and a private key. An Ethereum private key controls the transfer or “spending” of ether from its associated public ether address. An ether “wallet” is a collection of a public Ethereum address and its associated private key. This design allows only the owner of ether to send ether, the intended recipient of ether to unlock it, and the validation of the transaction and ownership to be verified by any third party anywhere in the world.

Transaction fees (including transactions that involve the operation of smart contracts) are only payable in ether. An Ethereum improvement proposal known as EIP-1559 simplified the transaction fee process. Instead of performing complex calculations to estimate the fee that is charged (“gas”), users instead pay an algorithmically determined transaction fee set by the protocol itself. Gas price is often a small fraction of ether, which is denoted in the unit of Gwei (10^9 Gwei = 1 ether). Gas is essential in sustaining the Ethereum Network. It motivates

validators to process and verify transactions for a monetary reward. Gas price fluctuates with supply. Gas has another important function in preventing unintentional waste of energy. Because the coding language for Ethereum is Turing-complete, there is a possibility of a program running indefinitely, and a transaction can be left consuming a lot of energy. A gas limit is imposed as the maximum price users are willing to pay to facilitate transactions. When gas runs out, the program will be terminated, and no additional energy would be used.

In 2022 the Ethereum Network implemented software upgrades and other changes to its protocol, including the adoption of network upgrades collectively referred to as the Merge, or Ethereum 2.0. Ethereum 2.0 aimed to improve the network’s speed, scalability, efficiency, security, accessibility, and transaction throughput in part by reducing its energy footprint and decreasing transaction times for the network. As part of Ethereum 2.0, in mid-September 2022, a shift from the proof-of-work to the proof-of-stake model occurred. Ethereum 2.0 also encompassed the addition of other new features, such as “sharding.” Sharding is a multi-phase upgrade to improve Ethereum’s scalability and capacity. Shard chains spread the network’s load across numerous new chains splitting the data processing responsibility among many nodes and allowing for parallel processing and validation of transactions. Sharding makes it easier to run a node by keeping hardware requirements low. A digital asset network’s consensus mechanism is an aspect of its source code, and any failure to properly implement such a change could have a material adverse effect on the value of ether and the value of the Shares. The move to proof-of-stake may subject Ethereum and ether to new and unexpected vulnerabilities not applicable to proof-of-work consensus models.

Smart Contracts and Development on the Ethereum Network

Smart contracts are programs that run on a blockchain that can execute automatically when certain conditions are met. Smart contracts facilitate the exchange of anything representative of value, such as money, information, property, or voting rights. Using smart contracts, users can send or receive digital assets, create markets, store registries of debts or promises, represent ownership of property or a company, move funds in accordance with

conditional instructions and create new digital assets, among other actions.

Development on the Ethereum Network involves building more complex tools on top of smart contracts, such as decentralized applications (“dApps”); decentralized autonomous organizations (“DAOs”); and entirely new decentralized networks. For example, a company that distributes charitable donations on behalf of users could hold donated funds in smart contracts that are paid to charities only if the charities satisfy certain pre-defined conditions.

Moreover, the Ethereum Network has also been used as a platform for creating new digital assets. A majority of digital assets not issued as the native token on their own blockchains were built on the Ethereum Network, with such assets representing a significant amount of the total market value of all digital assets.

More recently, the Ethereum Network has been used for DeFi platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by replacing third-party intermediaries with autonomous code. DeFi platforms can allow users to lend and earn interest on their digital assets, exchange one digital asset for another and create derivative digital assets such as stablecoins, which are digital assets pegged to a reference asset such as fiat currency.

In addition, the Ethereum Network and other smart contract platforms have been used for creating non-fungible tokens (“NFTs”). Unlike digital assets native to smart contract platforms which are fungible, NFTs allow for digital ownership of unique assets that convey certain rights to other digital or real-world assets. For example, an NFT may convey rights to a digital asset that exists in an online game or a dApp, and users can trade their NFTs in the dApp or game and carry them to other digital experiences.

The DAO and Ethereum Classic

In July 2016, the Ethereum Network experienced what is referred to as a hard fork that resulted in two different versions of its blockchain: Ethereum and Ethereum Classic.

In April 2016, a blockchain solutions company known as Slock.it announced the launch of a decentralized autonomous organization, known as “The DAO,” on the Ethereum Network. The DAO was designed as a decentralized crowdfunding model, in which anyone could contribute ether tokens to The DAO in order to become a voting member and equity stakeholder in the organization. Members of The

DAO could then make proposals about different projects to pursue and put them to a vote. By committing to profitable projects, members would be rewarded based on the terms of a smart contract and their proportional interest in The DAO. As of May 27, 2016, \$150 million, or approximately 14% of all ether outstanding, was contributed to, and invested in, The DAO.

On June 17, 2016, an anonymous hacker exploited The DAO’s smart contract code to syphon approximately \$60 million, or 3.6 million ether, into a segregated account. Upon the news of the breach, the price of ether was quickly cut in half as investors liquidated their holdings and members of the Ethereum community worked to develop a solution.

In the days that followed, several attempts were made to retrieve the stolen funds and secure the Ethereum Network, but none were successful. Members of the community subsequently coalesced around performing a hard fork that would create an entirely new version of the Ethereum Blockchain, erasing any record of the theft, and restoring the stolen funds to their original owners. The counterargument was that it would be antithetical to the core principle of immutability of the Ethereum Blockchain.

The decision over whether or not to hard fork the Ethereum Blockchain was put to a vote of Ethereum community members. A majority of votes were cast in favor of a hard fork. On July 15, 2016, a hard fork specification was implemented by the Ethereum Foundation. On July 20, 2016, the Ethereum Network completed the hard fork, and a new version of the blockchain, without recognition of the theft, went live.

Many believed that after the hard fork the original version of the Ethereum Blockchain would dissipate entirely. However, a group of validators continued to mine the original Ethereum Blockchain for philosophical and economic reasons. On July 20, 2016, the original Ethereum protocol was rebranded as Ethereum Classic, and its native token as ether classic (“ETC”), preserving the untampered transaction history (including the DAO theft). Following the hard fork of Ethereum, each holder of original ether (subsequently regarded as ETC) automatically received an equivalent number of new ether (subsequently regarded as simply “ether”).

Overview of the Ethereum Network’s Operations

In order to own, transfer or use ether directly on the Ethereum Network on a peer-to-peer basis (as opposed to through an intermediary, such as a custodian or centralized exchange), a person generally must have internet access to connect to the Ethereum Network. Ether transactions may be made directly between end-users without the need for a third-party intermediary. To prevent the possibility of double-spending ether, a user must broadcast the transaction data to the Ethereum Network. The Ethereum Network provides confirmation against double-spending by memorializing every peer-to-peer transaction in the Ethereum Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending of peer-to-peer transactions is accomplished through the Ethereum Network validation process, which adds “blocks” of data, including recent transaction information, to the Ethereum Blockchain.

Summary of an Ether Transaction

A “transaction request” refers to a request to the Ethereum Network made by a user, in which the requesting user (the “sender”) asks the Ethereum Network to send some ether or execute some code. A “transaction” refers to a fulfilled transaction request and the associated change in the Ethereum Network’s state. An Ethereum Client is a software application that implements the Ethereum Network specification and communicates with the Ethereum Network. A node is a computer or other device, such as a mobile phone, running an individual Ethereum Client that is connected to other computers also running their own Ethereum Clients, which collectively form the Ethereum Network. Nodes can be full nodes (meaning they host a local copy of the entire Ethereum Blockchain) or light nodes, which only host a local copy of a sub-portion of the full Ethereum Blockchain with reduced data. Nodes may (but do not have to) be validators, which requires them to download an additional piece of software in the node’s Ethereum Client and stake a certain amount of ether, which is discussed below.

Any user can broadcast a transaction request to the Ethereum Network from a node located on the network. A user can run its own node, or it can connect to a node operated by others. For the transaction request to actually result in a change to the current state of the

Ethereum Network, it must be validated, executed and “committed to the network” by another node (specifically, a validator node). Execution of the transaction request by the validator results in a change to the state of the Ethereum Network once the transaction is broadcast to all other nodes across the Ethereum Network. Transactions can include, for example, sending ether from one account to another, as discussed below; publishing a new smart contract onto the Ethereum Network; or activating and executing the code of an existing smart contract, in accordance with the terms and conditions specified in the sender’s transaction request.

The Ethereum Blockchain can be thought of as a ledger recording a history of transactions and the balances associated with individual accounts, each of which has an address on the Ethereum Network. An Ethereum Network account can be used to store ether. There are two types of Ethereum accounts: “externally owned accounts,” which are controlled by a private key, and “smart contract accounts,” which are controlled by their own code. Externally owned accounts are controlled by users, do not contain executable code, and are associated with a unique “public key” and “private key” pair, commonly referred to as a “wallet,” with the private key being used to execute transactions. Smart contract accounts contain, and are controlled by, their own executable code: every time the smart contract account receives a transaction from, or is “called” by, another user, the smart contract account’s code activates, allowing it to read and write to internal storage, send ether, or perform other operations. Both externally owned accounts and smart contract accounts can be used to send, hold or receive ether, and both can interact with other smart contracts. However, only externally owned accounts have the power to initiate transactions; smart contract accounts can only send transactions of their own after they are first activated or called by another transaction. An externally owned account is associated with both a public address on the Ethereum Network and a private key, while a smart contract account is only associated with a public address. While a smart contract account does not use a private key to authorize transactions, including transfers of ether, the developer of a smart contract may hold an “admin key” to the smart contract account, or have special access privileges, allowing the developer to make changes to the smart contract,

enable or disable features on the smart contract, or change how the smart contract receives external inputs and data, among others.

Accounts depend on nodes to access the peer-to-peer Ethereum Network. Through the node’s Ethereum Client, a user’s Ethereum wallet and its associated Ethereum Network address enable the user to connect to the Ethereum Network and transfer ether to, and receive ether from, other users, and interact with smart contracts, on a peer-to-peer basis. A user with an externally owned account can either run its own node (and its own Ethereum Client) and connect that node to its Ethereum wallet, allowing it to make transactions from its Ethereum wallet on the Ethereum Network, or a user’s wallet can connect to third-party nodes operated as a service (e.g., Infura) and access the Ethereum Network that way. Multiple accounts can access the Ethereum Network through one node.

Each user’s Ethereum wallet is associated with a unique “public key” and “private key” pair. To receive ether in a peer-to-peer transaction, the ether recipient must provide its public key to the sender. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient’s account. The sender approves the transfer to the address provided by the recipient by “signing” a transaction that consists of the recipient’s public key with the private key of the address from which the sender is transferring the ether. The recipient, however, does not make public or provide to the sender the recipient’s related private key, only its public key.

Neither the recipient nor the sender reveals its private keys in a peer-to-peer transaction, because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses its private key, the user may permanently lose access to the ether contained in the associated address. When sending ether, a user’s Ethereum wallet must sign the transaction with the sender’s associated private key. In addition, since every computation on the Ethereum Network requires processing power, there is a mandatory transaction fee involved with the transfer that is paid by the sender to the Ethereum Network itself (“base fee”), plus additional transaction fees the sender can elect (or not) to pay at their discretion to the validators who validate their transaction (“tip”). The resulting digitally signed transaction is sent by the user’s Ethereum wallet, via a node (whether run by the user or operated by

others), to other Ethereum Network nodes, who in turn broadcast it on a peer-to-peer basis to validators to allow transaction confirmation.

Ethereum Network validators record and confirm transactions when they validate and add blocks of information to the Ethereum Blockchain. Validators operate through nodes whose Ethereum Clients have an extra piece of software that permits the node to perform validation transactions. In a proof-of-stake consensus protocol like that used by the Ethereum Network, validators compete to be randomly selected to validate transactions. A validator must stake 32 ether to become a validator, which allows it to activate a unique validator key pair (consisting of a public and private validator key). Each stake of 32 ether results in issuance of a validator key pair, meaning that multiple validators can operate through a single validator node (including a validator node operated by a third party as a service). Validators may engage in two categories of activities: first, they may propose blocks (“proposers”) and second, they may approve a proposer’s block (“attesters”). Staking more ether (in chunks of 32 ether) can increase the numerical chances that a given validator will be randomly selected to propose a new block. When a validator is randomly selected by the protocol’s algorithm to propose a block, it creates that block, which includes data relating to (i) the verification of newly submitted transaction requests submitted by senders and (ii) a reference to the prior block in the Ethereum Blockchain to which the new block is being added. The proposing validator becomes aware of outstanding transaction requests through peer-to-peer data packet transmission and distribution enforced by the Ethereum protocol rules, which connects the proposer to users who want transactions recorded. If—once created—the proposing validator’s block is confirmed by a committee of randomly selected attesters, the block is broadcast to the Ethereum Network and added to the Ethereum Blockchain. Any smart contract code that has been called by the transaction request is also executed (provided the requisite fee is paid for the Ethereum Network’s computational power associated with executing the code). Upon the addition of a block included in the Ethereum Blockchain, an adjustment to the ether balance in both the sender and recipient’s Ethereum Network public key will occur, completing the ether transaction. Once a transaction is confirmed on the Ethereum Blockchain, it is irreversible.

As a reward for their services in adding the block to the Blockchain, both the proposing validator and the attesting validators receive newly minted ether from the Ethereum Network. If the proposing validator's block is determined by the approving validator committee to be faulty or to break protocol rules, the proposer is penalized by having its staked ether reduced. Validators can also be penalized for attesting to transactions that break protocol rules or are inconsistent with the majority of other validators, or for inactivity or missing attestations that the Ethereum Network protocol assigned to them. In extreme cases, a proposing or attesting validator can be "slashed," meaning forcibly ejected by other validators, with its staked ether continuously drained, potentially up to the loss of its entire stake. In this way, the Ethereum Network attempts to reduce double-spend and other attacks by validators and incentivize validator integrity.

Some ether transactions are conducted "off-blockchain" and are therefore not recorded in the Ethereum Blockchain. Some "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding ether or the reallocation of ownership of certain ether in a pooled-ownership digital wallet, such as a digital wallet owned by a digital asset exchange. If a transaction can also take place through a centralized digital asset exchange or a custodian's internal books and records, it is not broadcast to the Ethereum Network or recorded on the Ethereum Blockchain. In contrast to on-blockchain transactions, which are publicly recorded on the Ethereum Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Therefore, off-blockchain transactions are not peer-to-peer ether transactions in that they do not involve a transaction on the Ethereum Network and do not reflect a movement of ether between addresses recorded in the Ethereum Blockchain. For these reasons, off-blockchain transactions are not necessarily immutable or irreversible as any such transfer of ether ownership is not cryptographically protected by the protocol behind the Ethereum Network or recorded in, and validated through, the blockchain mechanism.

Ether has generally exhibited high price volatility relative to more traditional asset classes. One volatility measure, standard deviation, is based on the variability of historical price returns. A higher standard deviation indicates a

wider dispersion of past price returns and thus greater historical volatility.

Creation of New Ether

Unlike other digital assets, such as bitcoin, which are solely created through a progressive mining process, 72.0 million ether were created in connection with the launch of the Ethereum Network. The initial 72.0 million ether were distributed as follows:

Initial Distribution: 60.0 million ether, or 83.33% of the supply, was sold to the public in a crowd sale conducted between July and August 2014 that raised approximately \$18 million.

Ethereum Foundation: 6.0 million ether, or 8.33% of the supply, was distributed to the Ethereum Foundation for operational costs.

Ethereum Developers: 3.0 million ether, or 4.17% of the supply, was distributed to developers who contributed to the Ethereum Network.

Developer Purchase Program: 3.0 million ether, or 4.17% of the supply, was distributed to members of the Ethereum Foundation to purchase at the initial crowd sale price.

Following the launch of the Ethereum Network, ether supply initially increased through a progressive validation process. Following the introduction of EIP-1559, described below, ether supply and issuance rates vary based on factors such as recent use of the network.

Proof-of-Stake Process

Prior to September 2022, Ethereum operated using a proof-of-work consensus mechanism. In the second half of 2020, the Ethereum Network began the first of several stages of an upgrade that was initially known as "Ethereum 2.0" and eventually became known as the "Merge" to transition the Ethereum Network from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. The Merge was completed on September 15, 2022, and the Ethereum Network has operated on a proof-of-stake model since such time.

Unlike proof-of-work, in which validators expend computational resources to compete to validate transactions and are rewarded coins in proportion to the amount of computational resources expended, in proof-of-stake, validators risk or "stake" tokens to compete to be randomly selected to validate transactions and are rewarded in tokens. Any malicious activity, such as validating multiple blocks, disagreeing with the eventual consensus or otherwise violating protocol rules, results in the forfeiture

or "slashing" of a portion of the staked coins. Proof-of-stake is commonly regarded as more energy efficient than proof-of-work. Approximately every 12 seconds, a new block is added to the Ethereum Blockchain with the latest transactions processed by the network, and the validator that generated this block is awarded ether.

Limits on Ether Supply

The rate at which new ether are issued and put into circulation is expected to vary. In September 2022 the Ethereum Network converted from proof-of-work to a new proof-of-stake consensus mechanism. Following the Merge, approximately 1,700 ether are issued per day, though the issuance rate varies based on the number of validators on the network. In addition, the issuance of new ether could be partially or completely offset by the burn mechanism introduced by the EIP-1559 modification, under which ether are removed from supply at a rate determined by network usage. On many occasions, the ether supply has been deflationary over 24-hour periods as a result of the burn mechanism. The attributes of the new consensus algorithm are subject to change, but in sum, the new consensus algorithm and related modifications reduced total new ether issuances and may turn the ether supply deflationary over the long term.

As of March 31, 2025, approximately 121 million ether were outstanding.

Applicable Standard

The Commission has historically approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot, Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance sharing agreement ("CSSA") with a regulated market of significant size related to the underlying commodity to be held.⁷ The Commission has since approved the listing and trading of shares of spot

⁷ See Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (SR-BatsBZX-2016-30) (Order Setting Aside Action by Delegated Authority and Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to List and Trade Shares of the Winklevoss Bitcoin Trust) ("Winklevoss Order"). In the Winklevoss Order, the Commission set forth both the importance and definition of a surveilled, regulated market of significant size, explaining that, for approved commodity-trust ETPs, "there has been in every case at least one significant, regulated market for trading futures on the underlying commodity—whether gold, silver, platinum, palladium, or copper—and the ETP listing exchange has entered into surveillance-sharing agreements with, or held Intermarket Surveillance Group membership in common with, that market." Winklevoss Order, 83 FR at 37594.

bitcoin exchange-traded products (“Spot Bitcoin ETPs”) and spot ether exchange-traded products (“Spot Ether ETPs”), finding that there were sufficient “other means” of preventing fraud and manipulation sufficient to satisfy the requirements of Section 6(b)(5) of the Exchange Act.⁸ In each of the Spot Bitcoin ETP Approval Order and Spot Ether Approval Order, the Commission concluded, through a robust correlation analysis, that fraud or manipulation that impacts prices in spot bitcoin markets or spot ether markets would likely similarly impact CME bitcoin futures prices and CME ether futures prices, respectively.⁹ The Commission further found that, because the CME’s surveillance can assist in detecting those impacts on CME bitcoin futures prices and CME ether futures prices, a listing exchange’s CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin ETPs and Spot Ether ETPs.¹⁰

The Commission also more recently approved the listing and trading of shares of exchange-traded products that, like the Trust, hold both spot bitcoin and spot ether in proportion to their market capitalizations (the “Spot Bitcoin/Ether ETPs”).¹¹ In approving the Spot Bitcoin/Ether ETPs, the

Commission similarly found, based on the continued consistent correlation between the spot bitcoin market and the CME bitcoin futures market and between the spot ether market and the CME ether futures market that a listing exchange’s CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin/Ether ETPs.¹²

The Trust is structured and will operate in a manner materially the same as the Spot Bitcoin ETPs, Spot Ether ETPs, and Spot Bitcoin/Ether ETPs. The Sponsor believes that the Exchange’s ability to obtain information regarding trading in bitcoin futures and ether futures from the CME, which, like the Exchange, is a member of the ISG, would assist the Exchange in detecting potential fraud or manipulation with respect to trading in the Shares. The Sponsor thus believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, and Spot Bitcoin/Ether ETP Approval Order, listing and trading Shares of the Trust would be consistent with the requirements of the Act.

Creation and Redemption of Shares

The Trust issues and redeems “Baskets” on a continuous basis. Baskets are only created or redeemed in exchange for the amount of bitcoin and ether represented by the Baskets being created or redeemed. Only “Authorized Participants” can initiate a creation or redemption of Baskets. Each Authorized Participant must be a registered broker-dealer, a participant in Depository Trust Company (“DTC”), have entered into an agreement with the Sponsor and be in a position to transfer cash to, and take delivery of cash from, the Cash Custodian through one or more accounts.

The Trust issues and redeems Shares only in Baskets of 10,000 or integral multiples thereof, based on the quantity of bitcoin and ether attributable to each Share (net of accrued but unpaid Sponsor’s Fee and any accrued but unpaid expenses or liabilities). Baskets may be redeemed by the Trust in exchange for the amount of bitcoin and ether corresponding to their redemption value. Only Authorized Participants can initiate a creation or redemption of Baskets.

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 bitcoin or ether 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 bitcoin or ether as part of the creation or redemption process. For a redemption in cash, the Sponsor shall arrange for the bitcoin and ether represented by the creation Basket to be sold to the Liquidity Provider,¹³ and the cash proceeds distributed from the Trust’s account at the Cash Custodian to the Authorized Participant.

Baskets are only issued or redeemed in exchange for an amount of bitcoin and ether determined by the Sponsor on each day that the Exchange is open for regular trading. No Shares are issued unless the Bitcoin and Ether Custodian or Prime Execution Agent has allocated to the Trust’s account the corresponding amount of bitcoin and ether.

Issuance of Baskets

For a creation of Baskets, the Authorized Participant will be required to submit the purchase order by an early order cutoff time (the “Creation Early Order Cutoff Time”) on the Business Day prior to the trade date. The Authorized Participant must submit a purchase order through an electronic order entry system, indicating the number of Baskets it intends to acquire. The date that order is received will determine the basket amount of bitcoin and ether (the “Basket Amount”) the Trust needs to purchase from the Liquidity Provider or through the Prime Execution Agent. The final cash amounts will be determined after the net asset value of the Trust is struck and the Trust’s bitcoin and ether transactions have settled. However, orders received after the Creation Early Order Cutoff Time on a Business Day will not be accepted and should be resubmitted on the following Business Day.

The Basket Amount necessary for the creation of a Basket changes from day to day. On each Business Day, the Trust Administrator will adjust the quantity of bitcoin and ether constituting the Basket Amount as appropriate to reflect sales of bitcoin and ether, any loss of bitcoin or ether that may occur and accrued expenses. The Basket Amount is determined for a given day by multiplying the NAV per Share by the number of Shares in each Basket and

⁸ See Securities Exchange Act Release No. 34–99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR–NYSEARCA–2021–90; SR–NYSEARCA–2023–44; SR–NYSEARCA–2023–58; SR–NASDAQ–2023–016; SR–NASDAQ–2023–019; SR–CboeBZX–2023–028; SR–CboeBZX–2023–038; SR–CboeBZX–2023–040; SR–CboeBZX–2023–042; SR–CboeBZX–2023–044; SR–CboeBZX–2023–072) (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”); Securities Exchange Act Release No. 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; 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) (the “Spot Ether ETP Approval Order”).

⁹ See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938.

¹⁰ See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938–39.

¹¹ See Securities Exchange Act Release No. 101998 (December 19, 2024), 89 FR 106707 (December 30, 2024) (SR–NASDAQ–2024–028; SR–CboeBZX–2024–091) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF and Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust) (the “Spot Bitcoin/Ether ETP Approval Order”).

¹² See Spot Bitcoin/Ether ETP Approval Order, 89 FR at 106708.

¹³ The Trust’s Liquidity Provider is Foris DAX, Inc. The Liquidity Provider facilitates the purchase and sale of bitcoin and ether for creations or redemptions of Baskets in cash.

dividing the resulting product by the weighted-average value of the Trust's bitcoin and ether holdings that day, as determined by reference to the applicable Pricing Benchmark and the proportion of bitcoin and ether in the Trust's NAV as of such date. The Basket Amount so determined will be made available to all Authorized Participants and the Liquidity Provider and will be made available on the Sponsor's website for the Shares.

On the date of the Creation Early Order Cutoff Time, the Trust will choose, in its sole discretion, to enter into a transaction with the Liquidity Provider or the Prime Execution Agent to buy bitcoin and ether in exchange for the cash proceeds from such purchase order. For settlement of a creation, the Trust delivers Shares to the Authorized Participant in exchange for cash received from the Authorized Participant. Meanwhile, the Liquidity Provider or Prime Execution Agent, as applicable, delivers the required bitcoin and ether pursuant to its trade with the Trust into the Trust's Trading Balance with the Prime Execution Agent in exchange for cash.

Upon the deposit by the Liquidity Provider or the Prime Execution Agent of the corresponding amount of bitcoin and ether with the Trust's Trading Balance, and of any expenses, taxes or charges, the Cash Custodian will deliver the appropriate number of Baskets to the DTC account of the depositing Authorized Participant.

Because the Sponsor has assumed what are expected to be most of the Trust's expenses, and the Sponsor's Fee accrues daily at the same rate, in the absence of any extraordinary expenses or liabilities, the amount of bitcoin and ether by which the Basket Amount will decrease each day will be predictable. The Sponsor intends to have the Trust Administrator make available on each Business Day an indicative Basket Amount for the next Business Day. Authorized Participants may use that indicative Basket Amount as guidance regarding the amount of cash that they may expect to have to deposit with the Trust Administrator in respect of purchase orders placed by them on such next Business Day and accepted by the Sponsor.

The Sponsor may suspend the acceptance of purchase orders or the delivery or registration of transfers of Shares or may refuse a particular purchase order, delivery or registration of Shares (i) during any period when the transfer books of the Sponsor are closed or (ii) at any time, if the Sponsor thinks it advisable for any reason. The Sponsor

will reject any purchase order that is not in proper form.

Redemption of Baskets

Authorized Participants, acting on authority of the registered holder of Shares, may surrender Baskets in exchange for the corresponding Basket Amount announced by the Sponsor.

For a redemption of Baskets, the Authorized Participant will be required to submit a redemption order by an early order cutoff time (the "Redemption Early Order Cutoff Time") on the Business Day prior to the trade date. On the date of the Redemption Early Order Cutoff Time, the Trust may choose, in its sole discretion, to enter into a transaction with the Liquidity Provider or the Prime Execution Agent to sell bitcoin and ether in exchange for cash. Also on the date of the Redemption Order Early Cutoff, the Trust instructs the Bitcoin and Ether Custodian to prepare to move the associated bitcoin and ether from the Trust's Vault Balance with the Bitcoin and Ether Custodian to the Trust's Trading Balance with the Prime Execution Agent. For settlement of a redemption, the Authorized Participant delivers the necessary Shares to the Trust, the Liquidity Provider or the Prime Execution Agent, as applicable, delivers the cash to the Trust associated with the Trust's sale of bitcoin and ether, the Sponsor delivers bitcoin and ether to the Liquidity Provider's account at the Prime Execution Agent or directly to the Prime Execution Agent, as applicable, and the Trust delivers cash to the Authorized Participant.

Disruption of services at the Prime Execution Agent, the Bitcoin and Ether Custodian, the Cash Custodian or the Authorized Participant's banks would have the potential to delay settlement of the bitcoin and ether related to Share redemptions.

Upon the surrender of such Shares and the payment of applicable costs, expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees), by the redeeming Authorized Participant, and the completion of the sale of bitcoin and ether for cash by the Trust, the Sponsor will instruct the delivery of cash to the Authorized Participant. The Authorized Participant is responsible for the dollar cost of the difference between the value of bitcoin and ether calculated by the Trust Administrator for the applicable NAV per Share of the Trust and the prices at which the Trust sells bitcoin and ether to raise the cash needed for the cash redemption order to the extent the prices realized in selling the bitcoin and ether are lower in the aggregate than the

prices of bitcoin and ether utilized in the NAV. To the extent the prices realized in selling the bitcoin and ether are higher in the aggregate than the price utilized in the NAV, the Authorized Participant shall get to keep the dollar impact of any such difference. Shares can only be surrendered for redemption in Baskets of 10,000 Shares each.

An Authorized Participant must submit a redemption order through an electronic order entry system, indicating the number of Baskets it intends to redeem. The date that order is received determines the Basket Amount to be received in exchange. However, orders received after the Redemption Early Order Cutoff Time on a Business Day will not be accepted and should be resubmitted on the following Business Day.

All taxes incurred in connection with the delivery of bitcoin and/or ether to the Bitcoin and Ether Custodian or cash to the Cash Custodian in exchange for Baskets (including any applicable value added tax) will be the sole responsibility of the Authorized Participant making such delivery.

Redemptions may be suspended (1) during any period in which regular trading on NYSE Arca is suspended or restricted or the exchange is closed (other than scheduled holiday or weekend closings), or (2) during a period when the Sponsor determines that delivery, disposal or evaluation of bitcoin or ether is not reasonably practicable. The Sponsor and the Trust Administrator will reject any redemption order that is not in proper form. If the Trust suspends redemptions, Shareholders will be notified in a prospectus supplement, in its periodic Exchange Act reports and/or on the Trust's website.

Availability of Information

The Trust's website will include quantitative information on a per Share basis updated on a daily basis, including (i) the current NAV per Share daily and the prior Business Day's NAV per Share and the reported closing price of the Shares; (ii) the mid-point of the bid-ask price¹⁴ as of the time the NAV per Share is calculated ("Bid-Ask Price") and a calculation of the premium or discount of such price against such NAV per Share; and (iii) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid-Ask Price

¹⁴ The bid-ask price of the Trust is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

against the NAV per Share, within appropriate ranges, for each of the four previous calendar quarters (or for as long as the Trust has been trading as an ETP if shorter). In addition, on each Business Day, the Trust's website will provide pricing information for the Shares.

The Trust Administrator will also disseminate the Trust's holdings on a daily basis on the Trust's website. The NAV per Share for the Trust will be calculated by the Trust 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 (the "CTA").

The Sponsor will publish an intraday indicative value per Share ("IIV") using the CME CF Bitcoin Real Time Index and the CME CF Ether Real Time Index. One or more major market data vendors will provide an IIV updated every 15 seconds, as calculated by the Exchange or a third-party financial data provider during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.). The IIV will be calculated by using the prior day's closing NAV per Share as a base and updating that value during the NYSE Arca Core Trading Session to reflect changes in the value of the Trust's NAV per Share during the trading day.

The IIV's dissemination during the Core Trading Session should not be viewed as an actual real time update of the NAV per Share, which will be calculated only once at the end of each trading day. The IIV will be widely disseminated every 15 seconds during the Core Trading Session by one or more major market data vendors. In addition, the IIV will be available through online information services.

The NAV per Share for the Trust will be calculated by the Trust Administrator once a day and will be disseminated daily to all market participants at the same time.

Quotation and last sale information for bitcoin and ether will be widely disseminated through a variety of major market data vendors, including Bloomberg and Reuters. In addition, real-time price (and volume) data for bitcoin and ether is available by subscription from Reuters and Bloomberg. The spot prices of bitcoin and ether are available on a 24-hour basis from major market data vendors, including Bloomberg and Reuters. Information relating to trading, including price and volume information, in bitcoin and ether will be available from major market data

vendors and from the trading platforms on which bitcoin and ether are traded.

Rebalancing

Foris DAX, Inc., will serve as the exclusive rebalancing agent (in such capacity, the "Rebalancing Agent") for the Trust. The Rebalancing Agent will rebalance the Trust's digital asset holdings quarterly, on the first Business Day in January, April, July, and October (each such date, a "Reconstitution Date"), to ensure the allocation of the Trust's assets to bitcoin and ether approximates the allocation ratio. The Sponsor may, in its sole discretion, instruct the Rebalancing Agent to defer any such rebalancing to the following Reconstitution Date if on the applicable Reconstitution Date the actual allocation of the Trust's assets to each of bitcoin and ether is within 2% of its respective allocation ratio. The rebalancing process involves adjusting the quantities of bitcoin and ether held by the Trust (*i.e.*, by buying or selling some amount of each asset) to reflect changes in the digital assets' relative market values. This rebalancing is executed by purchasing or selling the necessary quantities of bitcoin and/or ether to realign their weightings with the appropriate ratio. To that end, on or about each Reconstitution Date, the Sponsor will halt creations and redemptions of Shares as needed to complete the rebalancing process.

The Trust is a passive investment vehicle which seeks to reflect generally the performance of the price of bitcoin and ether in accordance with the allocation ratio set forth in the Trust Agreement. The Sponsor does not intend to actively manage the Trust's digital asset holdings in response to price changes in bitcoin and ether, and any quarterly rebalancing described herein is not a form of active management.

Staking

"Staking" is the act of committing capital in the form of ether to participate in verifying and adding transactions to the Ethereum Blockchain digital ledger and in securing the Ethereum Network in exchange for ether as a reward. If the Trust decides to pursue Staking activities with respect to all or a portion of the Trust's ether, the Trust's ether may be restricted within the Ethereum Network's protocol for a specific period of time.

Staking activity may require withdrawals of ether by the Sponsor in order to deposit ether within the Ethereum Network's protocol. While the ability to gain temporary control of even a portion of the Trust's ether is

restricted to a limited number of authorized personnel of the Sponsor, Staking activities introduce a risk of loss. Should the Sponsor decide to engage in any Staking activities, the Trust's ether would be staked directly from the Trust's wallets and would not be transferred to any other wallet as part of the Staking process. Further, the Staking Provider (as defined below) would not have any control over the Trust's staked ether other than in connection with Staking and unstaking the Trust's ether at the Sponsor's direction. However, Staking activities would expose the Trust's ether to increased risk of loss, including in the form of potential penalties, slashing or inactivity leaks, or technological complication that could result in the loss of such ether in its entirety.

Further, while any ether is staked, it will not be available to the Trust. In connection with Staking's "activation" and "exit" processes, the Trust's staked ether will not be accessible for a variable period of time, resulting in liquidity risk to the Trust's ability to satisfy redemptions or rebalance its holdings, which could create deviations between the Trust's actual and intended allocation of bitcoin to ether.

The Trust would record receipt of Staking rewards when they are received if there is value to the Trust in doing so. Ether received from Staking rewards have no cost basis and the Trust recognizes unrealized gains equal to the fair value of the new ether received. The Trust may engage in Staking activities if the Trust deems such activity to be in the best interest of Shareholders and solely to the extent the Sponsor believes, in its sole discretion, that such Staking activities may be conducted in compliance with applicable law.

The Trust has engaged Foris DAX, Inc. as its exclusive Staking infrastructure provider (in such capacity, the "Staking Provider") in connection with any Staking activities the Trust may conduct. The Staking Provider would provide hardware, software and services necessary to enable the Trust to establish validator nodes and stake the Trust's ether on the Ethereum Network. The Staking Provider would exercise no discretion as to the amount the Trust's ether to be staked or timing of the Staking activities (other than as is incidental in establishing or deactivating validator nodes).

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. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T., in accordance with NYSE Arca Rule 7.34–E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6–E, the minimum price variation (“MPV”) for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00, for which the MPV for order entry is \$0.0001.

The Shares will be required to conform to the initial and continued listing criteria under NYSE Arca Rule 8.201–E. The trading of the Shares will be subject to NYSE Arca Rule 8.201–E(g), which sets forth certain restrictions on Equity Trading Permit Holders (“ETP Holders”) acting as registered market makers (“Market Makers”) in Commodity-Based Trust Shares to facilitate surveillance. The Exchange represents that, for initial and continued listing, the Trust is required to comply with Rule 10A–3¹⁵ under the Act, as provided by NYSE Arca Rule 5.3–E. A minimum of 100,000 Shares of the Trust will be outstanding at the commencement of trading on the Exchange.

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 of the Trust.¹⁶ Trading in Shares of the Trust will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the value of either Pricing Benchmark occurs. If the interruption to the dissemination of the IIV or the value of either 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 per Share is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV per Share is available to all market participants.

Surveillance

The Exchange represents that trading in the Shares of the Trust on the Exchange will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect potential violations of Exchange rules and applicable federal securities laws with respect to the Shares of the Trust trading on the Exchange.¹⁷ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws with respect to the Shares of the Trust trading on the Exchange.

The existing surveillances referred to above generally focus on detecting securities trading outside their normal trading patterns, which could be indicative of manipulative or other violative activity with respect to the Shares of the Trust. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets and other entities that are members of the Intermarket Surveillance Group (the “ISG”), and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin and ether derivatives from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and bitcoin and ether derivatives from markets and other entities that are members of ISG or with which the Exchange has in place a CSSA.¹⁸ The Exchange is also able to obtain information from ETP Holders regarding their trading (as principal or agent) in the Shares and any underlying bitcoin, ether, bitcoin futures contracts, ether futures contracts, options on bitcoin futures, options on ether futures or any other bitcoin or ether derivative.

In addition, under NYSE Arca Rule 8.201–E(g), an ETP Holder acting as a

registered Market Maker in the Shares is required to provide the Exchange with information relating to its accounts for trading in any underlying commodity, related futures or options on futures or any other related derivatives.

Commentary .04 of NYSE Arca Rule 11.3–E requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares). As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. To the extent the Exchange may be found to lack jurisdiction over a subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts and that subsidiary or affiliate is a member of another regulatory organization, the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with that regulatory organization to the extent such agreements exist.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the index, portfolio or reference asset, (b) limitations on index or portfolio holdings or reference assets or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The Sponsor has represented to the Exchange that it will advise the Exchange if the Trust no longer complies with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Exchange becomes aware that the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

¹⁵ 17 CFR 240.10A–3.

¹⁶ See NYSE Arca Rule 7.12–E.

¹⁷ FINRA conducts 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.

¹⁸ For a list of the current members of ISG, see www.isgportal.org.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an "Information Bulletin" of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the procedures for creations of Shares in Baskets; (2) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) information regarding how the value of the Pricing Benchmarks and NAV are disseminated; (4) the possibility that trading spreads and the resulting premium or discount on the Shares may widen during the Early and Late Trading Sessions, when an updated IIV will not be calculated or publicly disseminated; (5) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses as described in the Registration Statement. The Information Bulletin will disclose that information about the Shares of the Trust is publicly available on the Trust's website. The Information Bulletin will also reference the fact that there is no regulated source of last sale information regarding bitcoin or ether, that the Commission has no jurisdiction over the trading of bitcoin or ether as a commodity, and that the Commodity Futures Trading Commission (the "CFTC") has regulatory jurisdiction over the trading of CME bitcoin futures contracts, ether futures contracts and options on CME bitcoin futures contracts and ether futures contracts.

The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)¹⁹ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and, in general, to protect investors and the public interest.

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 and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.201–E. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions on the Exchange and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets 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 and bitcoin and ether derivatives from such markets. In addition, the Exchange may obtain information regarding trading in the Shares and bitcoin and ether derivatives from markets that are members of ISG or with which the Exchange has in place a CSSA. Also, pursuant to NYSE Arca Rule 8.201–E(g), the Exchange is able to obtain information regarding Market Maker accounts for trading in the Shares and the underlying bitcoin, underlying ether or any bitcoin or ether derivative through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary trades which they effect on any relevant market.

The proposed rule change is also designed to prevent fraudulent and manipulative acts and practices because the Trust is structured similarly to and will operate in materially the same manner as the Spot Bitcoin ETPs, Spot Ether ETPs, and Spot Bitcoin/Ether ETPs previously approved by the Commission. The Exchange further believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices because, as noted by the Commission in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, and Spot Bitcoin/Ether ETP Approval Order, the Exchange's ability to obtain information regarding trading in the Shares and futures from markets and other entities that are members of the ISG (including the CME) would assist the Exchange in detecting and deterring misconduct. In particular, the CME bitcoin and ether futures markets are large, surveilled and regulated markets that are closely connected with the spot markets for bitcoin and ether, respectively, through which the Exchange could obtain information to assist in detecting and deterring potential fraud or manipulation.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of bitcoin and ether price and market information available on public websites and through professional and subscription services. Investors may obtain, on a 24-hour basis, bitcoin and ether pricing information based on the spot price for bitcoin and ether from various financial information service providers. The closing price and settlement prices of bitcoin and ether are readily available from the Constituent Platforms and other publicly available websites.

In addition, such prices are published in public sources, or on-line information services such as Bloomberg and Reuters. The NAV per Share will be calculated daily and made available to all market participants at the same time. The Trust will provide website disclosure of its NAV and NAV per Share daily. One or more major market data vendors will disseminate for the Trust on a daily basis information with respect to the most recent NAV per Share and Shares outstanding. In addition, if the Exchange becomes aware that the NAV per Share is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV per Share is available to all market participants. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IIV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session (normally 9:30 a.m. E.T. to 4:00 p.m. E.T.) by one or more major market data vendors. The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the value of either Pricing Benchmark occurs. If the interruption to the dissemination of the IIV or the value of either 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.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares on the Exchange and may obtain information via ISG

¹⁹ 15 U.S.C. 78f(b)(5).

from other exchanges that are members of ISG or with which the Exchange has entered into a CSSA. In addition, as noted above, investors will have ready access to information regarding the Trust's NAV per Share, IIV, and quotation and last sale information for the Shares.

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 notes that the proposed rule change will facilitate the listing and trading of an additional type of exchange-traded product, which will enhance competition among market participants, 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

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the 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. Please include file number SR-NYSEARCA-2025-45 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-NYSEARCA-2025-45. 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-NYSEARCA-2025-45 and should be submitted on or before July 31, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12809 Filed 7-9-25; 8:45 am]

BILLING CODE 8011-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36836]

Norfolk Southern Corporation and Norfolk Southern Railway Company—Acquisition of Control—Norfolk & Portsmouth Belt Line Railroad Company

AGENCY: Surface Transportation Board.

ACTION: Decision No. 7 in Docket No. FD 36836; Notice of Acceptance of

Application; Issuance of Procedural Schedule.

SUMMARY: The Surface Transportation Board (Board) is accepting for consideration the application filed on June 13, 2025, by Norfolk Southern Corporation (NSC) and Norfolk Southern Railway Company (NSR) (collectively, NS or Applicants). Applicants seek the Board's authorization of their acquisition of control of Norfolk & Portsmouth Belt Line Railroad Company (NPBL), a Class III rail carrier operating in Norfolk, Portsmouth, and Chesapeake, Va. This proposal is referred to as the Transaction. The Board finds that the application is complete. The Board, therefore, accepts the application and adopts a procedural schedule for its consideration.

DATES: Any person who wishes to participate in this proceeding as a Party of Record must file, by July 23, 2025, a notice of intent to participate if they have not already done so. Descriptions of anticipated responsive applications, including inconsistent applications, are due by August 12, 2025. Petitions for waiver or clarification with respect to such applications are also due by August 12, 2025. Comments, protests, requests for conditions, and any other evidence and argument in opposition to the application are due by August 27, 2025. This includes any comments from the U.S. Department of Justice (DOJ) and U.S. Department of Transportation (USDOT). All responsive applications, including inconsistent applications, are due by September 8, 2025. Responses to comments, protests, requests for conditions, and other opposition—including responses to DOJ and USDOT filings—are due by October 27, 2025. Responses to responsive applications, including inconsistent applications, are also due by October 27, 2025. Rebuttal in support of the application is also due by October 27, 2025. Rebuttals in support of responsive applications, requests for conditions, and other opposition must be filed by November 26, 2025. Final briefs are due by January 6, 2026. If a public hearing or oral argument is held, it will be held between the filing of rebuttals and final briefs, on a date to be determined by the Board. The Board will issue its final decision by April 6, 2026, and the decision will become effective by May 6, 2026. For further information regarding deadlines, see the Appendix to this decision.

ADDRESSES: Any filing submitted in this proceeding must be filed with the Board either via e-filing on the Board's website

²⁰ 17 CFR 200.30-3(a)(12).

or in writing addressed to 395 E Street SW, Washington, DC 20423-0001. In addition, one copy of each filing must be sent (and may be sent by email only if service by email is acceptable to the recipient) to each of the following: (1) Secretary of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) Attorney General of the United States, c/o Assistant Attorney General, Antitrust Division, Room 3109, Department of Justice, Washington, DC 20530; (3) Applicants' representative, William Mullins, Mullins Law Group, PLLC, 2001 L Street NW, Suite 720, Washington, DC 20036; and (4) any other person designated as a Party of Record on the service list.

FOR FURTHER INFORMATION CONTACT:

Amy Ziehm at (202) 918-5462. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

SUPPLEMENTARY INFORMATION: On February 14, 2025, Applicants filed a submission, styled as an application for a "minor" transaction, seeking the Board's authorization under 49 U.S.C. 11323-25 and 49 CFR part 1180 of their acquisition of control of NPBL. By decision served March 14, 2025, and published in the **Federal Register** on March 17, 2025 (90 FR 12440), the Board found that the Transaction should be classified as a "significant" transaction. See *Norfolk S. Corp.—Acquis. of Control—Norfolk & Portsmouth Belt Line R.R. (Decision No. 2)*, FD 36836, slip op. at 7-8 (STB served Mar. 14, 2025). Accordingly, the Board determined that it could not accept Applicants' February 14, 2025 submission as an application at that time and treated the submission as a prefiling notification for a significant transaction.¹ *Id.* at 7; see also 49 CFR 1180.4(b)(1). The Board stated that Applicants could perfect their application by supplementing their February 14, 2025 submission. The Board waived certain filing requirements that pertain to significant transactions and directed Applicants to provide certain information in addition to the impact analysis and supporting documents that are required under 49 CFR 1180.7(a) and (c). *Decision No. 2*, FD 36836, slip op. at 7-8. The Board also directed Applicants to file with the Board, by March 21, 2025, a revised proposed procedural schedule reflecting the Board's determination that the Transaction is a significant transaction. *Id.* at 8-9.

On March 21, 2025, Applicants filed a "revised motion for proposed

procedural schedule." CSX Transportation, Inc. (CSXT), filed a response to Applicants' motion on March 28, 2025.² The Board published notice of, and invited comment on, Applicants' revised proposed procedural schedule by decision served April 11, 2025, and published April 16, 2025. See *Norfolk S. Corp.—Acquis. of Control—Norfolk & Portsmouth Belt Line R.R. (Decision No. 3)*, FD 36836 (STB served Apr. 11, 2025) (90 FR 16056). Applicants filed comments on the proposed procedural schedule on April 28, 2025. On June 13, 2025, Applicants supplemented their February 14, 2025 submission.³

According to Applicants, NS is a Class I rail carrier that operates approximately 19,300 route miles of track. (Prefiling Notification 40.)⁴ NPBL is a terminal switching company, currently owned by NS (57.14%) and CSXT (42.86%). (*Id.* at 12.) NPBL operates approximately 36 miles of rail line from Portsmouth, Va., to Norfolk, Va. (the NPBL Line), and approximately 27 miles of trackage rights over NS track from Norfolk to Chesapeake, Va. (the NPBL Trackage Rights). (*Id.* at 12-13, 42.) The NPBL Line connects with CSXT at Portsmouth, with NSR and the Chesapeake and Albemarle Railroad at Chesapeake, and the Buckingham Branch Railroad at Norfolk. (*Id.* at 58.) According to Applicants, NPBL serves 24 industries on its system, in addition to serving NS and CSXT. (Appl. 70.)

The NPBL Trackage Rights facilitate NPBL's access to the Norfolk International Terminal (NIT). (Prefiling Notification 58.) NIT is the larger of the two primary container terminals at the Port of Virginia (POV) in or about the Hampton Roads area. (*Id.* at 51-52, 60; Appl. 61.) The NSR track over which the NPBL Trackage Rights run connects directly to NIT.⁵ (Prefiling Notification 58.) According to Applicants, other rail carriers can access NIT by interchanging

with NSR or arranging for a switch move involving NPBL. (*Id.*) CSXT also conducts drayage operations to NIT from a nearby yard. (*Id.* at 32, 66.) The other, smaller container terminal at POV in or about the Hampton Roads area is the Virginia International Gateway (VIG). (*Id.* at 60.) NSR and CSXT both access VIG through the Commonwealth Railway (CWRY), a subsidiary of Genesee & Wyoming Inc. (*Id.*) Via NPBL, NSR and CSXT also have rail access to the Portsmouth Marine Terminal, a former container, break-bulk, and roll-on/roll-off cargo terminal that is currently being repurposed to handle heavy and oversized cargo. (*Id.*) Additionally, CSXT has direct, on-dock access to the Newport News Marine Terminal, a break-bulk and roll-on/roll-off facility. (*Id.* at 60-61.)

NPBL's current switch rate to NIT is \$210 per loaded car well. (*Id.* at 11.) Applicants state that NPBL's switch rate is based on a "uniform, cost-based structure" (instead of a profit/market-driven fee basis), in accordance with an agreement entered into when NPBL was created in 1897. (*Id.* at 8 & n.3, 12, 24.)

Until 2016, NPBL operated the NPBL Trackage Rights pursuant to the terms of a trackage rights agreement entered into in 1917. (*Id.* at 13.) NS terminated that agreement in 2016, and the parties have extended the terms of the terminated agreement on a month-to-month basis since that time. (*Id.*) In 2018, in Docket No. FD 36223, NSR filed a petition asking the Board to set trackage rights compensation for the NPBL Trackage Rights. That proceeding was held in abeyance pending the resolution of related federal court litigation.⁶ *Norfolk S. Ry.—Pet. to Set Trackage Rts. Comp.—Norfolk & Portsmouth Belt Line R.R.*, FD 36223 (STB served July 25, 2019).

Applicants state that they have effectively controlled NPBL for 42 years. (See, e.g., Prefiling Notification 7-8, 17, 24.) In 1980, NSC (then known as NWS Enterprises, Inc.) sought authority from the Board's predecessor agency, the Interstate Commerce Commission (ICC), to acquire control of Norfolk & Western Railway Company (N&W) and Southern Railway Company (SRC). (*Id.* at 59 & n.5.) At that time, NPBL had four shareholders—SRC, N&W, Norfolk Southern Railway Company (Norfolk Southern),⁷ and CSXT. (*Id.* at 59.) The

² On April 1, 2025, Applicants filed a letter in response to CSXT's March 28, 2025 filing, stating that they intended to file comments after the Board publishes notice of the proposed schedule in the **Federal Register**. (NS Letter 1-2, Apr. 1, 2025.)

³ CSXT filed motions to compel production of certain documents and information on April 9 and April 18, 2025. On June 20, 2025, CSXT filed a restated and amended motion to compel, to which Applicants replied on June 25, 2025. The motions to compel will be addressed in a subsequent decision.

⁴ Citations to pleadings on the record will cite to the cumulative page numbers to the extent they are available.

⁵ The NPBL Trackage Rights connect the main body of NPBL's system to its line extending from West Junction to NIT. (See Appl. 101); see also NPBL Reply 1-2, June 24, 2025, *Norfolk S. Ry.—Pet. to Set Trackage Rts. Comp.—Norfolk & Portsmouth Belt Line R.R.*, FD 36223.

⁶ On April 30, 2025, NSR filed a motion to end the abeyance period. On May 20, 2025, CSXT filed a motion to dismiss or to continue to hold the proceeding in abeyance, to which NSR replied on June 9, 2025. NPBL replied on June 24, 2025. These motions are currently pending before the Board.

⁷ In 1980, Norfolk Southern was a Class II subsidiary of SRC. (Appl. 13.) It changed its name

¹ Applicants' February 14, 2025 submission will be referred to as the Prefiling Notification.

ICC approved NSC's application in 1982 (the 1982 Transaction), resulting in NSC indirectly owning 57.14% of the shares of NPBL. (*Id.* at 9, 60; Appl. 13.)

In 1991, the ICC, pursuant to an exemption under 49 CFR 1180.2(d)(3) for transactions within a corporate family, granted SRC authority to directly control N&W. (Prefiling Notification 9); *S. Ry.—Control Exemption—Norfolk & W. Ry.*, FD 31791 (ICC served Jan. 14, 1991). At the same time, SRC changed its name to Norfolk Southern Railway Company. (Prefiling Notification 9); *S. Ry.—Control Exemption*, FD 31791, slip op. at 1. Then, in 1998, pursuant to another corporate family transaction exemption, the Board authorized the merger of N&W into its parent, NSR (formerly SRC). (Prefiling Notification 9); *Norfolk S. Ry.—Exemption—Norfolk & W. Ry.*, FD 33648 (STB served Aug. 31, 1998).

In 2018, CSXT filed an antitrust complaint in federal district court against NS and NPBL, alleging that NS had prevented CSXT from serving NIT since 2009, when NPBL increased its switch rate to the current rate of \$210 per loaded car well. (Prefiling Notification 11.) In 2021, NSR filed with the Board a petition for declaratory order requesting that the Board institute a proceeding to address certain issues referred to the Board by the district court, including whether the ICC granted NSC approval to control NPBL when it approved the 1982 Transaction. *See Norfolk S.—Pet. for Declaratory Ord. (Declaratory Ord. Proceeding)*, FD 36522, slip op. at 1 (STB served June 17, 2022), *aff'd sub nom. Norfolk S. Ry. v. STB*, 72 F.4th 297 (D.C. Cir. 2023), *cert. denied*, 144 S. Ct. 1343 (2024). In 2022, the Board held that the agency did not authorize NSC's control of NPBL in the 1982 Transaction or the notices of exemption in 1991 and 1998, and stated that it “expect[ed] the parties to take appropriate steps to address the unauthorized control issue immediately following resolution of the district court proceeding, including any appeals.” *Declaratory Ord. Proceeding*, FD 36522, slip op. at 1, 9–17 & n.25. In 2023, the district court granted summary judgment in NS's favor on CSXT's federal antitrust claims for damages, finding that those claims were untimely. *See CSX Transp., Inc. v. Norfolk S. Ry.*, 648 F. Supp. 3d 679 (E.D. Va. 2023). The U.S. Court of Appeals for the Fourth Circuit affirmed the district court's decision. *CSX Transp., Inc. v. Norfolk S. Ry.*, 114 F.4th 280 (4th Cir. 2024). On November 26, 2024, CSXT filed a

petition for certiorari with the U.S. Supreme Court seeking review of the Fourth Circuit's opinion, (Prefiling Notification 11), which the Supreme Court denied, *CSX Transp., Inc. v. Norfolk S. Ry.*, 2025 U.S. Lexis 1619 (S. Ct. 2025).

Applicants state that they are now seeking to obtain control authority as directed by the Board in the *Declaratory Order Proceeding*.⁸ (Prefiling Notification 7–8.) As discussed in more detail below, on June 20, 2025, CSXT filed a petition to reject Applicants' application as incomplete, and Applicants responded on June 25, 2025.

Financial Arrangements. According to Applicants, there would be no new securities or other financial arrangements in connection with the Transaction. (*Id.* at 22.)

Passenger Service Impacts. Applicants state that there are currently no passenger or commuter rail operations on NPBL's rail system, and there is no plan to introduce any such operations as a result of the Transaction. (*Id.* at 45.)

Discontinuances/Abandonments. Applicants assert that no rail service would be discontinued or abandoned on any portion of NPBL's system as a result of the Transaction. (*Id.*)

Public Interest Considerations.⁹ According to Applicants, in the 42 years that they have owned a majority interest in NPBL, they have not used their effective control to decrease the transportation options available to shippers, and they have no plans to change that policy moving forward. (Prefiling Notification 24.) Applicants state that intermodal shippers have and will continue to have numerous transportation options for moving their traffic, including (1) through NIT, served directly by NS; (2) through NIT, served directly by NPBL and indirectly by CSXT, (3) through NIT, served by CSXT via drayage to CSXT's nearby dock yard at Pinner's Point, (4) through VIG, served directly by CWRY and indirectly by CSXT and NSR, and (5) through VIG, served by CSXT and NSR

via drayage.¹⁰ (Appl. 34.) Applicants further state that shippers can move traffic directly by trucks and note that trucking holds the largest market share. (*Id.* at 34 & n.58, 47.) Applicants commit to “(1) ensuring that [their] control of NPBL will not be used in a manner to artificially inflate NPBL's costs through the imposition of an unreasonable trackage rights fee, (2) establishing a trackage rights fee that is fully consistent with the [Board's] trackage rights rate methodology imposed by the Board to preserve competition; and (3) establishing and maintaining a uniform cost-based switching rate.” (Prefiling Notification 27.)

Applicants assert that the Transaction would generate public benefits moving forward. (Appl. 30.) According to Applicants, by continuing to impose a uniform switch rate, they would ensure that all NPBL customers contribute to NPBL's operating costs and that no customers are subsidizing other customers' portions of those costs.¹¹ (*Id.*) Applicants further assert that continuing to impose a cost-based rate, based on NPBL's variable and fixed costs, along with a modest return on its investment, would ensure the long-term viability of its operations and enable NPBL to continue to provide safe and reliable rail service to all its customers. (*Id.* at 30–31.)

Additionally, Applicants argue that there are public benefits to NPBL being part of the NS corporate family, including lower operating costs, better access to capital for infrastructure investments, cost savings from purchasing and from lower insurance premiums, and better liability protections. (*Id.* at 31.) Applicants also note the significant investments made in the international intermodal container market during the time that NS has owned the majority interest in NPBL and state that these investments “reflect the intense competitive marketplace that currently exists for international intermodal containers that has been sustained throughout NS's effective control of NPBL, and that will continue to flourish.” (Prefiling Notification 30–31, 65.)

Schedule for Consummation.

Applicants assert that there is no new transaction to be consummated as NSC has had effective control of NPBL since the 1982 Transaction. (*Id.* at 22.)

⁸ Applicants state that they are “not seeking any form of retroactive approval.” (Appl. 9.)

⁹ Under the regulations, the detailed discussion of public interest justifications is to give “particular regard to the relevant statutory criteria.” 49 CFR 1180.6(a)(2). In a significant transaction, the Board makes a determination as to whether, as a result of a transaction, there would likely be a substantial lessening of competition, creation of a monopoly, or a restraint of trade in freight surface transportation in any region of the United States, and whether any anticompetitive effects would be outweighed by the public interest in meeting significant transportation needs. *See* 49 U.S.C. 11324(d)(1)–(2).

¹⁰ Applicants state that neither NSR nor CSXT currently use drayage for VIG container traffic. (Appl. 40–41.)

¹¹ According to Applicants, if NPBL lowered CSXT's switch rate, as CSXT has requested, the rate would be less than NPBL's variable costs, and other NPBL shippers would need to pay more to cover the difference. (Appl. 92–93.)

Environmental Impacts. Applicants contend that the Transaction would not result in any operational changes (such as increases in rail traffic, train operations, or yard activity) that would exceed the Board's thresholds for environmental review in 49 CFR 1105.7(e)(4) and (5). (Prefiling Notification 43.) Applicants therefore assert that the Transaction does not require the preparation of environmental documentation under 49 CFR 1105.6(c)(1). (*Id.*)

Historic Impacts. Applicants assert that, under 49 CFR 1105.8(b)(3), the Transaction does not require a historic report because there would not be a substantial change to the level of maintenance of the railroad property. (*Id.* at 44.)

Labor Impacts. Applicants state that they do not plan to make any changes to the number of employees working on NPBL as a result of the Board approving the application. (*Id.* at 40.) According to Applicants, no employees of NS or NPBL will be dismissed or displaced as a result of Board approval. (*Id.*) Applicants state that, because no adverse impact on employees is expected, no employee protection agreements have been negotiated. (*Id.*)

Primary Application Accepted. Under 49 U.S.C. 11325(a) and 49 CFR 1180.4(c)(7)(i), the Board must accept a complete merger or control application, no later than 30 days after the application is filed, by publishing notice of the application in the **Federal Register**. An application is complete when it "contains all information for all applicant carriers required by these procedures, except as modified by advance waiver." 49 CFR 1180.4(c)(7); see also 49 CFR 1180.6–8. If the Board determines that an application is incomplete, the Board must reject it by the end of the 30-day period. 49 U.S.C. 11325(a); 49 CFR 1180.4(c)(7)(ii). Here, the Board finds that Applicants have provided information sufficient to satisfy the filing requirements for a significant transaction application. Accordingly, the Board accepts the application for consideration. See 49 U.S.C. 11321–11326; 49 CFR 1180.

On June 20, 2025, CSXT filed a petition to reject the application, asserting that it is incomplete. (CSXT Pet. to Reject CSXT–10–3, June 20, 2025.) According to CSXT, Applicants' market analysis under 49 CFR 1180.7 is inadequate. (*Id.* at CSXT–10–5 to –7, –13 to –15.) CSXT argues that Applicants failed to provide an "analysis, supported by data, showing how an independent and neutral NPBL would act" and "how markets and competition would differ" without

Applicants' control of NPBL. (*Id.* at CSXT–10–6, –13.) Additionally, according to CSXT, Applicants failed to (1) address the effect of inclusion (or lack of inclusion), (*id.* at CSXT–10–7 to –9); (2) submit a marketing plan, (*id.* at CSXT–10–9 to –10); (3) describe the relevant markets, (*id.* at CSXT–10–10 to –11); (4) demonstrate that Applicants' control would not result in a two-to-one reduction in competition, (*id.* at CSXT–10–12 to –13); and (5) support their claims regarding market comparables, (*id.* at CSXT–10–15 to –16).

Applicants replied to CSXT's petition to reject on June 25, 2025. Applicants assert that they have filed the information required for a significant transaction under the Board's regulations, as modified by the Board in *Decision No. 2*. (NS Reply to Pet. to Reject 6, 7–9, June 25, 2025.) With respect to their market analysis, Applicants argue that CSXT's petition challenges "how" Applicants addressed the requirements of 49 CFR 1180.7(a) but not "whether" they were addressed. (*Id.* at 12.) Applicants further argue that the Board's regulations provide applicants with significant leeway to develop the best evidence and choose the type and format of that evidence. (*Id.* at 12–13.) Applicants assert that they have addressed inclusion (to the extent it was even required),¹² (*id.* at 10–12); that their application reflects that there will be no consolidated marketing plan as NS is not seeking "authority to merge or otherwise consolidate with NPBL in a manner that would do away with the non-discriminatory, independent nature of NPBL's Board of Directors, its operating personnel, or its marketing personnel," (*id.* at 17); that they address the relevant markets by listing the different competitive options, including their characteristics and costs, (*id.* at 19); and that they provide sufficient competitive analysis to establish that there would be no two-to-one points as a result of the Transaction, (*id.* at 20).

The Board finds that the application, together with the Prefiling Notification, contains the information required for a significant transaction under the Board's regulations, as modified by the Board in *Decision No. 2*. CSXT's arguments largely challenge the merits of Applicants' positions—e.g., the way Applicants frame their market analysis, Applicants' position on whether inclusion would be appropriate in this case, and the reliability of Applicants'

proposed market comparables. But the issue before the Board at this stage is whether the application "contains all information for all applicant carriers required by these procedures, except as modified by advance waiver," see 49 CFR 1180.4(c)(7), which the Board finds it does. The issues raised by CSXT's motion to reject are more appropriately addressed at the merits stage of the proceeding after the record has been developed.

In support of its position that the application is incomplete, CSXT points to *CSX Corp.—Control & Merger—Pan Am Systems, Inc. (CSXT/Pan Am)*, Docket No. FD 36472. (See, e.g., CSXT Pet. to Reject CSXT–10–8 to –10, June 20, 2025.) However, given the particular history of this Transaction, with the unauthorized acquisition having occurred over 40 years ago, the type and format of evidence presented may differ from that which the Board would expect in a more routine proposed transaction proceeding. See 49 CFR 1180.7(c) ("For significant transactions, specific regulations on impact analyses are not provided so that the parties will have the greatest leeway to develop the best evidence on the impacts of each individual transaction.")

The Board has reviewed the application and determined that it contains sufficient information to be considered complete. Accordingly, CSXT's petition to reject the application is denied. As indicated by the procedural schedule discussed below, CSXT and other parties will have the opportunity to comment on the merits of the application at a later stage. The Board will conduct a careful review after the record is fully developed before making a determination as to whether the Transaction would likely substantially lessen competition, create a monopoly, or restrain trade, and whether any anticompetitive effects would be outweighed by the public interest in meeting significant transportation needs. See 49 U.S.C. 11324(d)(1)–(2). The Board reserves the right to require the filing of additional information, if necessary for a full record.

Procedural Schedule. As noted above, on March 21, 2025, Applicants filed a revised proposed procedural schedule reflecting the Board's determination that the Transaction is a significant transaction. CSXT filed a response to Applicants' motion on March 28, 2025, proposing a number of changes to Applicants' revised proposed procedural schedule. Applicants filed comments, including responses to many of CSXT's proposed changes, on April

¹² Because Applicants addressed this criterion, the Board need not address Applicants' suggestion that such information may not have been required with this type of transaction.

28, 2025. The Board will address each proposed modification in turn.

First, in their revised procedural schedule, Applicants propose that comments, protests, requests for conditions, and any other evidence and argument in opposition to the application be due 60 days after their application is filed. (NS Revised Mot. 3, Mar. 21, 2025.) CSXT proposes that this deadline should be 90 days after the application is filed. (CSXT Response 2–4, Mar. 28, 2025.) CSXT argues that 90 days is more appropriate here because of the “serious, extensive, and longstanding competitive issues that will need to be addressed in this proceeding, and the existence of a substantial record that will need to be reviewed.” (*Id.* at 4.) CSXT further argues that syncing the deadline for written comments with the deadline for responsive applications would create efficiencies for the parties and is consistent with the Board’s practice in past cases, such as *Canadian Pacific Railway—Control—Dakota, Minnesota & Eastern Railroad (DM&E)*, FD 35081, slip op. at 18 (STB served Dec. 27, 2007). (*Id.* at 5.) In response, NS argues that the applicants in *DM&E* proposed setting the deadline at 90 days, thereby waiving their right to a 60-day comment period. (NS Comments 9, Apr. 28, 2025.) The Board will set the deadline for comments, protests, requests for conditions, and any other evidence and argument in opposition to the application at 75 days following the submission of the application. This deadline provides some additional time for parties to review the record without unduly shortening the time for Applicants to prepare their rebuttal filing.¹³

Second, Applicants propose that discovery should close 135 days after the application is filed. (NS Revised Mot. 3, Mar. 21, 2025.)¹⁴ CSXT opposes

this proposal, arguing that closing discovery before rebuttals on responsive applications are filed is an “attempt to avoid any discovery on assertions made by NS in response to responsive, including inconsistent, applications.” (CSXT Response 7, 9, Mar. 28, 2025.) According to CSXT, a party is entitled to discovery as long as the record is open. (*Id.* at 9.) Applicants argue that CSXT’s proposal is an attempt to delay the proceeding and that, in control proceedings, the timing of discovery is dictated by the controlling statutes and regulations, such as those which set a deadline for the close of the evidentiary proceeding. (NS Comments 5–7, Apr. 28, 2025.)

Agency precedent is clear that “[p]arties have the right to submit the final evidence and close the record on the merits of their application.” *Union Pac.—Control—Chi. & N. W. Transp.*, FD 32133 et al., slip op. at 8 (ICC served July 11, 1994). This includes both primary applicants and responsive applicants. *See id.* at 8. The Board therefore finds that all discovery in this proceeding should be complete by the deadline for the submission of rebuttals in support of responsive applications. There are, however, “limits on the type of evidence which is appropriate for rebuttal and thus there are also limits on the latitude for discovery.” *See id.* Accordingly, any late-stage discovery, e.g., in preparation for rebuttal filings, should be limited to those issues that are appropriate for rebuttal. *See* 49 CFR 112.6 (“Rebuttal statements shall be confined to issues raised in reply statements to which they are directed.”).

Third, under Applicants’ proposed schedule, rebuttals in support of responsive applications would be due 30 days after comments on those applications are due. (NS Revised Mot. 3, Mar. 21, 2025.) CSXT proposes that this deadline be 45 days after comments to responsive applications are filed. (CSXT Response 6, Mar. 28, 2025.) CSXT argues that, under its proposal, both Applicants and responsive applicants would have 45 days to prepare rebuttals regarding their respective applications. (*Id.*) The Board will set the deadline for rebuttals in support of responsive applications at 30 days after comments to responsive applications are filed. This is consistent with the procedural schedules adopted in both *DM&E* and *CSXT/Pan Am*. *See DM&E*, FD 35081, slip op. at 18; *CSXT/Pan Am*, FD 36472 et al., slip op. at 30 (STB served July 30, 2021).

recons. denied, Norfolk S. Corp.—Acquis. of Control—Norfolk & Portsmouth Belt Line R.R., FD 36836, slip op. at 5–7 (STB served June 13, 2025).

Fourth, Applicants include a placeholder in their proposed procedural schedule for a public hearing, to be held, if deemed necessary, at a date to be determined. (NS Revised Mot. 3, Mar. 21, 2025.) Applicants state, however, that they do not believe a public hearing will be required. (*Id.* at 3 n.8.) CSXT argues that a hearing will be necessary and proposes striking “(if necessary)” from the schedule. (CSXT Response 3, 7, Mar. 28, 2025.) The Board will decide whether to conduct a public hearing after the record has been more fully developed. *See* 49 U.S.C. 11324(a) (“The Board shall hold a public hearing unless the Board determines that a public hearing is not necessary in the public interest.”).

Lastly, Applicants propose that final briefs be due 15 days after the submission of rebuttals in support of responsive applications. (NS Revised Mot. 3, Mar. 21, 2025.) CSXT proposes a 30-day period, arguing that 30 days would “assist the Board by giving the parties a better opportunity to summarize what will likely be a complex record” and is consistent with the statutory deadline for control proceedings. (CSXT Response 6, Mar. 28, 2025.) In both *DM&E* and *CSXT/Pan Am*, the deadline for final briefs was approximately 45 days following the submission of rebuttals in support of responsive applications. *See DM&E*, FD 35081, slip op. at 18; *CSXT/Pan Am*, FD 36472 et al., slip op. at 29–30. Given that the public hearing, should the Board decide to conduct one, would be held between the filing of rebuttals and final briefs, the Board finds that it is appropriate to follow the precedent set in *DM&E* and *CSXT/Pan Am*.

The adopted procedural schedule is in the Appendix to this decision.¹⁵

Notices of Intent to Participate. Any person who wishes to participate in this proceeding as a Party of Record must file with the Board, by July 23, 2025, a notice of intent to participate, accompanied by a certificate of service indicating that the notice has been properly served on the Secretary of Transportation, the Attorney General of the United States, and Applicants’ representative. Parties who have already submitted a notice of intent to participate are not required to resubmit an additional notice.

If a request is made in the notice of intent to participate to have more than one name added to the service list as a

¹³ Applicants suggest that 49 U.S.C. 11325(c)(1) prohibits the filing of comments any later than 60 days from the filing of a significant application, unless consented to by the applicant. (NS Comments 11, Apr. 28, 2025.) That section, however, creates a statutory right for the commenting party to file comments within 60 days, without any restriction on the Board’s discretion to provide additional time within the statutory deadline for concluding evidentiary proceedings. *Compare* 49 U.S.C. 11325(c)(1) (“[w]ritten comments . . . may be filed with the Board within 30 days”) *with* 49 U.S.C. 11325(a) (“[t]he Board shall publish notice . . . by the end of the 30th day after the application is filed”).

¹⁴ Applicants also proposed that discovery begin on the date the Board publishes notice of its acceptance of the application in the **Federal Register**. (NS Revised Mot. 3, Mar. 21, 2025), and CSXT objected to this proposal. By order dated April 11, 2025, the Board determined that it would be appropriate for discovery to begin immediately. *See Decision No. 3*, FD 36836, slip op. at 2 n.2,

¹⁵ The dates shown in the “DATES” section above and the Appendix to this decision have been calculated based on a **Federal Register** publication date of July 10, 2025. Should publication of this decision occur on a different day, the Board will issue a revised procedural schedule.

Party of Record representing a particular entity, the extra name(s) will be added to the service list as a “Non-Party.” Any person designated as a Non-Party will receive copies of Board decisions, orders, and notices, but not copies of official filings. Persons seeking to change their status must accompany that request with a written certification that he or she has complied with the service requirements set forth at 49 CFR 1180.4 and any other requirements set forth in this decision.

Service of Parties of Record. Each Party of Record will be required to serve upon all other Parties of Record, within 10 days of the service date of this decision, copies of all filings previously submitted by that party (to the extent such filings have not previously been served upon such other parties). Each Party of Record will also be required to file with the Board, within 10 days of the service date of this decision, a certificate of service indicating that the service required by the preceding sentence has been accomplished. Every filing made by a Party of Record after the service date of this decision must have its own certificate of service indicating that all Parties of Record on the service list have been served with a copy of the filing. Members of the United States Congress and Governors are not Parties of Record and need not be served with copies of filings, unless any Member or Governor has requested to be, and is designated as, a Party of Record.

Environmental Matters. The National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321–4370m–11, requires that the Board take environmental considerations into account in its decision-making. Under the Board’s environmental rules, actions with environmental effects that are ordinarily insignificant may be excluded from NEPA review without a case-by-case environmental review. Such activities are covered as a “categorical exclusion,” which is a category of actions that “a Federal agency has determined normally does not significantly affect the quality of the human environment within the meaning of [42 U.S.C.] 4332(2)(C).”¹⁶ 42 U.S.C. 4336e(1). In its environmental rules, the Board has promulgated several categorical exclusions. As pertinent here, acquisition of control is a category of action that normally requires no environmental review if certain

thresholds would not be exceeded.¹⁷ See 49 CFR 1105.6(b)(4), (c)(1)(i).

The Transaction. OEA has reviewed Applicants’ application and based on the current record has determined that none of the Board’s thresholds would be exceeded as a result of the Transaction because there would be no increase of eight trains per day or 100% increase in rail traffic or gross-ton miles. 49 CFR 1105.7(e)(5)(i). NS currently has three scheduled train arrivals and three scheduled train departures at NIT per day. (Appl. 68.) NS’s Sewells Point Line, which serves NIT, supports an average of 10 to 15 trains per day. (*Id.*) As noted above, NPBL operates as a switching and terminal carrier and serves 24 industries on its system, in addition to serving NS and CSXT. (*Id.* at 70.) According to Applicants, they have effectively controlled NPBL for 42 years and have no plan to change the operating plan with respect to patterns or types of service as a result of the Board’s approval of their acquisition of control. (Prefiling Notification 44, 77.) Applicants further explain that the requested Board approval would not result in an increase or decrease of rail traffic on either NS or NPBL lines, or material changes in rail yard activity. (*Id.* at 43–44, 109–10.) Therefore, Applicants state that no environmental review is necessary because Board approval would not result in an increase in train or truck activity sufficient to

¹⁷ The thresholds that are typically applicable to a transaction such as this are the air quality thresholds at 49 CFR 1105.7(e)(5). These thresholds differ depending on whether a rail line segment is in an area designated as in “attainment” or “nonattainment” with the National Ambient Air Quality Standards established under the Clean Air Act (42 U.S.C. 7401–7671q). For rail lines located in attainment areas, environmental documentation normally will be prepared if the proposed action would result in (1) an increase of at least eight trains per day on any segment of rail line affected by the proposal, (2) an increase in rail traffic of at least 100% (measured in annual gross ton miles), (3) an increase in carload activity at rail yards of at least 100%, or (4) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 CFR 1105.7(e)(5)(i). For rail lines in nonattainment areas, environmental documentation typically is required when the proposed action would result in (1) an increase of at least three trains per day on any segment of rail line, (2) an increase in rail traffic of at least 50% (measured in annual gross ton miles), (3) an increase in carload activity at rail yards of at least 20%, or (4) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any given road segment. See 49 CFR 1105.7(e)(5)(ii). The Board’s Office of Environmental Analysis (OEA) has confirmed that NPBL does not pass through any nonattainment areas. Moreover, should the Board approve the Transaction, Applicants do not anticipate any diversion of rail carloads to motor carriage that would implicate the energy thresholds at 49 CFR 1105.7(e)(4) and the truck traffic thresholds at 49 CFR 1105.7(e)(5).

trip the thresholds at 49 CFR 1105.7(e)(4) and (5). (*Id.* at 43.)

Historic Review. The Board’s regulations also provide that historic review normally is not required for acquisitions where there would be no significant change in operations and properties 50 years old and older would not be affected. See 49 CFR 1105.8. Applicants contend that no historic review is required because the Transaction “will not substantially change the level of maintenance of the railroad property,” under 49 CFR 1105.8(b)(3). (Prefiling Notification 44.)

Conclusions. Based on the information provided to date, and after consultation with OEA, the Board determines that an environmental and historic review for the Transaction is not warranted because it does not appear that the thresholds triggering an environmental review would be met and there is nothing in the available environmental information to indicate the potential for significant environmental or historic impacts should the Board approve the Transaction. CSXT asserts that it is too early for the Board to make any decisions related to environmental matters because it is “unclear how NS’s unlawful control over NPBL affects the [Board’s] environmental review.” (CSXT Response 11, Mar. 28, 2025.) However, given the need for the Board to draw a “manageable line” when conducting its environmental reviews, it would not be practical, or even possible, for it to attempt to investigate the potential environmental and historic impacts that may have resulted over the years from NS effectively taking control of NPBL in 1982. See *Seven Cnty. Infrastructure Coal. v. Eagle Cnty., Colo.*, 605 U.S. —, 145 Sup. Ct. 1497, 1513 (2025) (confirming agencies’ “broad latitude” about “where to draw the line—including . . . how far to go in considering indirect environmental effects from the project at hand”). It is highly questionable whether such a review, with its obvious difficulties and limitations, would yield information useful to the decision-making process. In this case, the “manageable line” for environmental and historic review purposes is best drawn by considering any potential impacts that may be caused by Board approval. As noted, there is no indication that Board approval of NS’s acquisition of control of NPBL would result in significant environmental or historic impacts.

For these reasons, the Board concludes, based on the current record, that the Transaction qualifies for a categorical exclusion from environmental review under 49 CFR

¹⁶ 42 U.S.C. 4332(2)(C) refers to the section of NEPA that mandates federal agencies prepare a detailed environmental statement for major federal actions significantly affecting the quality of the human environment.

1105.6(c)(1)(i) and that no historic reporting under 49 CFR 1105.8 is required.

Service of Decisions, Orders, and Notices. The Board will serve copies of its decisions, orders, and notices on those persons designated on the official service list as a Party of Record or Non-Party. All other interested persons are encouraged to obtain copies of decisions, orders, and notices via the Board's website at www.stb.gov.

Access to Filings. Under the Board's rules, any document filed with the Board (including applications, pleadings, etc.) shall be promptly furnished to interested persons on request, unless subject to a protective order. 49 CFR 1180.4(a)(3). The application and other filings in this proceeding will be furnished to interested persons upon request and will also be available on the Board's website at www.stb.gov.¹⁸ In addition, the application may be obtained from Applicants' representatives at the addresses indicated above.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The application in Docket No. FD 36836 is accepted for consideration.
2. The parties to this proceeding must comply with the procedural schedule shown in the Appendix to this decision and the procedural requirements described in this decision.
3. CSXT's petition to reject the application is denied.
4. This decision is effective on the date of service.

Decided: July 7, 2025.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.

Kenyatta Clay,
Clearance Clerk.

Appendix

Procedural Schedule

- June 13, 2025 Application filed.
 July 10, 2025 Board notice of acceptance of application published in the **Federal Register**.
 July 23, 2025 Notices of intent to participate in this proceeding due.
 August 12, 2025 Descriptions of anticipated responsive, including inconsistent, applications due. Petitions for waiver or clarification with respect to such applications due.
 August 27, 2025 Comments, protests, requests for conditions, and any other

evidence and argument in opposition to the application due. This includes any comments from DOJ and USDOT.

September 8, 2025 Responsive, including inconsistent, applications due.

October 27, 2025 Responses to comments, protests, requests for conditions, and other opposition due, including to DOJ and USDOT filings.

Responses to responsive, including inconsistent, applications due.

Rebuttal in support of the application due.

November 26, 2025 Rebuttal in support of responsive, including inconsistent, applications due.

TBD¹⁹ Public hearing (if necessary).

January 6, 2026 Final briefs due. (Close of the record.)

April 6, 2026 Date by which a final decision will be served.

May 6, 2026²⁰ Effective date of final decision.

[FR Doc. 2025-12871 Filed 7-9-25; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Notice of Final Federal Agency Actions on Proposed Highway Projects in Texas

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of limitation on claims for judicial review.

SUMMARY: The FHWA, on behalf of the Texas Department of Transportation (TxDOT), is issuing this notice to announce actions taken by TxDOT and other Federal agencies that are final agency actions. The actions relate to various proposed highway projects in the State of Texas. These actions grant licenses, permits, and approvals for the projects.

DATES: By this notice, the FHWA, on behalf of TxDOT, is advising the public of final agency actions subject to 23 U.S.C. 139(l)(1). A claim seeking judicial review of the Federal Agency actions on the highway projects listed below will be barred unless the claim is filed on or before December 16, 2025. If the Federal law that authorizes judicial review of a claim provides a time period of less than 150 days for filing such a claim, then that shorter time period still applies.

FOR FURTHER INFORMATION CONTACT: Patrick Lee, Environmental Affairs

Division, Texas Department of Transportation, 125 East 11th Street, Austin, Texas 78701; telephone: (512) 419-8604; email: Patrick.Lee@txdot.gov. TxDOT's normal business hours are 8 a.m. to 5 p.m. (Central Standard Time), Monday through Friday, except State holidays.

SUPPLEMENTARY INFORMATION: The environmental review, consultation, and other actions required by applicable Federal environmental laws for these projects are being, or have been, carried out by TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated December 9, 2019, and executed by the FHWA and TxDOT.

Notice is hereby given that TxDOT and Federal agencies have taken final agency actions by issuing licenses, permits, and approvals for the highway projects in the State of Texas that are listed below.

The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion (CE), Environmental Assessment (EA), or Environmental Impact Statement (EIS) issued in connection with the projects and in other key project documents. The CE, EA, or EIS and other key documents for the listed projects are available by contacting the local TxDOT office at the address or telephone number provided for each project below.

This notice applies to all TxDOT and Federal agency decisions as of the issuance date of this notice and all laws under which such actions were taken, including but not limited to:

1. *General:* National Environmental Policy Act (NEPA) [42 U.S.C. 4321 *et seq.*]; Federal-Aid Highway Act [23 U.S.C. 109 and 23 U.S.C. 128]; 23 CFR part 771.
2. *Air:* Clean Air Act [42 U.S.C. 7401-7671(q)].
3. *Noise:* Noise Control Act of 1972 [42 U.S.C. 4901-4918]; 23 CFR part 772.
4. *Land:* Section 4(f) of the Department of Transportation Act of 1966 [23 U.S.C. 138 and 49 U.S.C. 303]; 23 CFR part 774; Land and Water Conservation Fund (LWCF) [54 U.S.C. 200302-200310]; Landscaping and Scenic Enhancement (Wildflowers) [23 U.S.C. 319].
5. *Wildlife:* Endangered Species Act [16 U.S.C. 1531-1544 and 1536], Marine Mammal Protection Act [16 U.S.C. 1361-1423h]; Anadromous Fish Conservation Act [16 U.S.C. 757(a)-757(f)]; Fish and Wildlife Coordination Act [16 U.S.C. 661-667(d)]; Migratory Bird Treaty Act [16 U.S.C. 703-712]; Magnuson-Stevenson Fishery Conservation and Management Act of

¹⁸ Applicants submitted a public version and highly confidential version of their application. The public version is available on the Board's website. The highly confidential version may be obtained subject to the provisions of the protective order issued by the Board on February 19, 2025.

¹⁹ As noted above, the Board will decide whether to conduct a public hearing, which would be held between the filing of rebuttals and final briefs, in a later decision after the record has been more fully developed. See 49 U.S.C. 11324(a).

²⁰ The final decision will become effective 30 days after it is served.

1976, as amended [16 U.S.C. 1801–1891d], with Essential Fish Habitat requirements [16 U.S.C. 1855(b)(2)].

6. *Historic and Cultural Resources:*

Section 106 of the National Historic Preservation Act of 1966, as amended [54 U.S.C. 300101 *et seq.*]; Archaeological Resources Protection Act of 1979 (ARPA) [16 U.S.C. 470(aa)–470(II)]; Preservation of Historical and Archaeological Data [54 U.S.C. 312501–312508]; Native American Grave Protection and Repatriation Act (NAGPRA) [25 U.S.C. 3001–3013; 18 U.S.C. 1170].

7. *Social and Economic:* Civil Rights Act of 1964 [42 U.S.C. 2000(d)–2000(d)(1)]; American Indian Religious Freedom Act [42 U.S.C. 1996]; Farmland Protection Policy Act (FPPA) [7 U.S.C. 4201–4209].

8. *Wetlands and Water Resources:* Clean Water Act [33 U.S.C. 1251–1377] (Section 404, Section 401, Section 319); Coastal Barriers Resources Act (CBRA) [16 U.S.C. 3501–3510]; Coastal Zone Management Act (CZMA) [16 U.S.C. 1451–1466]; Safe Drinking Water Act (SDWA) [42 U.S.C. 300f–300j–26]; Rivers and Harbors Act of 1899 [33 U.S.C. 401–406]; Wild and Scenic Rivers Act [16 U.S.C. 1271–1287]; Emergency Wetlands Resources Act [16 U.S.C. 3921, 3931]; Wetlands Mitigation, [23 U.S.C. 119(g) and 133(b)(3)]; Flood Disaster Protection Act [42 U.S.C. 4001–4130].

9. *Hazardous Materials:*

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) [42 U.S.C. 9601–9675]; Superfund Amendments and Reauthorization Act of 1986 (SARA); Resource Conservation and Recovery Act (RCRA) [42 U.S.C. 6901–6992(k)].

10. *Executive Orders:* E.O. 11990 Protection of Wetlands; E.O. 11988 Floodplain Management; E.O. 11593 Protection and Enhancement of Cultural Resources; E.O. 13007 Indian Sacred Sites; E.O. 13287 Preserve America; E.O. 13175 Consultation and Coordination with Indian Tribal Governments; E.O. 13112 Invasive Species.

The projects subject to this notice are:

1. FM 528 from BS 35–C to SL 409 (SH 35 bypass), Brazoria County, Texas. The improvements include reconstructing FM 528 from a two-lane roadway to a four-lane divided roadway for 0.6 mile. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on March 6, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by

contacting the TxDOT Houston District Office located at 7600 Washington Avenue, Houston, TX 77007; telephone: (713) 802–5000.

2. US 59 from 0.74 mile south of FM 223 to 0.70 north of the Trinity River, San Jacinto County, Texas. The project will reconstruct the US 59 mainlanes providing two lanes in each direction and new one-way, two-lane northbound and southbound frontage roads. The project will be designed to meet interstate standards for potential future designation as I–69. Improvements will also include construction of new Trinity River bridges with turnarounds, overpasses with U-turns at FM 1127 and SL 424/Lake Pool Road, a U-turn at FM 223 from southbound US 49 to northbound US 59, and pedestrian accommodations along the frontage roads from FM 223 north to SL 424/Lake Pool Road. The project is approximately 6.46 miles in length. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on April 14, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Lufkin District Office at 1805 N Timberland Drive, Lufkin, TX 75901; telephone: (936) 634–4433.

3. Lakeline Boulevard from FM 734 (Farmer Lane) to Lyndhurst Street, Williamson County, Texas. The project will widen Lakeline Boulevard from a two-lane to a four-lane divided roadway. The project will also install new stormwater, pedestrian, and bicycle facilities. The project is 1.15 miles in length. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on April 14, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Austin District Office at 7901 North I–35, Austin, TX 78753; telephone: (512) 832–7000.

4. Greenlee Drive at Tippit Middle School, Williamson County, Texas. This is a mitigation project for the RM 2243 road construction project. The project includes landscaping, a modern cave gate, signage and walking trails. The project area is approximately 6.5 acres. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on April 17, 2025, and other documents in the TxDOT project file.

The Categorical Exclusion

Determination and other documents in the TxDOT project file are available by contacting the TxDOT Austin District Office at 7901 North I–35, Austin, TX 78753; telephone: (512) 832–7000.

5. FM 974 (Tabor Road) at SH 6 Intersection, Brazos County, Texas. The project includes widening Tabor Road on the east side of SH 6 as it approaches the northbound frontage road intersection to improve traffic flow, including a dedicated right-turn lane, an additional through lane, and a center turn lane. The project will also add left-turn lane improvements in the SH 6 underpass area to increase turning capacity from Tabor Road to the SH 6 northbound and southbound frontage roads. The project will also reconfigure the SH 6 southbound frontage road at Wilkes Street to one-way only, and remove the northbound Tabor Road segment. The project will also construct an approximately 10-foot-wide shared use path for pedestrians and bicyclists on Tabor Road from Shirley Drive to the SH 6 southbound frontage road that will connect to the existing shared use path network on Wilkes Street. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on April 24, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Bryan District Office at 2591 North Earl Rudder Freeway, Bryan, Texas 77803, (979) 778–2165.

6. US 77 from FM 2440 to SH 21, Lee County, Texas. This project widens US 77 from a 4-lane undivided roadway to a 4-lane divided roadway with a depressed, grassy median. The project is 8.1 miles long. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on May 15, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Austin District Office at 7901 North I–35, Austin, TX 78753; telephone: (512) 832–7000.

7. SH 158 from Sinclair Ave to Wadley Ave, Midland County, Texas. The project will widen SH 158 in Midland to add an additional 12-foot travel lane in each direction and 12-foot turn lanes at Brandy Hill Rd and Wadley Ave. A seven- to 20-foot concrete median will be constructed throughout the entire limits of project.

The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on May 28, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Odessa District Office at 3901 E Highway 80, Odessa, TX 79761; telephone: (432) 498-4697.

8. Loop 338 from E Yukon Road to US 385 North, Ector County, Texas. The project will convert the existing Loop 338 to a four-lane divided freeway with frontage roads in each direction. In addition, a 10-foot shared-use path will be constructed to accommodate bicyclists and pedestrians on the outside of the frontage roads. Overpasses will be constructed on Loop 338 at Grandview Avenue/FM 554, 87th Street, and 100th Street. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion Determination issued on May 28, 2025, and other documents in the TxDOT project file. The Categorical Exclusion Determination and other documents in the TxDOT project file are available by contacting the TxDOT Odessa District Office at 3901 E Highway 80, Odessa, TX 79761; telephone: (432) 498-4697.

9. FM 1777 from SH 66 to FM 6, Collin County, Texas. The project includes reconstruction to an ultimate phase of six 12-foot-wide travel lanes (3 lanes in each direction), with an interim phase of four 12-foot-wide lanes (2 lanes in each direction). The project accommodates an ultimate configuration of six 12-foot-wide travel lanes. The roadway facility will also include shoulders, turn lanes, a sidewalk, and a shared-use path. The shared-use path will be included along the east side of the corridor and the sidewalk will be on the west side. This project is approximately 6.02 miles in length. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in Finding of No Significant Impact (FONSI) issued on March 28, 2025, and other documents in the TxDOT project file. The EA, FONSI and other documents in the TxDOT project file are available by contacting the TxDOT Dallas District Office at 4777 E. Highway 80, Mesquite, TX 75150; telephone: (214) 320-4480.

10. US 271 from Loop 286 to SH 37, Lamar and Red River Counties, Texas. The project includes expansion of the existing two-lane facility to a four-lane divided highway facility. The proposed

facility will include four dedicated 12-foot-wide travel lanes with 10-foot-wide outside shoulders throughout the corridor. The project is approximately 20.6 miles in length. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Final EA, the FONSI issued on April 4, 2025, and other documents in the TxDOT project file. The EA, FONSI, and other documents in the TxDOT project file are available by contacting the TxDOT Paris District Office at 1365 N Main Street, Paris, TX 75460; telephone: (903) 737-9206.

11. Old Conroe Road/Sgt Ed Holcomb Blvd., from FM 1488 to Loop 336, Montgomery County, Texas. The project will widen Old Conroe Road from two to four travel lanes and extend the roadway across the West Fork San Jacinto River with a new bridge. The project length is approximately 5.7 miles. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Final EA, the FONSI issued on April 6, 2025, and other documents in the TxDOT project file. The EA, FONSI, and other documents in the TxDOT project file are available by contacting the TxDOT Houston District Office located at 7600 Washington Avenue, Houston, TX 77007; telephone: (713) 802-5000.

12. US 82 from the Fannin County Line to Loop 286, Lamar County, Texas. The project will widen and reconstruct approximately 16 miles of US 82. From the Fannin County Line to CR 33010, the roadway will include two 12-foot-wide travel lanes in each direction, a 10-foot-wide outside shoulder, a 4-foot-wide inside shoulder, and a 44- to 68-foot wide depressed median. From County Road 33010 to Loop 286, the roadway will include two 12-foot-wide travel lanes in each direction, a 10-foot-wide outside shoulder and a 16-foot-wide two-way left turn lane. Approximately one mile west of Loop 286, a 10-foot-wide sidewalk and curb section would be provided on the south side of US 82. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Final EA, the FONSI issued on April 23, 2025, and other documents in the TxDOT project file. The EA, FONSI, and other documents in the TxDOT project file are available by contacting the TxDOT Paris District Office at 1365 N Main Street, Paris, TX 75460; telephone: (903) 737-9206.

13. SH 68 from I-2/US 83 to I-69C/US 281, Hidalgo County, Texas. The project will construct a new location

four-lane rural highway facility with future mainlanes and overpasses for approximately 22 miles from I-2/US 83 to I-69C/US 281. The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Final EIS dated March 27, 2025, the Record of Decision (ROD) dated May 13, 2025, and other documents in the TxDOT project file. The Final EIS, ROD, and other documents in the TxDOT project file are available by contacting the TxDOT Pharr District Office at 600 W Interstate 2, Pharr, TX 78577; telephone: (956) 702-6101.

(Catalog of Federal Domestic Assistance Program Number 20.205, Highway Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program.)

(Authority: 23 U.S.C. 139(l)(1)).

Issued on: July 8, 2025.

Ed Burgos-Gomez,

*Acting Director Program Development,
Federal Highway Administration.*

[FR Doc. 2025-12884 Filed 7-9-25; 8:45 am]

BILLING CODE 4910-RY-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No. FTA-2024-0013]

National Transit Database Reporting Changes and Clarifications for Report Years 2025 and 2026

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Final notice; response to comments.

SUMMARY: This Notice finalizes and responds to comments on proposed changes to the National Transit Database (NTD) reporting requirements published in the **Federal Register** on October 31, 2024.

DATES: Some changes will apply in calendar year (CY) 2025 while other changes will apply in NTD report year (RY) 2025 or 2026.

FOR FURTHER INFORMATION CONTACT: Chelsea Champlin, National Transit Database Program Manager, FTA Office of Budget and Policy, 202-366-1651, Chelsea.Champlin@dot.gov.

SUPPLEMENTARY INFORMATION:

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- F. Reduced Reporter Exemption for Operators Serving Predominantly Rural Areas
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I. Background

The National Transit Database (NTD) is the nation's primary database for statistics on the transit industry. Pursuant to 49 U.S.C. 5334(k), FTA published a notice in the **Federal Register** on October 31, 2024, (89 FR 86907), seeking public comment on seven (7) proposed NTD reporting changes and clarifications. The comment period originally closed on December 30, 2024, but was reopened until January 29, 2025, to accommodate further input from commenters. FTA received timely comments from thirty (30) unique commenters. In addition, FTA received one comment several months after the comment period closed. This Notice does not address this comment, as it was not timely received.

FTA proposed the updates to NTD reporting requirements to improve reporting standards and ensure data alignment and consistency with FTA's final rule for State Safety Oversight published on October 18, 2024 (89 FR 83981).

II. Proposed Changes to the NTD Reporting Requirements and Responses to Comments**A. Additional Data Within Publicly Hosted General Transit Feed Specification (GTFS) Datasets**

Agency ID/NTD ID Alignment: FTA received 18 comments on FTA's proposal to require reporters to align the *agency_id* field to the agency's National Transit Database Identification Number (NTD ID), with 15 commenters opposed to the change and three supportive.

One of the commenters supporting the proposal stated that it would be feasible to implement the change by the proposed implementation timeline.

Many commenters who opposed the proposal stated that the change would pose challenges, including for agencies that have multiple GTFS datasets or different brandings, rural agencies that share a regional dataset, and third-party users of GTFS data. Several commenters argued that the proposal would increase

burden for reporting agencies. Some stated that the change would necessitate software or vendor changes and that software products might not support the change. Many commenters argued that the proposal would be inconsistent with the global GTFS specification and GTFS best practices, with some stating that it would require agencies to create a separate GTFS file just for NTD purposes. One commenter stated that the proposal might increase burden for agencies with NTD IDs that contain leading zeros, and another similarly noted that *agency_id* is a text field, not a numeric field.

Several commenters suggested that instead of adopting the proposed change, FTA should either (1) include NTD ID as a separate field within the *agency.txt*, *routes.txt*, and/or *feed_info.txt* files, or (2) require a distinct *NTD ID.txt* file. Commenters argued that these alternatives were preferable to FTA's proposal, as they would minimize disruption to existing processes. One commenter stated that agencies should have flexibility to choose between these two options. Several commenters recommended that FTA should require an NTD ID text input in a separate field or in a separate file outside the GTFS specification, and another voiced that FTA could use an already existing GTFS feed repository to align *agency_id* with NTD ID. Three commenters stated that FTA should engage with the International Data Organization for Transport (MobilityData) and the GTFS community regarding GTFS specification discussions.

FTA Response: FTA recognizes the concerns regarding potential disruptions to current GTFS workflows and acknowledges that agency identification methods vary across different implementations. FTA also appreciates the alternatives proposed by commenters and the flexibility they would provide. As such, FTA will not adopt the proposed change. FTA will instead internally conduct the alignment of *agency_id* and NTD ID through the existing P–50 form (General Transit Feed Specification Data for Fixed Route Modes). This form, used by NTD reporters with fixed route modes, already collects GTFS feeds, *agency_id*, and organization name. FTA can leverage this data to align *agency_id* with NTD ID, notably for reporters that share GTFS feeds. To support this alignment effort and ensure good data quality collection, FTA will enhance the P–50 form by:

- Providing clearer guidance on the contents needed for each field.

- Encouraging proper formatting and submission of GTFS feed URLs or GTFS files.

Since the P–50 form is already in use, there will not be any additional burden on reporters, nor will there be disruptions to existing GTFS-based tools or workflows. FTA believes this approach addresses its underlying data alignment objective while remaining responsive to the operational realities and feedback shared by stakeholders. FTA will work with reporters to resolve discrepancies and maintain data accuracy.

FTA clarifies that it actively engages with MobilityData and welcomes feedback from them and the GTFS community as whole when FTA proposes changes to the NTD requirements through the public notice and comment process.

***agency_id* as a Non-Conditional Requirement:** FTA received seven comments regarding its proposal to make the *agency_id* data field a non-conditional requirement. Six comments were in support, and one was opposed. The commenter who opposed the change stated that requiring the *agency_id* field in *routes.txt* and *fare_attributes.txt* was unnecessary, since the information is already in the GTFS feeds.

FTA Response: FTA appreciates the feedback received. FTA disagrees that this requirement is unnecessary and clarifies that there are reporters to the NTD with GTFS feeds that contain multiple different *agency_id* entries. The inclusion of *agency_id* in the *routes.txt* and *fare_attributes.txt* files would help FTA, and its data users, to better leverage the data received and distinguish between reporters in these cases. FTA will move forward with this change as proposed. The change will take effect beginning in RY 2025.

Shapes.txt: FTA received 11 comments in support of the proposed change to make the *shapes.txt* file mandatory. Commenters argued that this change will enhance trip planning, as well as data analysis, quality, and visualization. A few commenters noted that they already include this file in their GTFS feeds, with one noting that it is nearly ubiquitous in their State. One commenter, although in support of the change, stated that the quality of the *shapes.txt* file can vary. One commenter suggested that FTA should ensure that the data provided by the agency is the definitive source of this file, and two commenters recommended that FTA include guidance from MobilityData to assist agencies with generating a *shapes.txt* file.

FTA Response: FTA appreciates the support for this change and recognizes the value of providing agencies with guidance to facilitate compliance. FTA agrees that inclusion of *shapes.txt* in GTFS feeds submissions will enhance trip planning for riders by enabling more accurate route visualizations in trip planners, improve data completeness in the NTD and other transit planning tools, and support stronger decision-making for agencies, researchers, and policymakers. In response to the comments received, FTA will adopt the change as proposed and will link the MobilityData Guide as a reference on the NTD website to assist transit agencies with generating *shapes.txt* files. Regarding the possible variance in the quality of *shapes.txt* files, FTA will work with reporters on a timely basis to ensure accurate and precise reporting. FTA agrees that maintaining accurate data is critical. FTA already conducts data validation processes and requires executive-level certification from reporter leadership (i.e. CEO certification on the D-10 form) as part of NTD reporting. This certification serves as an assurance that the data submitted, including any GTFS files such as *shapes.txt*, is accurate and represents a definitive source of information from the agency. These procedures help uphold data integrity and support the use of GTFS data in analysis and reporting. FTA is adopting this change as proposed. FTA remains committed to supporting transit agencies throughout these transitions and will provide guidance as necessary. The change will go into effect in RY 2025 for full reporters and RY 2026 for reduced, rural, and tribal reporters.

B. Changes to Passenger Stations and Maintenance Facilities Reporting

FTA received five comments in support of FTA's proposal to eliminate the Stations and Maintenance Facilities (A-10) form and collect all station information on a single, consolidated Transit Asset Management Facilities (A-15) form. Commenters voiced that the proposal would result in more efficient reporting, reduced burden, and fewer reporting errors. One commenter expressed specific support for FTA's proposal to include maintenance facilities on the A-15, regardless of capital responsibility, while maintaining the exception for incidental use.

Two commenters responded to FTA's solicitation of feedback on the definition of "passenger station" for purposes of uniform reporting on the A-15 form. Both commenters supported FTA's proposal that stations spanning both

sides of the right-of-way would be inventoried as a single facility. However, one commenter expressed concern that the requirement for a station operating in mixed traffic to have a "significant structure" (i.e., with a minimum roof square footage of 150 feet) would exclude certain streetcar and bus rapid transit (BRT) stops that lack a canopy. They requested FTA consider revising the definition to include such stops. The second commenter urged FTA to consider including bus shelters in future guidance updates.

One commenter suggested potential refinements to NTD definitions and policy guidance regarding maintenance facilities reporting. Specifically, the commenter requested that FTA add infrastructure maintenance facility guidelines to the NTD Policy Manual with specific categorizations for certain maintenance activities.

FTA Response: FTA appreciates the support from commenters and agrees that consolidation of the A-10 and A-15 forms would result in more efficient and accurate NTD reporting. Additionally, FTA recognizes the commenter's concern regarding the potential exclusion of mixed-traffic transit services, such as certain streetcar and BRT stops from the definition of "passenger station" in current guidance. FTA would require additional research to assess and quantify the implications of expanding the definition and potential impacts on data collection practices. FTA will retain the current definition, which includes a minimum roof size criterion. However, FTA will consider this feedback for a potential future update to explore refinements to the definition of "passenger station." FTA acknowledges the additional recommendations regarding potential refinements to NTD definitions and policy guidance and will consider them in future updates to the NTD reporting requirements as well. After consideration of comments received, FTA will proceed with the changes as proposed, which will take effect at the beginning of RY 2025.

C. A-20 NTD/TERM Alignment Form

Three commenters addressed FTA's proposed changes to the A-20 Transit Way Mileage form. One commenter supported the changes generally but noted that the proposal would conditionally increase, or slightly increase, the reporting burden for transit agencies. One commenter requested clarification on the specific components that constitute the "Pump Rooms" and "Fan Plants" proposed categories. The commenter also expressed concern that

these changes would impact reporting on the A-15 Transit Asset Management Facilities Inventory form. Another commenter requested clarification on whether FTA defines "Fan Plants" to mean individual fans or systems. FTA did not receive any specific comments on the proposed new "Track-Turntable" category, or on the proposed clarification related to reporting the decade of construction for rebuilt assets.

FTA Response: FTA appreciates the support received for the proposed changes to the "Track", "Power and Signal", and "Construction" sections of the A-20 form and will proceed with the changes as proposed. FTA acknowledges the concern regarding a potential increase in reporting burden for transit agencies. However, FTA believes that aligning the A-20 form with the Transit Economic Requirements Model (TERM) will enhance consistency and reliability of the data collected. Both NTD and TERM are inputs in the Conditions and Performance Report to Congress. This alignment enables the production of high-quality data products and public data releases that support decision makers in Congress. Further, FTA will provide guidance on what constitutes a distinct "Pump Room" or "Fan Plant." The requirement to collect counts of "Pump Rooms" and "Fan Plants" on the A-20 form would not impact the A-15 form. FTA recognizes agencies have been inventorying Pump Rooms and Fan Plants on their A-15 forms as "Other Administrative and Maintenance" facilities. Pump rooms and Fan Plants are high value and discrete assets that can be easily counted with minimal burden to reporters. The proposed changes are also supported by the overall objective of the Transit Asset Management (TAM) Program to plan for the replacement or repair of transit capital assets. FTA further clarifies that the Power and Signal section of the A-20 form is not used for performance measures on the A-90 Transit Asset Management Performance Measure Targets form, and as such, there is no concern about data being double-counted. The changes will take effect at the beginning of RY 2025.

D. Safety and Security—Cyber Security Event Reporting

FTA received eight comments on the proposed clarifications regarding cyber security event reporting. Four commenters opposed the proposals generally, three were supportive, and one requested additional clarification.

A few commenters voiced concern about cyber security event reporting to the NTD generally. One commenter

stated that their IT department gathers cyber security events for the county as a whole and does not distinguish transit specific events, thus making it difficult to separate the data in an accurate and timely manner for NTD reporting. Three commenters expressed concern that requiring cyber security event reporting would be duplicative and burdensome, as some agencies report cyber security events to other Federal agencies such as the Transportation Security Administration (TSA) and Cybersecurity and Infrastructure Security Administration (CISA). These commenters expressed particular concern that FTA's proposed clarifications would require reporting of "substantial damage" that includes disruptions to systems that do not directly impact safety or operational technology.

These commenters urged FTA to remove cyber security reporting from the NTD and suggested FTA instead coordinate with other Federal agencies to obtain cyber security event data. One commenter additionally suggested FTA harmonize definitions and requirements with such agencies. A separate commenter expressed concern about FTA's communication about cyber security reporting requirements and urged FTA to conduct outreach with the industry before proposing cyber security reporting requirements.

One commenter sought clarification on the reporting responsibility for cyberattacks targeting the dispatch/communications system of newer demand response technology platforms, particularly when these platforms assign rides to both dedicated and non-dedicated vehicles and facilitate two-way data exchange, including GPS tracking of passenger pickups and drop-offs.

FTA Response: FTA will proceed with the changes to cyber security event reporting as proposed. While FTA understands commenters' concerns about cyber security reporting generally, FTA clarifies that the NTD already collects cyber security events; this is not a new reporting requirement. In its proposal, FTA merely sought to clarify that "infrastructure" for purposes of cyber security major event reporting includes information, computer, and telecommunications systems that exist in any transit facilities (*i.e.*, in the facilities reported on annual form A-15). It also proposed clarifying which mode to select when reporting a cyber security event, and to provide additional guidance on how to apply the "substantial damage" threshold to cyber security events.

FTA recognizes concerns regarding agencies that aggregate cyber security data at the county level rather than distinguishing transit-specific events. While FTA expects agencies to report transit-related cyber security incidents, FTA acknowledges that some agencies may require additional time to refine their data collection processes. FTA will work with affected agencies to support implementation and meet reporting requirements. If an event affects a county-wide facility and transit-specific details cannot be separated, NTD reporting may include aggregate data about the incident. For shared infrastructure, a reportable cyber security event is one that occurs on infrastructure (*i.e.*, underlying framework) in any transit facility, meets a major event reporting threshold, and is due to malicious actions of a third-party.

FTA also acknowledges concerns regarding potential duplication of cyber security event reporting to other Federal agencies, such as TSA and CISA. While FTA understands that transit agencies may already report certain cyber security incidents to other entities, FTA reiterates again that NTD reporting of cyber security events is not new. FTA proposed clarifications to the existing requirements to give reporters clear guidance on cyber event reporting. These clarifications are intended to improve data collection; strengthen FTA's policy development, safety oversight, and safety risk management programs; and provide NTD data users greater insight into cyber security events within public transit. Cyber security threats can directly impact the operational safety of transit services. It is therefore critical to FTA's statutory safety mission that the NTD collect data about these events. FTA recognizes its proposed clarifications could result in reporting of some disruptions to systems that impact safety or operational technology only indirectly. However, consistent reporting of this data through the NTD enables FTA to identify trends, work with agencies and reporters to respond to emerging threats, and develop targeted technical assistance and policy guidance. FTA therefore declines to remove cyber security reporting requirements from NTD reporting. FTA also intends to provide guidance and work with reporters on a timely basis to ensure this reporting is minimally burdensome. FTA notes that it conducted industry outreach on its clarification of cyber security reporting requirements through the public notice and comment process associated with these proposals. FTA has thoroughly

considered all feedback received prior to adopting this change.

FTA appreciates the comment received regarding the reporting responsibility for cyberattacks. FTA is not seeking changes regarding the entities responsible for reporting cyberattacks. As is currently required, the primary reporter or contract holder should be the one that reports the cyber security event.

The clarifications will take effect beginning in calendar year 2025 as soon as practicable following publication of this final notice.

E. Safety and Security—Disabling Damage

FTA received five comments on its proposals regarding capturing the "disabling damage" event category defined in FTA's State Safety Oversight (SSO) final rule at 49 CFR part 674. FTA proposed two options to capture this data—Option 1 would replace the "substantial damage" threshold with "disabling damage" for major safety event and personal security event reporting. Option 2 would add "disabling damage" as a subset of "substantial damage" for rail collision events.

Two commenters supported Option 1. Of these, one stated that replacing the threshold with "disabling damage" would better align with requirements of the SSO final rule and State Safety Oversight Report (SSOR) system. Three commenters were in support of Option 2, arguing that it would assist State Safety Oversight agencies (SSOAs) and other stakeholders better understand collision events and hazards. One commenter also stated that this option would enable SSOAs to better manage their risk-based inspection programs.

One transit industry association commenter stated that most of its members supported Option 2, as it would align with current NTD reporting requirements and have the lowest burden on reporters. However, the commenter expressed several concerns with both proposed options due to the potential increased administrative burden, complexity, and confusion, especially for bus-only and multi-modal agencies. This commenter suggested FTA provide clear guidance about several aspects of the proposed requirement, including confirming that the "substantial damage" threshold still applies to bus modes and system security events, and clarifying which threshold applies when agencies add rail modes to their system in the future. It also expressed concern that multi-modal agencies would require extensive assistance in managing differing damage

thresholds for bus and rail modes. The commenter also requested guidance about “disabling damage” to infrastructure and stated that FTA’s proposals would conflict with State Safety Oversight agency program standards. It recommended FTA delay implementation of this new requirement by 12 months to ease the transition for reporters.

FTA Response: FTA will proceed with Option 2. FTA notes that most commenters supported Option 2, including the majority of members of a transit industry association. FTA agrees with commenters who stated that this change will support SSOAs and other stakeholders to better understand collision events. This change is intended to support SSO program requirements by ensuring FTA and SSOAs can more accurately identify major NTD events that require investigation. FTA also agrees that adding “disabling damage” as a subset of substantial damage (Option 2) aligns more closely with current NTD reporting, proving a lower burden on reporters than Option 1. Option 2 will also prevent data reconciliation issues and threshold changes that could impact other programs. The proposed changes will be incorporated into the NTD Manual.

FTA acknowledges the concerns regarding the potential for increased administrative complexity, particularly for bus-only and multi-modal agencies. To clarify, the “substantial damage” threshold remains applicable to bus modes and system security events as is written in the current Safety and Security reporting manual. The introduction of “disabling damage” as a subset of substantial damage will apply only to rail vehicle types. The threshold does not include infrastructure damage.

FTA agrees with the commenter who suggested FTA provide clear guidance in the NTD Reporting Manual about the new threshold and how it applies to different modes. FTA will incorporate guidance in the NTD reporting manual on this topic, including for multi-modal agencies to ensure they can understand and effectively manage the differing damage thresholds for bus and rail modes. Importantly, thresholds will not change under the selected approach, and historic reconciliation will not be negatively impacted. FTA acknowledges that individual SSOAs may maintain internal thresholds and criteria that may differ from “disabling damage.” However, the NTD is a national data reporting program, and its thresholds are established to ensure consistency across all its reporters. The proposed adoption of ‘disabling damage’ is

grounded in the definition in 49 CFR part 674. This change is not intended to alter or to supersede individual SSOA program standards. FTA clarifies that the changes to the NTD reporting threshold do not affect an SSOA’s authority to investigate events that meet their own thresholds, standards, and criteria.

FTA declines to delay implementation of this requirement by 12 months given the importance of capturing the new “disabling damage” event category defined in the SSO final rule (49 CFR part 674) in a timely manner. The SSO rule has been in effect since January 1, 2025, and as of March 20, 2025, FTA has been enforcing its provisions (90 FR 10464). Further delaying alignment of NTD data with the SSO rule would lead to safety data inconsistencies. FTA strives to provide accurate data to users and decision makers, and the timely collection of disabling damage will enable FTA to gather accurate data and provide targeted technical assistance. The implementation of these changes will proceed as proposed beginning in calendar year 2025, following publication of this final notice, and FTA will provide technical assistance and updated guidance to facilitate a smooth transition.

F. Reduced Reporter Exemption for Operators Predominantly Serving Rural Areas

FTA received several comments regarding the proposed exemption for operators predominantly serving rural areas. Five commenters supported the proposal, with some stating that it would reduce burden on rural providers. One of these commenters agreed that the waiver should be automatic but recommended that it be expanded to operators that meet four of the five proposed criteria.

One commenter expressed concern that the waiver would result in potential loss of data reported to FTA. However, the commenter stated that the number of agencies qualifying for the waiver and the resulting data loss appeared to be small. The commenter stated that the Reduced Reporting form (RR–20) contains the most common reporting errors and recommended FTA provide incentives for agencies to become full reporters voluntarily. Although not explicitly in response to this proposal, one commenter expressed concern about their reporter type, specifically that they receive funding under 49 U.S.C. 5311 but report to the NTD urban module.

FTA Response: FTA will adopt the waiver as proposed. FTA reiterates that

the number of agencies thought to be affected by this change is small, estimated to be between 10 and 15. FTA understands the importance of maintaining robust transit data and acknowledges concerns regarding the potential reduction in available data resulting from this change. While FTA remains committed to ensuring comprehensive data collection, it also seeks to balance reporting requirements with the administrative burden on smaller transit agencies.

Furthermore, FTA appreciates the recommendations regarding incentives for voluntary full reporting and will consider it in the future. FTA recognizes the commenter’s concern regarding the RR–20 form containing common reporting errors. FTA will work closely with transit agencies to ensure the proper submission of the RR–20 form is minimally burdensome. At this time, FTA will not provide additional incentives for voluntary reporting beyond the benefit of reduced reporting burden through the implementation of this waiver. FTA reiterates that there is a built-in incentive for full reporting in that certain data submitted by full reporters is used in the calculation of the Section 5307 formula apportionments for urbanized areas (UZAs). Depending on the size of the UZA, the data would either be used in the calculation of the incentive tier of the formula or, if the UZA qualifies, through the Small Transit Intensive Cities (STIC) factors involving Passenger Miles Travelled (PMT). FTA also appreciates the recommendation to expand eligibility for the reporting waiver. FTA will not expand the eligibility, as it believes applying all five criteria strikes an appropriate balance of positively identifying reporters who predominantly serve rural areas without carving out too broad an exemption, while maintaining consistency and data integrity. In response to the commenter that expressed concern with its reporter type, FTA confirms it will work closely with transit agencies to discuss their reporting status and how this waiver may apply to them. These changes will take effect at the beginning of RY 2025.

G. Voluntary Reporter Tag

FTA received one comment expressing support for the proposed requirement that NTD reporters identify their voluntary reporting status.

FTA Response: FTA appreciates the support and will move forward with this change as proposed. The proposed changes will take effect beginning RY 2025.

H. General and Miscellaneous Comments

FTA received two comments requesting that FTA delay implementation of all proposed reporting requirements. One commenter requested a 12-month extension due to the potential burden for agencies to implement the changes. The second commenter requested all requirements be delayed until RY 26, given the timing of FTA's proposals and the notice and comment process.

FTA received several comments outside the scope of its proposals, including recommendations that FTA should make the *feed_info.txt* file mandatory and provide certain additional guidance about hosting and reporting GTFS feeds. One commenter asked FTA to collect more accurate data distinguishing trespassers from suicides, and another requested certain changes to the NTD financial data reporting requirements.

FTA Response: FTA declines to extend the implementation timeline for the reporting changes and clarifications. Certain changes, including the predominantly rural reporting waiver and the consolidation of the A-10 and A-15 forms, are intended to reduce reporting burden. FTA acknowledges that implementation of some of the new NTD reporting changes may present challenges for some agencies. However, FTA does not believe that this warrants a delay in implementation. FTA reiterates that the changes to cyber security reporting are clarifications to NTD reporting requirements that already exist. In addition, FTA reiterates the need to align NTD reporting with the new definition of "disabling damage" under 49 CFR part 674 as quickly as practicable. As stated previously, FTA will provide guidance and work closely with reporters as necessary to ensure the transition to implement these changes is minimally burdensome. FTA encourages reporters to engage with FTA for any technical assistance or clarification during the transition. FTA therefore declines to provide an extension and will implement each change according to the timeline originally proposed.

FTA acknowledges the recommendations that are outside the scope of the proposal. FTA will consider this feedback in future updates to the NTD reporting requirements.

Tariq Bokhari,
Acting Administrator.

[FR Doc. 2025-12813 Filed 7-9-25; 8:45 am]

BILLING CODE 4910-57-P

DEPARTMENT OF TRANSPORTATION

[Docket No. DOT-OST-2004-16951]

Agency Requests for Renewal of a Previously Approved Information Collection: Exemptions for Air Taxi Operations

AGENCY: Office of the Secretary, OST, Department of Transportation (DOT)

ACTION: Notice and request for comments.

SUMMARY: The Department of Transportation (DOT) invites public comments about the agency's intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The collection involves a classification of air carriers known as air taxi operators and their filings of a one-page form that enables them to obtain economic authority from DOT. The information to be collected is necessary for DOT to determine whether an air taxi operator meets DOT's criteria for an economic authorization in accordance with DOT rules. We are required to publish this notice in the **Federal Register** by the Paperwork Reduction Act of 1995, Public Law 104-13.

DATES: Written comments should be submitted by September 8, 2025.

ADDRESSES: You may submit comments identified by Docket No. DOT-OST-2004-16951 through one of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- **Mail or Hand Delivery:** Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W12-140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except on Federal holidays.

FOR FURTHER INFORMATION CONTACT: Barbara Snoden, (202) 366-4834 (Voice) or barbara.snoden@dot.gov (Email), Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2105-0565.
Title: Exemptions for Air Taxi Operations.

Form Numbers: OST Form 4507.

Type of Review: Renewal of previously approved information collection.

Background: Part 298 of Title 14 of the Code of Federal Regulations, Exemptions for Air Taxi Registration, establishes a classification of air carriers known as air taxi operators that offer on-

demand passenger service. The regulation exempts these small operators from certain provisions of the Federal statute to permit them to obtain economic authority by filing a one-page, front and back, OST Form 4507, Air Taxi Operator Registration, and Amendments under Part 298 of DOT's Regulations.

DOT expects to receive 200 new air taxi registrations and 2,200 amended air taxi registrations each year, resulting in 2,400 total respondents. Further, DOT expects filers of new registrations to take 1 hour to complete the form, while it should only take 30 minutes to prepare amendments to the form. Thus, the total annual burden is expected to be 1,300 hours.

Respondents: U.S. air taxi operators.

Number of Respondents: 2,400.

Frequency: On occasion.

Number of Responses: 2,400.

Total Annual Burden: 1,300 hours.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) whether the proposed collection of information is necessary for the Office of the Secretary's performance; (b) the accuracy of the estimated burden; (c) ways for Office of the Secretary to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; and 49 CFR 1:48.

Issued in Washington, DC, on July 8, 2025.

Lauralyn Jean Remo Temprosa,

Associate Director, Air Carrier Fitness Division, Office of Aviation Analysis.

[FR Doc. 2025-12880 Filed 7-9-25; 8:45 am]

BILLING CODE 4910-9X-P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900-0912]

Agency Information Collection Activity Under OMB Review: Veterans Engagement Action Center (VEAC) Surveys

AGENCY: Veterans Experience Office, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Experience Office, Department

of Veterans Affairs, will submit the collection of information abstracted below to the Office of Management and Budget (OMB) for review and comment. The PRA submission describes the nature of the information collection and its expected cost and burden, and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by August 11, 2025.

ADDRESSES: To submit comments and recommendations for the proposed information collection, please type the following link into your browser: www.reginfo.gov/public/do/PRAMain, select “Currently under Review—Open for Public Comments”, then search the list for the information collection by Title or “OMB Control No. 2900–0912.”

FOR FURTHER INFORMATION CONTACT: VA PRA information: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Veterans Engagement Action Center (VEAC) Surveys.

OMB Control Number: 2900–0912
<https://www.reginfo.gov/public/do/PRASearch>.

Type of Review: Extension of a currently approved collection.

Abstract: Veterans Experience Action Center (VEAC) is a Veterans Affairs (VA) program established to proactively assist Veterans in a selected state with a one-stop resource for all their needs. The VEAC brings together VA benefits, health care and other resources in partnership with state VA resources.

The VEAC gathers feedback from Veterans, Active Military, Guard/Reservist, Family members, caregivers, providers, and survivors. The VEAC then provides that feedback to VA leaders to measure the success of the outreach event and measure the ease, effectiveness, emotion, and trust from the participants as they exit.

The surveys will further allow the Veterans Experience Office (VEO) to measure whether the needs of the participants were met. Additional areas where the survey results will impact:

- Identifies gaps and challenges in health care, benefits, and service delivery.
- Identifies areas for how VA can best support local efforts in a holistic fashion.
- Identifies areas where there may be barriers to access, and outreach tailored to local communities.

Per FY2021 MILCON House report 116–445, the Committee directs the VA to provide quarterly reports on the status of the implementation of the

VEAC pilot program; the effectiveness of the pilot program at reaching Veterans, particularly those in need, and increasing utilization of VA services:

- Congress (Quarterly Congressional Tracking Reports (CTRs))

VEAC surveys afford VEAC participants the ability to provide feedback to VA and allow the customer to share their experiences. VEO uses the customer's feedback to enhance and increase outreach and engagement efforts and determine the direct value of our efforts.

The surveys and its delivery are an innovative approach to measure and improve customer experience based on the “voice of the Veteran.” Through the use of the VSignals digital platform, VEO can identify gaps and challenges in the community, provide information on VA programs, increase access and outreach, identify what is and what is not working, and determine how VA can best support local community efforts in support of Veterans, families, caregivers, and survivors.

Survey respondents will be Veterans, Active Military, Guard/Reservist, family members, caregivers, and survivors that attend a VEAC event. Different surveys may be administered participants of events:

1. *VEAC Exit Survey:* Outreach event staff will verbally administer the survey to event attendees as the last step in the overall event process. The outreach staff will fill out the web-based survey on behalf of the outreach event participant.

2. *VEAC Email Survey:* A survey will be sent via email to event attendees that were not able to take the VEAC Exit Survey. The email survey will not be sent to event attendees that opted out of the VEAC Exit Survey.

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. The **Federal Register** Notice with a 60-day comment period soliciting comments on this collection of information was published at: 90 FR 19087, May 5, 2025.

Affected Public: Individuals.

Estimated Annual Burden: 1,000 hours.

Estimated Average Burden per Respondent: 5 minutes.

Frequency of Response: On Occasion.

Estimated Number of Respondents: 12,000.

Authority: 44 U.S.C. 3501 *et seq.*

Dorothy Glasgow,

Acting, VA PRA Clearance Officer, Office of Enterprise and Integration, Data Governance Analytics, Department of Veterans Affairs.

[FR Doc. 2025–12781 Filed 7–9–25; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

Advisory Committee on Tribal and Indian Affairs, Notice of Meeting

The Department of Veterans Affairs (VA) gives notice under the Federal Advisory Committee Act, 5 U.S.C. Ch. 10., that the Advisory Committee on Tribal and Indian Affairs will meet on September 3, 4, and 5, 2025 at the U.S. Army Museum of Hawaii, Museum Classroom, 2131 Kalia Rd., Honolulu, HI 96815. The meeting sessions will begin, and end as follows:

Dates	Times
September 3, 2025, Wednesday.	9:00 a.m. to 5:00 p.m. Hawaii Standard Time (HST).
September 4, 2025, Thursday.	9:00 a.m. to 5:00 p.m. HST.
September 5, 2025, Friday.	9:00 a.m. to 5:00 p.m. HST.

The meeting sessions will be open to the public.

The purpose of the Committee is to advise the Secretary on all matters relating to Indian tribes, tribal organizations, Native Hawaiian organizations, and Native American Veterans.

On September 3, 2025, the agenda will include opening remarks from the Committee Chair, VA senior leadership, presentations from the Veterans Health Administration (VHA), VA Office of Tribal Government Relations, VA VISN 21, VA Office of Health Equity, Native Hawaiian Foundations of Understanding, Office of Hawaiian Veteran Affairs, Native Hawaiian Health—Papa Ola Lohaki, Native Hawaiian Tradition Health, and a Panel Discussion: Government programs and Policy—Native Hawaiians.

On September 4, 2025, the agenda will include updates from the VA National Cemetery Administration (NCA), VA Readjustment Counseling Services—Vet Center Program, VHA Suicide Prevention/Behavioral Health, VHA Homelessness, VBA Native American Direct Loan Program, Indian Health Service—Substance Abuse contract, and site visit: Waianae Health Center.

On September 5, 2025, the agenda will include a public comment period, committee recommendations packet session, site visits to the Punchbowl National Cemetery, Fishpond, and the USS Arizona. The public comment period will start at 9:05 a.m. to 9:50 a.m. HST. The comment period may end sooner, if there are no comments presented or they are exhausted before the end time. The meeting will be adjourned after closing comments.

The meetings are open to the public to attend in person and will be recorded. Individuals who wish to

speak during the public comment session are invited to submit a 1–2-page summary of their comments no later than August 15, 2025, for inclusion in the official meeting record. Members of the public may also submit written statements for the Committee’s review to Veronica Duncan, at *Veronica.Duncan@va.gov*. Any member of the public seeking additional information should contact Veronica Duncan at the email address above or by calling 202–905–7294.

To join virtually on Microsoft Teams: <https://teams.microsoft.com/l/meetup->

[join/19%3ameeting_ZDBjZmQzYTktYTQ4MC00Y2I2LTg3NTUtMTE5ZjNkNzgyZDdh%40thread.v2/0?context=%7b%22Tid%22%3a%22e95f1b23-abaf-45ee-821d-b7ab251ab3bf%22%2c%22Oid%22%3a%227ba1f948-b5ea-400d-ac6e-5d8de1560180%22%7d](https://teams.microsoft.com/join/19%3ameeting_ZDBjZmQzYTktYTQ4MC00Y2I2LTg3NTUtMTE5ZjNkNzgyZDdh%40thread.v2/0?context=%7b%22Tid%22%3a%22e95f1b23-abaf-45ee-821d-b7ab251ab3bf%22%2c%22Oid%22%3a%227ba1f948-b5ea-400d-ac6e-5d8de1560180%22%7d).

Dated: July 8, 2025.

Jelessa M. Burney,

Federal Advisory Committee Management Officer.

[FR Doc. 2025–12844 Filed 7–9–25; 8:45 am]

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Part II

Department of the Treasury

Office of the Comptroller of the Currency

12 CFR Parts 3 and 6

Federal Reserve System

12 CFR Parts 208, 217, and 252

Federal Deposit Insurance Corporation

12 CFR Part 324

Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies; Proposed Rule

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency****12 CFR Parts 3 and 6**

[Docket ID OCC—2025–0006]

RIN 1557–AF31

FEDERAL RESERVE SYSTEM**12 CFR Parts 208, 217, and 252**

[Regulations H, Q, and YY; Docket No. R–1867]

RIN 7100–AG96

FEDERAL DEPOSIT INSURANCE CORPORATION**12 CFR Part 324**

RIN 3064–AG11

Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies

AGENCY: Office of the Comptroller of the Currency, Treasury; the Board of Governors of the Federal Reserve System; and the Federal Deposit Insurance Corporation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC) are inviting public comment on a notice of proposed rulemaking (proposal) to modify the enhanced supplementary leverage ratio standards applicable to U.S. bank holding companies identified as global systemically important bank holding companies (GSIBs) and their depository institution subsidiaries. Specifically, the proposal would modify the enhanced supplementary leverage ratio buffer standard applicable to GSIBs to equal 50 percent of the bank holding company's method 1 surcharge as determined by the Board's GSIB risk-based capital surcharge framework. The proposal would also modify the enhanced supplementary leverage ratio standard for depository institution subsidiaries of GSIBs to have the same form and calibration as the GSIB parent level standard. The proposed modifications would help ensure that

the enhanced supplementary leverage ratio standards serve as a backstop to risk-based capital requirements rather than as a constraint that is frequently binding over time and through most points in the economic and credit cycle, thus reducing potential disincentives for GSIBs and their depository institution subsidiaries to participate in low-risk, low-return businesses. The Board is also proposing to amend its total loss-absorbing capacity and long-term debt requirements to maintain alignment between these requirements and the enhanced supplementary leverage ratio standards. The OCC is proposing to revise the methodology it uses to identify which national banks and Federal savings associations are subject to the enhanced supplementary leverage ratio standards to better align with the agencies' regulatory tailoring framework for large banking organizations and ensure that the standards apply only to those national banks and Federal savings associations that are subsidiaries of a GSIB. The Board is also proposing to make conforming amendments to relevant regulatory reporting forms. The Board and FDIC are also proposing to make certain technical corrections to the capital rule.

DATES: Comments must be received on or before: August 26, 2025.

ADDRESSES: Comments should be directed to:

OCC: You may submit comments to the OCC by any of the methods set forth below. Commenters are encouraged to submit comments through the Federal eRulemaking Portal. Please use the title "Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies" to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

- *Federal eRulemaking Portal—Regulations.gov:*

Go to <https://regulations.gov/>. Enter "Docket ID OCC–2025–0006" in the Search Box and click "Search." Public comments can be submitted via the "Comment" box below the displayed document information or by clicking on the document title and then clicking the "Comment" box on the top-left side of the screen. For help with submitting effective comments, please click on "Commenter's Checklist." For assistance with the *Regulations.gov* site,

please call 1–866–498–2945 (toll free) Monday–Friday, 8 a.m.–7 p.m. ET, or email regulationshelpdesk@gsa.gov.

- *Mail:* Chief Counsel's Office, Attention: Comment Processing, Office of the Comptroller of the Currency, 400 7th Street SW, Suite 3E–218, Washington, DC 20219.

- *Hand Delivery/Courier:* 400 7th Street SW, Suite 3E–218, Washington, DC 20219.

Instructions: You must include "OCC" as the agency name and "Docket ID OCC–2025–0006" in your comment. In general, the OCC will enter all comments received into the docket and publish the comments on the *Regulations.gov* website without change, including any business or personal information provided such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this action by the following methods:

- *Viewing Comments Electronically—Regulations.gov:*

Go to <https://regulations.gov/>. Enter "Docket ID OCC–2025–0006" in the Search Box and click "Search." Click on the "Dockets" tab and then the document's title. After clicking the document's title, click the "Browse All Comments" tab. Comments can be viewed and filtered by clicking on the "Sort By" drop-down on the right side of the screen or the "Refine Comments Results" options on the left side of the screen. Supporting materials can be viewed by clicking on the "Browse Documents" tab. Click on the "Sort By" drop-down on the right side of the screen or the "Refine Results" options on the left side of the screen checking the "Supporting & Related Material" checkbox. For assistance with the *Regulations.gov* site, please call 1–866–498–2945 (toll free) Monday–Friday, 8 a.m.–7 p.m. ET, or email regulationshelpdesk@gsa.gov.

The docket may be viewed after the close of the comment period in the same manner as during the comment period.

Board: You may submit comments, identified by Docket No. R–1867 and RIN 7100–AG96, by any of the following methods:

Agency Website: <https://www.federalreserve.gov/apps/proposals/>. Follow the instructions for submitting comments,

including attachments. *Preferred Method.*

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Email: publiccomments@frb.gov. You must include docket number and RIN in the subject line of the message.

Fax: (202) 452-3819 or (202) 452-3102.

Mail, Courier and Hand Delivery: Ann Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

Instructions: All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/proposals/> as submitted, unless modified for technical reasons.

Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room M-4365A, 2001 C Street NW, Washington, DC 20551, between 9:00 a.m. and 5:00 p.m. on federal weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States.

FDIC: You may submit comments to the FDIC, identified by RIN 3064-AG11, by any of the following methods:

Agency Website: <https://www.fdic.gov/federal-register-publications>. Follow instructions for submitting comments on the FDIC's website.

Mail: Jennifer M. Jones, Deputy Executive Secretary, Attention: Comments/Legal OES (RIN 3064-AG11), Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

Hand Delivered/Courier: Comments may be hand-delivered to the guard station at the rear of the 550 17th Street NW, building (located on F Street NW) on business days between 7 a.m. and 5 p.m. eastern time.

Email: comments@FDIC.gov. Include the RIN [3064-AG11] on the subject line of the message.

Public Inspection: Comments received, including any personal information provided, may be posted without change to <https://www.fdic.gov/federal-register-publications>. Commenters should submit only information that the commenter wishes

to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of this notice will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

FOR FURTHER INFORMATION CONTACT:

OCC: Venus Fan, Risk Expert, Benjamin Pegg, Technical Expert, Capital Policy, (202) 649-6370; Carl Kaminski, Assistant Director, Ron Shimabukuro, Senior Counsel, Scott Burnett, Counsel, Chief Counsel's Office, (202) 649-5490, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Board: Anna Lee Hewko, Associate Director, (202) 530-6260; Juan Climent, Deputy Associate Director, (202) 872-7526; Brian Chernoff, Manager, (202) 731-8914; Missaka Warusawitharana, Manager, (202) 452-3461; Akos Horvath, Principal Economist, (202) 452-3048; Anthony Sarver, Senior Financial Institution Policy Analyst, (202) 475-6317; Nadya Zeltser, Senior Financial Institution Policy Analyst, (202) 452-3164, Division of Supervision and Regulation; Skander Van den Heuvel, Associate Director, (202) 452-2903, Division of Financial Stability; or Jay Schwarz, Deputy Associate General Counsel, (202) 731-8852; Mark Buresh, Senior Special Counsel, (202) 499-0261; Ryan Rossner, Senior Attorney, (202) 430-1368; Isabel Echarte, Attorney, (202) 945-2412, Legal Division, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), (202) 263-4869.

FDIC: Benedetto Bosco, Chief, Capital Policy Section (703) 254-0778; Michael Maloney, Senior Policy Analyst (703) 254-0792; Kyle McCormick, Senior Policy Analyst (703) 254-0743; Keith Bergstresser, Senior Policy Analyst (703)

254-0754; Eric Schatten, Senior Policy Analyst (703) 254-0838; Soo Jeong Kim, Policy Analyst (703) 254-0405; Matthew Park, Financial Analyst (703) 562-2742; Capital Markets and Accounting Policy Branch, Division of Risk Management Supervision; Catherine Wood, Counsel (202) 898-3788; Merritt Pardini, Counsel (202) 898-6680; Kevin Zhao, Senior Attorney (202) 898-3682; Jimi Du, Senior Attorney, (202) 898-3646; Legal Division, regulatorycapital@fdic.gov, (202) 898-6888; Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

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I. Introduction

The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) are proposing to modify the enhanced supplementary leverage ratio (eSLR) standards that apply to U.S. bank holding companies identified as global systemically important bank holding companies (GSIBs) and their depository institution subsidiaries.¹

The proposal would adjust the calibration of the eSLR standards, as discussed in section II.A of this **SUPPLEMENTARY INFORMATION**, to help ensure that such standards generally serve as a backstop to risk-based capital requirements through the economic and credit cycle, rather than as a regularly binding constraint.² This recalibration would reduce disincentives for GSIBs and their depository institution subsidiaries to participate in low-risk, low-return businesses, such as U.S. Treasury market intermediation conducted by broker-dealer subsidiaries of GSIBs.

In section II.B of this **SUPPLEMENTARY INFORMATION**, the Board invites comment on the advantages and disadvantages of a potential modification to the supplementary leverage ratio calculation to help further address concerns regarding undesired disincentives of a regularly binding supplementary leverage ratio requirement on U.S. Treasury market intermediation. This potential modification would exclude from the denominator of the supplementary leverage ratio held-for-trading Treasury

securities of a broker-dealer subsidiary of a depository institution holding company that is not a subsidiary of a depository institution.

The proposal would also modify the form of the eSLR standard for depository institution subsidiaries of GSIBs, as discussed in section II.C of this **SUPPLEMENTARY INFORMATION**, to align with the eSLR standard applicable at the parent GSIB level.

In addition, the Board is proposing to amend its total loss-absorbing capacity (TLAC) and long-term debt requirements, as discussed in section III of this **SUPPLEMENTARY INFORMATION**, to reflect the proposed change to the eSLR standard. Elements of these requirements were calibrated to align with the eSLR standard, and the proposal would maintain such alignment.

The OCC is proposing to modify the criteria it uses to determine applicability of the eSLR standard for depository institutions, such that the standard would apply to those national banks and federal savings associations that are subsidiaries of U.S. GSIBs identified by the Board. This proposed change is discussed in section IV of this **SUPPLEMENTARY INFORMATION**. The Board and FDIC are also proposing to make certain technical corrections to the capital rule, as discussed in section V of this **SUPPLEMENTARY INFORMATION**.

Section VI of this **SUPPLEMENTARY INFORMATION** presents the economic analysis of the proposed changes.

The agencies seek comment on all aspects of the proposal.

A. Overview of Leverage Capital Requirements for Large Banking Organizations

In 2013, the agencies adopted a revised regulatory capital rule (capital rule) to address weaknesses that became apparent during the financial crisis of 2007–08.³ The agencies' capital rule includes two leverage-based requirements for large banking organizations.⁴ The tier 1 leverage ratio,

measured as the ratio of a banking organization's tier 1 capital to average total consolidated assets, applies to all banking organizations subject to the capital rule. Under this requirement, a banking organization is required to maintain a minimum leverage ratio of at least four percent, and an insured depository institution is required to maintain a leverage ratio of at least five percent to be considered "well capitalized" under the prompt corrective action framework.⁵ The supplementary leverage ratio, measured as the ratio of a banking organization's tier 1 capital to its total leverage exposure, applies only to banking organizations subject to Category I–III capital standards.⁶ Each of these banking organizations must maintain a supplementary leverage ratio of at least three percent. Total leverage exposure includes certain off-balance sheet exposures in addition to all on-balance sheet assets.⁷

In 2014, the agencies adopted a final rule that requires GSIBs and their insured depository institution subsidiaries to meet enhanced supplementary leverage ratio

CFR part 225 App'x. C); U.S. intermediate holding companies of foreign banking organizations; and top-tier savings and loan holding companies domiciled in the United States, except for certain savings and loan holding companies that are significantly engaged in commercial activities and certain savings and loan holding companies that are subject to the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement.

⁵ See 12 CFR 6.4(b)(1)(i)(D), 3.10(a)(1)(iv), (OCC); 12 CFR 208.43(b)(1)(i)(D), 217.10(a)(1)(iv) (Board); 12 CFR 324.10(a)(1)(iv) 324.403(b)(1)(i)(D) (FDIC); see also 12 CFR 3.12 (OCC); 12 CFR 217.12 (Board); 12 CFR 324.12 (FDIC).

⁶ In 2019, the agencies adopted rules establishing four categories of capital standards for U.S. banking organizations with \$100 billion or more in total assets and foreign banking organizations with \$100 billion or more in combined U.S. assets. Under this framework, Category I standards apply to GSIBs and their depository institution subsidiaries. Category II standards apply to banking organizations with at least \$700 billion in total consolidated assets or at least \$75 billion in cross-jurisdictional activity and their depository institution subsidiaries. Category III standards apply to banking organizations with total consolidated assets of at least \$250 billion or at least \$75 billion in weighted short-term wholesale funding, nonbank assets, or off-balance sheet exposure and their depository institution subsidiaries. Category IV standards apply to banking organizations with total consolidated assets of at least \$100 billion that do not meet the thresholds for a higher category and their depository institution subsidiaries. See 12 CFR 3.2 (OCC), 12 CFR 238.10, 12 CFR 252.5, (Board), 12 CFR 324.2 (FDIC); "Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations," 84 FR 59032 (November 1, 2019); and "Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements," 84 FR 59230 (November 1, 2019).

⁷ See 12 CFR 3.10(c) (OCC); 12 CFR 217.10(c) (Board); 12 CFR 324.10(c) (FDIC).

¹ See 12 CFR part 217, subpart H (GSIB surcharge framework). A bank holding company subject to the GSIB surcharge framework must determine whether it is a GSIB by applying a multifactor methodology based on size, interconnectedness, substitutability, complexity, and cross-jurisdictional activity. See 12 CFR 217.402.

² Under the capital rule, banking organizations are required to satisfy multiple minimum capital requirements, which are augmented by the capital buffer framework. In addition, insured depository institutions are subject to the prompt corrective action framework. In the context of this **SUPPLEMENTARY INFORMATION**, a banking organization's "binding tier 1 capital requirement" refers to the highest of all of its tier 1 capital requirements, inclusive of the capital buffer framework and the prompt corrective action framework, expressed in dollar terms.

³ See 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR 324 (FDIC). The Board and the OCC issued a joint final rule on October 11, 2013 (78 FR 62018), and the FDIC issued a substantially identical interim final rule on September 10, 2013 (78 FR 55340). The FDIC adopted the interim final rule as a final rule with no substantive changes on April 14, 2014 (79 FR 20754).

⁴ See 12 CFR 3.10(a) (OCC); 12 CFR 217.10(a) (Board); 12 CFR 324.10(a) (FDIC). The term "banking organizations," as used in this **SUPPLEMENTARY INFORMATION**, includes national banks; state member banks; state nonmember banks; Federal savings associations; state savings associations; top-tier bank holding companies domiciled in the United States not subject to the Board's Small Bank Holding Company and Savings and Loan Holding Company Policy Statement (12

standards.⁸ Specifically, each GSIB must maintain a supplementary leverage ratio of at least three percent plus a leverage buffer greater than two percent to avoid limitations on the GSIB's capital distributions and certain discretionary bonus payments.⁹ In addition, any insured depository institution subsidiary of a GSIB must maintain a supplementary leverage ratio of at least six percent to be "well capitalized" under the prompt corrective action framework of the Board, OCC, or FDIC, as applicable.¹⁰

Statutory Authority for the Agencies' Supplementary Leverage Ratio Framework

Congress has authorized the agencies to establish leverage capital requirements and standards for banking organizations subject to this proposal. Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),¹¹ as amended by section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act,¹² requires the Board to establish leverage limits for bank holding companies with \$250 billion or more in total consolidated assets.¹³ It

⁸ See "Regulatory Capital Rules: Regulatory Capital, Enhanced Supplementary Leverage Ratio Standards for Certain Bank Holding Companies and Their Subsidiary Insured Depository Institutions," 79 FR 24528 (May 1, 2014). The eSLR standards were originally applicable to bank holding companies with more than \$700 billion in total consolidated assets or \$10 trillion in assets under custody and their subsidiary depository institutions. The Board revised the applicability of the eSLR standards in its rules to apply to GSIBs and their subsidiary depository institutions in connection with the GSIB surcharge rule. See 80 FR 49082 (August 14, 2015). The FDIC made an equivalent change in 2020 and the OCC would make an equivalent change as part of this proposal. See 85 FR 74257 (November 20, 2020).

⁹ The leverage buffer requirement follows the same general mechanics and structure as the capital conservation buffer requirement that applies to all banking organizations subject to the capital rule, though the capital conservation buffer requirement is calibrated differently. Specifically, a GSIB that maintains a leverage buffer of more than two percent of its total leverage exposure would not be subject to limitations on its distributions and certain discretionary bonus payments. A GSIB that maintains a leverage buffer of two percent or less would be subject to increasingly strict limitations on such payouts. See 12 CFR 217.11.

¹⁰ See 12 CFR 6.4(b)(1)(i)(D)(2) (OCC); 12 CFR 208(b)(1)(i)(D)(2) (Board); 12 CFR 324.403(b)(1)(ii) (FDIC).

¹¹ Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (2010).

¹² Economic Growth, Regulatory Relief, and Consumer Protection Act, Public Law 115–174, 132 Stat. 1296 (2018).

¹³ See 12 U.S.C. 5365(a)(1), (b)(1)(A)(i). These provisions also apply to foreign banks or companies that are treated as a bank holding company for purposes of the Bank Holding Company Act. See 12 U.S.C. 3106(a), 5311(a)(1). See also section 401(g) of the Economic Growth, Regulatory Relief, and

also provides that the Board may apply any prudential standard established under section 165 to any bank holding company or bank holding companies with \$100 billion or more in total consolidated assets to which the prudential standard does not otherwise apply, under certain circumstances.¹⁴ The prompt corrective action framework in section 38 of the Federal Deposit Insurance Act requires the agencies to prescribe capital standards for insured depository institutions that include a leverage limit and provides that the agencies may establish any additional relevant capital measures to carry out the purpose of that section.¹⁵

Furthermore, various statutory authorities provide the agencies with broad discretionary authority to set capital requirements and standards for banking organizations supervised by the agencies, including national banking associations, state-chartered banks, savings associations, and depository institution holding companies.¹⁶

B. Objective of Rulemaking

The 2007–08 financial crisis demonstrated the importance of strong regulatory capital standards for the safety and soundness of individual banking organizations, as well as for the financial system as a whole. Within the regulatory capital framework, leverage and risk-based capital requirements play complementary roles, with each addressing potential risks not addressed by the other.¹⁷ Risk-based capital

Consumer Protection Act (regarding the Board's authority to establish enhanced prudential standards for foreign banking organizations with total consolidated assets of \$100 billion or more).

¹⁴ 12 U.S.C. 5365(a)(2)(C).

¹⁵ See 12 U.S.C. 1831o(c)(1)(A), (B)(i).

¹⁶ See 12 U.S.C. 93a (national banking associations); 12 U.S.C. 248(i), 324, 327, 329 (state member banks); 12 U.S.C. 1463 (savings associations); 12 U.S.C. 1467a(g)(1) (savings and loan holding companies); 12 U.S.C. 1844(b) (bank holding companies); 12 U.S.C. 3106 (certain U.S. operations of foreign banking organizations); 12 U.S.C. 3902(1)–(2), 3907(a), 3909(a), (c)(1)–(2) (depository institutions; affiliates of depository institutions, including holding companies; and certain U.S. operations of foreign banking organizations); 12 U.S.C. 5371 (insured depository institutions, depository institution holding companies, and nonbank financial companies supervised by the Board).

¹⁷ The regulatory capital framework is designed to help ensure that banking organizations maintain sufficient resources to absorb losses and prevent the distress or failure of a banking organization. See 12 CFR 3.1 (OCC); 12 CFR 217.1 (Board); 12 CFR 324.1 (FDIC). The regulatory capital framework is comprised of both risk-based and leverage capital requirements. Risk-based capital requirements establish a minimum amount of regulatory capital a banking organization must maintain based on the risk profile of its on- and off-balance sheet exposures, whereas leverage capital requirements establish minimum risk-insensitive capital requirements. See 12 CFR 3.10 (OCC); 12 CFR 217.10 (Board); 12 CFR 324.10 (FDIC).

requirements that are commensurate with the risk profile of a banking organization's exposures help to encourage prudent behavior by requiring a banking organization to maintain higher levels of capital for activities and exposures that present greater risk. Historical experience, however, has demonstrated that risk-based measures alone may be insufficient to support loss-absorbing capacity at banking organizations through economic cycles. For example, the 2007–08 financial crisis highlighted weaknesses in the design and calibration of risk-based capital requirements. Leverage capital requirements, which do not take into account the risks of a banking organization's exposures, can help to mitigate underestimations of risk both by banking organizations and risk-based capital requirements.¹⁸

An appropriately calibrated leverage capital requirement sets a simple and transparent limit on a banking organization's leverage. In addition, leverage capital requirements can be useful to address cases where the level of risk at a particular banking organization or across the financial system is difficult to measure. However, when a leverage capital requirement is calibrated too high and becomes a banking organization's regularly binding capital requirement, it can create incentives for a banking organization to engage in higher-risk activities in search of higher returns and to reduce participation in lower-risk, lower-return activities. A banking organization that has a leverage capital requirement as its binding capital requirement can, on the margin, replace a lower-risk asset with a higher-risk asset without a corresponding increase in its overall regulatory capital requirement, a suboptimal outcome that runs counter to objectives of the regulatory capital framework.

As a notable example of concerns regarding the incentive effects of a binding supplementary leverage ratio requirement, a regularly binding leverage capital requirement could disincentivize large banking organizations from intermediating in the U.S. Treasury market. Market participants have suggested that such disincentives could, under certain circumstances, impede the orderly functioning of the U.S. Treasury market

¹⁸ Risk-based and leverage capital measures can also contain complementary information about a banking organization's condition. See, e.g., Arturo Estrella, Sangkyun Park, and Stavros Peristiani, "Capital Ratios as Predictors of Bank Failure," *Federal Reserve Bank of New York Economic Policy Review* (2000).

and of U.S. and global financial markets more broadly.¹⁹ The U.S. Treasury market is one of the deepest and most liquid markets in the world and serves as a source of safe and liquid assets that are used for a variety of purposes in the financial markets.²⁰ Confidence in the efficient functioning of the U.S. Treasury market, including during times of stress, is critical to the stability of the domestic and global banking and financial systems.

Large banking organizations play important roles in all segments of the U.S. Treasury market. Many large banking organizations have broker-dealer subsidiaries that act as primary dealers in Treasury security auctions, serve as brokers and market makers in the secondary markets for Treasury securities and in related derivatives markets, and intermediate in securities financing transactions with Treasury securities as collateral. They also have depository institution subsidiaries that perform some of these functions, act as custodians holding Treasury securities on behalf of clients, and also transact in Treasury securities for investment, liquidity, and risk-management purposes. When large banking organizations become bound by leverage capital requirements, they can potentially face incentives to limit their intermediation in low-risk, low-return activities in the U.S. Treasury markets and reduce holdings of low-risk assets in general.

Appropriate calibration of regulatory capital requirements involves a balancing of considerations. A banking organization should maintain sufficient capital to absorb losses and remain a going concern over a range of conditions. In addition, it is important for the capital framework to not create potential disincentives for a banking organization to prudently act as a financial intermediary and to otherwise engage in low-risk activities or important market functions. The agencies regularly review the regulatory capital framework to help ensure requirements are appropriate in view of evolving risks and financial innovations and that the framework is functioning as intended. In reviewing the eSLR

framework, the agencies considered factors such as alignment of requirements with risks; incentives for a banking organization to perform critical financial services over a range of economic conditions; and ways to enhance the efficiency of the framework.

Since the adoption of the eSLR standards, the agencies have observed that such standards have, for certain banking organizations, become a regularly binding constraint relative to risk-based capital requirements, as discussed in section VI of this **SUPPLEMENTARY INFORMATION**. Consequently, the Board and the OCC in 2018 proposed to recalibrate the eSLR standards for GSIBs and their insured depository institution subsidiaries from the fixed two percent, which applies to each GSIB, and three percent, which applies to their insured depository institutions, to equal 50 percent of the banking organization's GSIB risk-based capital surcharge to help ensure that the eSLR standards generally serve as a backstop to risk-based capital requirements.²¹

In 2020, the agencies finalized a rule to implement section 402 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, to exclude from the denominator of the supplementary leverage ratio certain central bank deposits of banking organizations predominately engaged in custody, safekeeping, and asset servicing activities.²² Also in 2020, as the onset of the COVID pandemic significantly and adversely affected global financial markets, large banking organizations faced reduced balance sheet capacity under the supplementary leverage ratio due to customer draws on credit lines, acquisition of significant amounts of Treasury securities, substantial increases in deposits in their accounts at Federal Reserve Banks, and other financial intermediation activities. In response, the agencies adjusted the denominator of the supplementary leverage ratio to exclude Treasury securities and deposits at Federal Reserve Banks (reserves) on a temporary

basis to provide these banking organizations additional flexibility to continue to act as financial intermediaries.²³

In light of the experience gained since the initial adoption of the eSLR standards, and to avoid potential negative outcomes due to regularly binding eSLR standards, the agencies are proposing to recalibrate the eSLR standards to reduce the likelihood and frequency of the eSLR standards becoming a binding capital requirement for GSIBs and their depository institution subsidiaries. In addition, the proposed recalibration of the eSLR standards seeks to reduce disincentives for banking organizations to participate in U.S. Treasury market intermediation and reduce the need for temporary adjustments in the event of severe market stress, as occurred in 2020.

C. Overview of the Proposal

The proposal would make changes to the eSLR standards to reduce the likelihood of the eSLR standards being the binding regulatory capital constraint for GSIBs and their depository institution subsidiaries. Specifically, the Board is proposing to recalibrate the eSLR buffer standard for GSIBs to equal 50 percent of a GSIB's method 1 surcharge calculated under the Board's GSIB surcharge framework, rather than the current leverage buffer standard of two percent.²⁴ Similarly, the agencies

²³ For example, during the March 2020 economic turmoil, U.S. Treasury market liquidity rapidly deteriorated as a result of supply-demand imbalance, while primary dealers were reluctant to increase their holdings of U.S. Treasury securities, prompting market participants and regulators to consider enhancements to the resilience of the U.S. Treasury market. On April 1, 2020, the Board provided holding companies a temporary exclusion for U.S. Treasury securities and deposits at the Federal Reserve from the denominator of the supplementary leverage ratio through March 31, 2021. On May 15, 2020, the Board, the OCC, and the FDIC extended comparable treatment to depository institutions, which could elect this exclusion subject to capital action preapproval. Both interim final rules expired as scheduled on March 31, 2021. See "Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio," 85 FR 20578 (April 14, 2020) and "Regulatory Capital Rule: Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio for Depository Institutions," 85 FR 32980 (June 1, 2020).

²⁴ The Board's capital rule requires a GSIB to calculate its GSIB risk-based surcharge in two ways, known as method 1 and method 2, and apply the higher of the two results. Under the rule, a firm identified as a GSIB must calculate its GSIB surcharge under two methods and be subject to the higher surcharge. See 12 CFR 217.402, subpart H. The first method (method 1) is based on five categories that are correlated with systemic importance—size, interconnectedness, cross-jurisdictional activity, substitutability, and complexity. The second method (method 2) uses

¹⁹ See, e.g., Z. He, S. Nagel, & Z. Song, Treasury Inconvenience Yields During the COVID-19 Crisis. 143 J. Fin. Econ. 57–79 (2022); Group of Thirty Working Group on Treasury Market Liquidity, U.S. Treasury Markets: Steps Toward Increased Resilience (2021).

²⁰ See U.S. Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Reserve Bank of New York, U.S. Securities and Exchange Commission, and U.S. Commodity Futures Trading Commission, Enhancing the Resilience of the U.S. Treasury Market: 2023 Staff Progress Report (November 6, 2023).

²¹ See "Regulatory Capital Rules: Regulatory Capital, Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Certain of Their Subsidiary Insured Depository Institutions; Total Loss-Absorbing Capacity Requirements for U.S. Global Systemically Important Bank Holding Companies," 83 FR 17317 (April 18, 2018). The Board and the OCC did not finalize this proposal.

²² "Regulatory Capital Rule: Revisions to the Supplementary Leverage Ratio to Exclude Certain Central Bank Deposits of Banking Organizations Predominantly Engaged in Custody, Safekeeping, and Asset Servicing Activities," 85 FR 4569 (Jan. 27, 2020).

would modify the eSLR standard for depository institution subsidiaries of GSIBs from the current six percent “well capitalized” threshold under the prompt corrective action framework to an eSLR buffer standard equal to 50 percent of the parent GSIB’s method 1 surcharge calculation. As a result, the eSLR standards would be the same in both form and calibration at the bank holding company and subsidiary depository institution levels.²⁵

In addition to these changes, the OCC is proposing to revise the methodology it uses to identify which national banks and Federal savings associations are subject to the eSLR standard to align with the agencies’ regulatory tailoring framework and ensure that the standard applies only to those national banks and Federal savings associations that are subsidiaries of a GSIB. The Board is also proposing to make conforming modifications to the leverage-based components of the Board’s total loss-absorbing capacity and long-term debt requirements that currently incorporate the eSLR standard’s fixed two percent buffer construct. Lastly, the agencies are proposing to make certain technical corrections to the capital rule.

As further discussed in the economic analysis in section VI of this **SUPPLEMENTARY INFORMATION**, recalibrating the eSLR buffer standards for GSIBs and their depository institution subsidiaries would reduce unintended incentives for these banking organizations to engage in higher-risk activities and create significant balance sheet capacity for GSIBs and their depository institution subsidiaries to engage in lower-risk activities. Moreover, by recalibrating the eSLR standards such that they more often serve as a backstop than a binding constraint, the regulatory capital framework for these banking organizations would be more aligned with risk, supporting these banking organizations’ role as financial intermediaries. The additional capacity for GSIBs could also help support the orderly functioning of U.S. Treasury markets, as their broker-dealer subsidiaries play a key role in intermediating these markets.

similar inputs but replaces substitutability with the use of short-term wholesale funding and is calibrated in a manner that generally will result in surcharge levels for GSIBs that are higher than those calculated under method 1.

²⁵ As a result of this change, certain national bank subsidiaries, specifically, uninsured national banks chartered pursuant to 12 U.S.C. 27(a), would become subject to the eSLR standard. This change in scope is a result of the prompt corrective action framework’s applicability to insured depository institutions and the capital rule’s applicability to certain uninsured depository institutions.

The proposal would lead to a less-than-two percent aggregate reduction in the tier 1 capital requirement for GSIBs and about 27 percent aggregate reduction in the tier 1 capital requirement for their depository institution subsidiaries. Although the capital requirements of the depository institution subsidiaries of GSIBs would decline, capital requirements applicable to GSIBs would remain approximately at their present level and with better incentive effects from leverage-based requirements declining below risk-based requirements. GSIBs would not be able to significantly increase dividend payments or other capital distributions, due to bank holding company capital requirements. The proposal would instead provide GSIBs greater discretion to determine the optimal allocation of capital within the consolidated organization. In addition, the capital rule would continue to require these banking organizations, notwithstanding the minimum requirements under the capital rule, to maintain capital commensurate with the level and nature of all risks to which they are exposed, to have a process for assessing their overall capital adequacy in relation to their risk profile, and to have a comprehensive strategy for maintaining an appropriate level of capital.²⁶

As discussed further in section VI.H of this **SUPPLEMENTARY INFORMATION**, under the proposal, aggregate TLAC requirements that apply to GSIBs would decline by approximately five percent, and aggregate long-term debt requirements would decline by approximately 16 percent. Although the reduction in long-term debt and TLAC requirements could reduce overall loss-absorbing capacity, including gone-concern resources available in resolution, the proposal would maintain the existing alignment of long-term debt and TLAC requirements with capital requirements, consistent with the approaches used to calibrate these requirements. The proposal is expected to support increased lending and economic activity and would be consistent with international standards.²⁷

Overall, the agencies assess that the benefits of the proposal justify the costs.

²⁶ 12 CFR 3.10(e) (OCC); 12 CFR 217.10(e) (Board); 12 CFR 324.10(e) (FDIC).

²⁷ The decline in long-term debt requirements can primarily be viewed as a compositional shift within the instruments needed to meet the TLAC requirements and thus unlikely to have a significant effect on lending or economic activity.

II. Proposed Modifications to the Enhanced Supplementary Leverage Ratio Standards

A. Calibration of the Holding Company and Depository Institution Standards

The proposal would modify the eSLR standard applicable to GSIBs by recalibrating the fixed two percent eSLR buffer standard to equal 50 percent of a GSIB’s method 1 surcharge as determined under the Board’s GSIB surcharge framework.²⁸ The proposal would also align the calibration and, as discussed further in section II.C of this **SUPPLEMENTARY INFORMATION**, the form, of the eSLR standard applicable to depository institution subsidiaries of GSIBs with that applicable to their GSIB parent holding companies. Since the eSLR standards took effect in 2018, the current calibration has frequently become a binding capital constraint for GSIBs, as discussed in section VI.A of this **SUPPLEMENTARY INFORMATION**. Recalibrating the eSLR buffer standard to equal 50 percent of a GSIB’s method 1 surcharge would reduce the supplementary leverage ratio requirement relative to risk-based requirements at the holding company level and allow leverage capital requirements and standards to generally serve as a backstop to risk-based capital requirements rather than as a regularly binding constraint.²⁹

Calibration based on the GSIB surcharge framework would take a GSIB’s systemic footprint into account in the determination of its eSLR buffer standard. This approach would align with the purposes of the eSLR standards to strengthen the ability of these banking organizations to remain a going concern during times of economic stress and to minimize the likelihood that problems at these organizations would contribute to financial instability.³⁰ At

²⁸ In September 2023, the Board issued a notice of proposed rulemaking to amend the GSIB surcharge framework and related Systemic Risk Report (FR Y–15) to improve the precision of the GSIB surcharge and better measure systemic risk under the framework. See “Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y–15),” 88 FR 60385 (September 1, 2023). Any change to the GSIB surcharge framework could impact the magnitude of the eSLR buffer standards under this proposal.

²⁹ For about half of depository institution subsidiaries of GSIBs, the tier 1 leverage ratio requirement would continue to exceed the risk-based requirement. Changing the tier 1 leverage requirement would implicate section 171 of the Dodd-Frank Act. See 12 U.S.C. 5371.

³⁰ See 79 FR 24529 (May 1, 2014). Consistent with the original design of the eSLR standards, depository institution subsidiaries of GSIBs would be subject to requirements on the basis of their positions as components of the consolidated GSIBs,

Continued

the time the agencies adopted the eSLR standards, the Board had not yet proposed the GSIB surcharge framework. Using a GSIB's method 1 surcharge, rather than the higher of its method 1 or method 2 surcharge that determines its risk-based surcharge, produces a generally lower calibration that is consistent with the objective for leverage capital requirements to act as a backstop to risk-based capital requirements. A calibration based on the GSIB surcharge framework would also help promote consistency in the eSLR standards for large, complex, and internationally active banking organizations across jurisdictions, as it would be consistent with the leverage ratio framework published by the Basel Committee on Banking Supervision (Basel Committee).³¹

Where appropriate and consistent with the agencies' statutory authorities and policy objectives, general alignment of domestic financial regulatory policy with international standards can generate significant benefits, particularly regarding large, internationally active banking organizations. For example, international alignment can enhance the resilience of the U.S. financial system by limiting the potential for a global "race to the bottom" on prudential standards. The U.S. financial system is highly interconnected with the global financial system. By supporting robust prudential standards across the world, international alignment can enhance the resilience of the U.S. financial system by reducing the likelihood of distress or other problems that arise in a foreign jurisdiction from having negative effects in the United States.³²

and often as major components in terms of size, operations, and business activity. The proposal would align GSIB and subsidiary eSLR standards, removing the discrepancy in requirements in the current eSLR standards.

³¹ See Basel Committee, "Basel III leverage ratio framework and disclosure requirements" (January 2014) available at <http://www.bis.org/publ/bcbs270.htm>. The Basel Committee is an international coordinating committee of banking supervisory authorities, established by the central bank governors of the G-10 countries in 1975, and comprised of representatives from supervisory authorities of 28 jurisdictions, that develops prudential minimum standards. More information regarding the Basel Committee and its membership is available at <https://www.bis.org/bcbs/about.htm>. Documents issued by the Basel Committee are available through the Bank for International Settlements website at <https://www.bis.org>.

³² For example, the Basel Committee was originally formed after the failure of Herstatt Bank in Germany in 1974, which contributed to serious disruptions to foreign currency and banking markets within and beyond Germany, demonstrating the need for better coordination among bank regulators in different jurisdictions. See <https://www.bis.org/bcbs/history.htm>. See, e.g., 12 U.S.C. 1828 note, 3901, 3907, 3911, and 5373;

The proposed recalibration of the eSLR standards would help mitigate potential disincentives for GSIBs and their depository institution subsidiaries to engage in low-risk, low-return, balance-sheet-intensive activities, such as intermediation by GSIBs' broker-dealer subsidiaries in markets for Treasury securities, and from holding low-risk assets in general. GSIBs and their depository institution subsidiaries play a key role in supporting market liquidity and providing financing in Treasury markets, as discussed above.

The proposal would differ from the agencies' 2020 temporary exclusion of Treasury securities and reserves in that it would maintain the principle that the denominator of the supplementary leverage ratio should be broad and not create preferences for certain low-risk assets over others. Additionally, the recalibration approach of the proposal would better achieve the objectives of the proposal than would the 2020 exclusion approach. It would more comprehensively address the undesired incentive effects of binding leverage ratio requirements. It would also provide large banking organizations significant additional flexibility and capacity to maintain or increase low-risk, low-return activities, including but not limited to U.S. Treasury market intermediation. This flexibility would be beneficial throughout economic and credit cycles.³³

As discussed in section VI of this **SUPPLEMENTARY INFORMATION**, the proposed change to the calibration of the eSLR standard for bank holding companies would reduce the eSLR standard relative to risk-based capital requirements for GSIBs, which would reduce the frequency of the eSLR standards being these banking organizations' binding capital constraint without significantly reducing their overall level of required capital. Accordingly, this proposed change would reduce undesired incentive effects from a regularly binding or near-binding leverage capital requirement, while not materially altering the risk profile of these banking organizations.

see also 22 U.S.C. 9522 note; Federal Deposit Insurance Corporation Improvement Act of 1991 § 305(b)(2), Public Law 102-242, 105 Stat. 2236, 2355.

³³ Excluding exposures from total leverage exposure would also differ from the leverage capital standard published by the Basel Committee. The Basel standard provides for a potential temporary exclusion of central bank reserves, but solely under exceptional macroeconomic circumstances and only when paired with an upward calibration of the minimum requirement. See the Basel standard's provision LEV30.4, available at https://www.bis.org/basel_framework/chapter/LEV/30.htm?inforce=20191215&published=20191215.

As further discussed in section VI of this **SUPPLEMENTARY INFORMATION**, since depository institution subsidiaries of GSIBs are not subject to the more stringent risk-based capital buffers and surcharges applicable to their GSIB parent holding companies, risk-based capital requirements for such depository institutions tend to be generally lower relative to leverage capital requirements.³⁴ Therefore, addressing bindingness of the eSLR standard for depository institution subsidiaries of GSIBs would more significantly reduce levels of required capital relative to the reduction in required capital of their parent holding companies. Although the proposal would reduce tier 1 capital requirements for these depository institutions, almost all of this capital would need to be retained within their consolidated holding companies because the proposal would only slightly reduce GSIB holding company tier 1 capital requirements.

Question 1: What are the advantages and disadvantages of replacing the fixed two percent eSLR buffer standard applicable to a GSIB with a buffer standard equal to 50 percent of a GSIB's method 1 risk-based surcharge? What other modifications should the Board consider for purposes of ensuring that the eSLR buffer standard generally does not serve as the binding capital constraint for GSIBs, and why? Please provide any rationale or data that may be helpful for the Board to consider.

Question 2: What are the advantages and disadvantages of the proposed calibration of the eSLR buffer standard for a depository institution subsidiary of a GSIB? What alternative calibration, such as a fixed buffer lower than three percent, should the agencies consider, and why? What would be the advantages and disadvantages of adding a fixed component for the eSLR buffer of depository institution subsidiaries (for example, 50 percent of a GSIB's method 1 surcharge plus a fixed component in the range of 0.5 percent to 1 percent)?

Question 3: What other potential modifications to the regulatory capital framework should the agencies consider to address the binding nature of the supplementary leverage ratio requirements relative to risk-based capital requirements, consistent with safety and soundness? For example, what would be the advantages and disadvantages of establishing a risk-based surcharge for depository

³⁴ For example, the capital conservation buffer for depository institutions is set to 2.5 percent of risk-weighted assets and is not expanded by the stress capital buffer and GSIB surcharge applicable at the top-tier GSIB level.

institution subsidiaries of GSIBs? Please provide any rationale or data that may be helpful for the agencies to consider.

Question 4: How, if at all, would the proposed calibration of the eSLR standards affect business decisions of GSIBs and their depository institution subsidiaries, such as their ability to serve as a source of credit to the economy during periods of economic stress? How, if at all, would the proposal change the incentives for GSIBs and their depository institution subsidiaries to participate in low-risk, low-return businesses? How, if at all, would the proposed calibration of the eSLR standards affect safety and soundness? Please provide any rationale or data that may be helpful for the agencies to consider.

B. Potential Modification to the Supplementary Leverage Ratio Calculation

In contrast to risk-based capital requirements, leverage capital requirements generally do not differentiate the amount of capital required by exposure type. A banking organization is required to include all of its on-balance sheet assets, including Treasury securities and other low-risk exposures, and certain off-balance sheet exposures in total leverage exposure, the denominator of the supplementary leverage ratio.

The proposed recalibration of the eSLR standards is intended to reduce the likelihood that such standards become a regularly binding capital constraint for GSIBs and their depository institution subsidiaries and thus reduce disincentives for these banking organizations to participate in low-risk activities that might be associated with important market functions. Although all depository institution holding companies subject to the supplementary leverage ratio requirement or eSLR standards would have substantial balance-sheet capacity under the proposal before these requirements or standards become binding, as discussed in section VI of this **SUPPLEMENTARY INFORMATION**, the Board is considering the benefits and drawbacks of an additional approach to complement the proposed recalibration.

In particular, the ability of a banking organization to hold certain assets, such as Treasury securities, is essential to U.S. Treasury market functioning, financial intermediation, and funding market activity, particularly in periods of financial uncertainty. Therefore, the Board is seeking comment on a potential modification to the calculation of total leverage exposure for depository institution holding companies to

exclude Treasury securities that are reported as trading assets on the organizations' balance sheets and that are held at broker-dealer subsidiaries (and foreign equivalents thereof) that are not subsidiaries of a depository institution (broker-dealer subsidiaries) (narrow exclusion approach).³⁵ The narrow exclusion approach could provide further certainty such that, if these holding companies' balance sheets or activities change in the future, they would not face disincentives to Treasury market intermediation due to a binding supplementary leverage ratio requirement.

This narrow exclusion approach would provide an automatic "safety valve" for Treasury market intermediation for cases in which balance sheets rapidly expand, as they did in 2020. In addition, this approach would enable a larger group of depository institution holding companies, including those subject to Category II or III capital standards in addition to GSIBs, to increase their U.S. Treasury market intermediation without affecting the required amount of tier 1 capital under the supplementary leverage ratio requirement and the potential for it to become a regularly binding regulatory capital constraint.³⁶

The narrow exclusion approach would focus on the legal entities and balance sheet exposures directly involved in making markets in U.S. Treasury securities. It thus attempts to balance the incentive goals discussed above with the conceptual basis of the supplementary leverage ratio requirement, which broadly includes exposures in total leverage exposure in order to serve as a risk-insensitive backstop to risk-based capital requirements. A potential drawback of this approach is that excluding exposures from the denominator of the supplementary leverage ratio could lead to requests to exclude additional exposures. Excluding material quantities or categories of exposures from the supplementary leverage ratio would undermine its effectiveness as a risk-insensitive backstop and would differ from the international leverage standard published by the Basel Committee.

Importantly, under the narrow exclusion approach, most banking

organizations' exposures to excluded Treasury securities would continue to be subject to regulatory capital requirements. Specifically, for banking organizations subject to the market risk capital framework, the interest-rate risk of the excluded Treasury securities would be captured by the market risk elements of the risk-based capital framework.³⁷ In addition, under U.S. GAAP, Treasury securities classified as trading are measured at fair value, with profits and losses recorded in the organization's consolidated income statement. As such, the associated earnings volatility and its effects on regulatory capital could limit incentives for regulatory arbitrage.

The Board requests comment on all aspects of the narrow exclusion approach.

Question 5: What would be the advantages and disadvantages of incorporating the narrow exclusion approach in any final rule, and why? What, if any, challenges would banking organizations have in identifying the securities to be excluded from total leverage exposure as described above and what clarifications would be helpful to address any such challenges?

Question 6: What modifications, if any, to the narrow exclusion approach should the Board consider, and why?

Question 7: What incentive effects would exempting only Treasury securities classified as trading and held by broker-dealer subsidiaries have on capital allocation or the conduct of activities within a consolidated banking organization, and what adjustments should the Board consider due to such effects?

Question 8: To what extent do legal entities other than broker-dealers within consolidated banking organizations engage in material U.S. Treasury market intermediation? What would be the advantages and disadvantages of including some or all Treasury securities held by such entities in any exclusion from the supplementary leverage ratio, and why? What alternative methods of targeting exclusions from the supplementary leverage ratio should the agencies consider (for example, based on specific activities such as Treasury-based repurchase or reverse repurchase arrangements), and why? In such cases, how could the agencies address boundary issues to ensure that the exclusion targets Treasury market intermediation? Please provide any supporting data and rationale that the agencies should consider.

³⁵ Under the narrow exclusion approach, a broker-dealer subsidiary would be covered if it is registered with the U.S. Securities and Exchange Commission or is a foreign equivalent to a registered broker-dealer.

³⁶ As discussed in section VI of this **SUPPLEMENTARY INFORMATION**, supplementary leverage ratio requirements are not currently binding for any banking organizations subject to Category II or III standards.

³⁷ See 12 CFR 217, subpart F.

Question 9: In addition to the changes to the supplementary leverage ratio requirements being considered in this proposal, what other changes to the bank regulatory framework, if any, should the agencies consider to reduce regulatory impediments to well-functioning U.S. Treasury markets while appropriately taking into consideration the objectives of the framework? For example, what additional changes should the agencies consider in the context of the mandatory central clearing of certain U.S. Treasury transactions? How might repo-style transactions, including transactions with the Federal Reserve, be more appropriately reflected in the supplementary leverage capital requirements or other areas of the regulatory framework? What are the potential costs and benefits of such changes?

Question 10: What additional or alternative changes to the capital rule should the agencies consider to ensure that the capital rule is able to function appropriately throughout the business cycle and particularly during periods of stress? What, if any, additional “safety valves” should the agencies consider incorporating into the capital rule to better respond to periods of stress and to reduce the risk that emergency action may be necessary (for example, a more specific reservation of authority, in addition to 12 CFR 3.1(d)(4), 217.1(d)(4), 324.1(d)(4))?

C. Modification to the Form of the Depository Institution Standard

The proposal would remove the eSLR threshold for a depository institution subsidiary of a GSIB to be considered “well capitalized” under the prompt corrective action framework and instead implement the eSLR for such banking organizations as a buffer standard.

The prompt corrective action framework establishes capital categories at which an insured depository institution will become subject to increasingly stringent limitations on its activities.³⁸ Among other measures, this

framework includes a three percent supplementary leverage ratio threshold for any insured depository institution subject to Category I, II, or III capital standards to be considered “adequately capitalized.” Until the adoption of the eSLR standards in 2014, the framework did not specify a corresponding supplementary leverage ratio threshold at which such an insured depository institution subsidiary would be considered “well capitalized.” The 2014 eSLR standards established a six percent supplementary leverage ratio threshold at which insured depository institution subsidiaries of the largest and most complex banking organizations would be considered “well capitalized.”

In April 2018, the Board and OCC jointly proposed certain modifications to the eSLR standards for GSIB holding companies and Board- and OCC-regulated insured depository institution subsidiaries (2018 proposal) that would have relied on a requirement derived from the GSIB surcharge framework to determine a banking organization’s applicable eSLR standard (similar to the approach included in this proposal).³⁹ As part of the 2018 proposal, the two agencies requested comment on the appropriateness of an alternative that would have implemented the proposed eSLR standard for GSIBs’ depository institution subsidiaries as a capital buffer standard instead of as a threshold for such banking organizations to be considered “well capitalized.” Specifically, under this approach, the prompt corrective action framework would have retained the three percent supplementary leverage ratio requirement to be considered “adequately capitalized,” but would have no longer included the heightened six percent supplementary leverage ratio threshold to be considered “well capitalized.” Instead, the eSLR standard would have been applied to depository institution subsidiaries of GSIBs alongside the existing capital conservation buffer (in the same manner that the eSLR standard applies to GSIBs). In considering this alternative, the two agencies noted that tying a banking organization’s eSLR standard to its GSIB surcharge meant that the “well

capitalized” threshold could change from year to year depending on the activities of the organization.

The majority of commenters on the 2018 proposal supported the alternative form of the eSLR as a buffer standard at the depository institution level. Several of these commenters supported this approach as a means of harmonizing and aligning with the eSLR standard applicable to holding companies. Two of these commenters stated that the payout restriction of a buffer provided a type of “early warning” threshold that should trigger changes in capital management before the more severe consequences of prompt corrective action framework limitations apply.⁴⁰ Further to this point, one of these commenters stated that in the context of risk-based capital requirements, the agencies calibrated the capital conservation buffer requirement and risk-based prompt corrective action well-capitalized thresholds so that insured depository institutions would be subject to payout restrictions under the buffer requirements before losing well-capitalized status. Another of these commenters expressed concern that maintaining the eSLR standard as part of the prompt corrective action framework, which historically has used fixed ratios to establish uniform standards across insured depository institutions, could result in different standards being used across banking organizations as a result of surcharges that can differ across GSIBs.

⁴⁰ The “well capitalized” threshold is used to determine eligibility for a variety of regulatory purposes, such as streamlined application procedures, status as a financial holding company for parent bank holding companies, the ability to control or hold a financial interest in a financial subsidiary, and in certain expansionary interstate applications. See e.g., 12 U.S.C. 24a; 12 U.S.C. 1831u(b)(4); 12 U.S.C. 1842(d); 12 U.S.C. 1843(j)(4)(A). Insured depository institutions that do not meet the requirements to be considered “well capitalized” under the prompt corrective action framework face restrictions on their operations; for example, such insured depository institutions may not control or own an interest in a financial subsidiary. 12 U.S.C. 1831o. They also face restrictions on accepting brokered deposits without a waiver from the FDIC, a prohibition from accepting employee benefit plan deposits, limits on exposure to interbank liabilities, potential restrictions on opening a branch, and in certain situations, potential effects on Deposit-Insurance Fund premiums. 12 U.S.C. 371b–2 (implemented in 12 CFR part 206); 12 U.S.C. 1821(a)(1)(D)(ii); 12 U.S.C. 1831f; 12 U.S.C. 1831o(e)(4); 12 CFR part 327.

³⁸ Each of the agencies have issued regulations to implement the statutory Prompt Corrective Action framework, set forth at 12 U.S.C. 1831o, which codifies section 131 of the Federal Deposit Insurance Corporation Improvements Act of 1991 (FDICIA). Public Law 102–242, 105 Stat. 2253 (December 19, 1991). The Prompt Corrective Action capital categories are critically undercapitalized, significantly undercapitalized, undercapitalized, adequately capitalized, and well capitalized. See 12

CFR part 6 (national banks and Federal savings associations) (OCC); 12 CFR part 208, subpart D (state member banks) (Board); 12 CFR part 324, subpart H (state nonmember banks and state savings associations) (FDIC).

³⁹ 83 FR 17317 (April 18, 2018).

Based on further consideration by the agencies on the form of the eSLR standard at the depository institution level, including considerations raised in comments the Board and OCC received on the 2018 proposal, the agencies are proposing to implement the eSLR standard for depository institutions as a buffer standard rather than as a threshold to be considered “well capitalized” within the prompt corrective action framework.⁴¹ This approach would align the form of the depository institution eSLR standard with that of the holding company, which could enhance effective capital management across a banking organization. In addition, a buffer approach may have less pro-cyclical effects because a banking organization may choose to use its buffer during times of economic stress, which could lessen the likelihood that the banking organization would reduce lending and other activities during such times. At the same time, the payout restrictions of a leverage buffer framework would continue to provide an incentive for covered depository institutions to

maintain sufficient capital and reduce the risk that their capital levels would fall below their minimum requirements during economic downturns. A leverage buffer framework would provide “early warning” benefits relative to prompt corrective action thresholds, consistent with commenters’ views on the 2018 proposal.

Specifically, under the proposal, a depository institution subsidiary of a GSIB would have an eSLR buffer standard equal to 50 percent of its parent company’s method 1 surcharge in order to avoid facing restrictions on capital distributions and certain discretionary bonus payments. The proposed leverage buffer framework would follow the same general mechanics and structure as the capital conservation buffer contained in the agencies’ respective capital rules.⁴² For example, if a GSIB calculates a method 1 surcharge of 1.5 percent, a depository institution subsidiary of the GSIB would be subject to an eSLR buffer standard of 0.75 percent (one-half of the parent GSIB’s 1.5 percent method 1 surcharge). Therefore, the depository institution

subsidiary would need to have a supplementary leverage ratio greater than 3.75 percent (three percent minimum supplementary leverage ratio plus 0.75 percent eSLR buffer standard) to avoid limitations on capital distributions and certain discretionary bonus payments.

If the depository institution subsidiary of a GSIB maintains a leverage buffer that is less than or equal to 100 percent of its leverage buffer standard, a payout limitation would apply in accordance with Table 1 below. The leverage buffer’s potential limitations on distributions and discretionary bonus payments would be applied to a covered depository institution alongside any limitations imposed by the capital conservation buffer or any other supervisory or regulatory measures. Similar to its parent GSIB, if the depository institution subsidiary of a GSIB is constrained by either or both a capital conservation buffer and the leverage buffer, the depository institution would be required to apply the more binding payout ratio.

TABLE 1—CALCULATION OF MAXIMUM LEVERAGE PAYOUT AMOUNT

Leverage buffer	Maximum payout ratio (as a percentage of eligible retained income)
Greater than the depository institution’s leverage buffer standard	No payout ratio limitation applies.
Less than or equal to 100 percent of the depository institution’s leverage buffer standard, and greater than 75 percent of the depository institution’s leverage buffer standard.	60 percent.
Less than or equal to 75 percent of the depository institution’s leverage buffer standard, and greater than 50 percent of the depository institution’s leverage buffer.	40 percent.
Less than or equal to 50 percent of the depository institution’s leverage buffer standard, and greater than 25 percent of the depository institution’s leverage buffer standard.	20 percent.
Less than or equal to 25 percent of the depository institution’s leverage buffer standard	0 percent.

Continuing the earlier example, assume the depository institution subsidiary described above reported a supplementary leverage ratio of 3.5 percent on its most recent Call Report. Although the depository institution exceeds its three percent minimum supplementary leverage ratio requirement, its reported supplementary leverage ratio is less than 100 percent of the depository institution’s leverage buffer standard. The depository institution has a leverage buffer standard of 0.75 percent, but maintains a leverage buffer of only 0.5 percent. Because the depository institution’s leverage buffer is approximately only 67 percent of its leverage buffer standard,

according to the Table 1 above, the depository institution would be subject to a 40 percent maximum payout ratio (assuming it does not face any further constraints imposed by the current capital conservation buffer or any other supervisory or regulatory measures).

The proposal would retain the minimum supplementary leverage ratio threshold of three percent to be considered “adequately capitalized” under the prompt corrective action framework.

Question 11: What are the advantages and disadvantages of applying the eSLR standard as a leverage buffer rather than as part of the prompt corrective action framework for depository institution

subsidiaries of GSIBs? What alternatives, if any, should the agencies consider, and why?

III. Amendments to Total Loss-Absorbing Capacity and Long-Term Debt Requirements

The Board requires GSIBs to maintain outstanding minimum levels of TLAC based on risk-based and leverage-based measures and to meet buffers on top of both the risk-weighted asset and leverage components of the TLAC requirements in order to avoid limitations on the firm’s capital distributions and certain discretionary

⁴¹ As discussed *supra* n.25, as a result of this change, certain national bank subsidiaries, specifically, uninsured national banks chartered pursuant to 12 U.S.C. 27(a), would become subject

to the eSLR standard. This change in scope is a result of the prompt corrective action framework’s applicability to insured depository institutions and

the capital rule’s applicability to certain uninsured depository institutions.

⁴² See 12 CFR 3.11(a) (OCC); 12 CFR 217.11(a) (Board); 12 CFR 324.11(a) (FDIC).

bonus payments.⁴³ The leverage-based TLAC buffer is equal to two percent, above the 7.5 percent minimum leverage component of a GSIB's external TLAC requirement.⁴⁴ This buffer amount was expressly designed to align with the eSLR buffer standard applicable to these firms.⁴⁵ Accordingly, the Board is proposing to replace the two percent TLAC leverage buffer with a new TLAC leverage buffer equal to the eSLR buffer standard under the proposal. This change would maintain the original alignment of the TLAC leverage buffer and the eSLR standards. The Board is not proposing to change the minimum level of TLAC that a GSIB is required to maintain.⁴⁶

The Board also requires GSIBs to maintain a minimum leverage-based external long-term debt amount equal to a GSIB's total leverage exposure multiplied by 4.5 percent. As described in the preamble to the final rule that established the long-term debt requirement, the requirement was calibrated primarily on the basis of a "capital refill" framework.⁴⁷ According to the capital refill framework, the objective of the external long-term debt requirement is to ensure that each GSIB has a minimum amount of eligible external long-term debt such that, if the GSIB's going-concern capital is depleted and the covered bank holding company fails and enters resolution, the eligible external long-term debt can be used to replenish the GSIB's going-concern capital. GSIBs are therefore subject to an external long-term debt requirement equal to 4.5 percent of their total leverage exposure (the five percent eSLR standard minus a balance-sheet

depletion allowance of 0.5 percent). As a result, the leverage-based component of the external long-term debt requirement seeks to ensure that if the GSIB's tier 1 capital is depleted, and the GSIB fails and enters resolution, the eligible external long-term debt would be sufficient to fully recapitalize the GSIB by replenishing its capital to at least the amount required to meet the minimum leverage capital requirement and buffer applicable to GSIBs.

When establishing the long-term debt requirement, the Board stated that it would consider updating the requirement in the event that it updated capital requirements for GSIBs in a way that materially changes their structure or calibration.⁴⁸ Accordingly, the Board is proposing to revise the minimum leverage-based external long-term debt requirement to reflect the proposed change to the eSLR standard. The proposed minimum leverage-based external long-term debt requirement would therefore be total leverage exposure multiplied by 2.5 percent (the minimum supplementary leverage ratio of three percent minus 0.5 percent to allow for balance sheet depletion) plus the eSLR buffer standard under the proposal as discussed in section II.A of this **SUPPLEMENTARY INFORMATION**.

As discussed further in section VI.H of this **SUPPLEMENTARY INFORMATION**, the proposed changes would reduce GSIBs' TLAC leverage-based buffer and long-term debt leverage-based minimum requirement by between 0.75 and 1.50 percentage points. The Board's TLAC and long-term debt framework applicable to GSIBs would continue to be consistent with and exceed international standards developed by the Financial Stability Board, which do not include a minimum long-term debt amount and have a somewhat lower minimum leverage-based TLAC requirement.

Question 12: What are the advantages and disadvantages of the proposed modification of the external TLAC leverage buffer and long-term debt requirements to align with the proposed changes to the eSLR standard, and why? What, if any, alternative approaches should the Board consider with respect to the calibration of total leverage exposure-based TLAC and long-term debt requirements and why?

Question 13: What effect, if any, would the proposed modification to the external TLAC leverage buffer and long-term debt requirements have on the potential for an orderly resolution of a failed GSIB? With respect to any adverse effects that may be identified, what

alternatives should the Board consider, and why?

Question 14: In light of the proposed changes to the external TLAC leverage buffer and long-term debt requirements, what other adjustments to the long-term debt and TLAC framework should the Board consider, if any? What would be the advantages and disadvantages of reducing by 50 percent the amount of long-term debt principal that is due to be paid in one year or more but less than two years that can be considered for purposes of the minimum TLAC requirements and buffers? What would be the advantages and disadvantages of adjusting the amount of balance sheet run-off embedded in the minimum long-term debt requirement, or of removing the assumption of balance sheet run-off entirely from the minimum long-term debt requirement?

IV. Applicability Thresholds of the eSLR Standard for OCC-Supervised Institutions

When the agencies adopted a final rule that established the eSLR standards in 2014, the final rule applied to U.S. top-tier bank holding companies with consolidated assets over \$700 billion or more than \$10 trillion in assets under custody and their insured depository institution subsidiaries. Subsequently, in 2015, the Board adopted a final rule establishing the GSIB surcharge framework, which provides for a methodology for identifying a holding company as a GSIB and applies a risk-based capital surcharge to such a banking organization.⁴⁹ As part of the GSIB surcharge framework, the Board revised the scope of application of the eSLR standards to any holding company identified as a GSIB and to each Board-regulated insured depository institution subsidiary of a GSIB. In November 2020, the FDIC issued a final rule to align the applicability of the eSLR standard with the revisions implemented by the Board, to cover only FDIC-supervised institutions that are subsidiaries of GSIBs.⁵⁰

The OCC's current eSLR standard applies to national banks and Federal savings associations with more than \$700 billion in total consolidated assets or more than \$10 trillion total in assets under custody, or that are subsidiaries of holding companies that meet those thresholds. To be consistent with the Board's regulations for identifying

⁴³ See 12 CFR part 252, subpart G.

⁴⁴ See 12 CFR 252.63. There is no buffer requirement over the leverage-based minimum total loss-absorbing capacity requirement for a U.S. intermediate holding company of a foreign banking organization subject to TLAC requirements. The TLAC requirement based on total leverage exposure for a U.S. intermediate holding company of a foreign banking organization subject to the TLAC framework is either 6.75 percent or six percent, depending on the planned resolution strategy of the company's parent global systemically important foreign banking organization. 12 CFR 252.165.

⁴⁵ See "Total Loss-Absorbing Capacity, Long-Term Debt, and Clean Holding Company Requirements for Systemically Important U.S. Bank Holding Companies and Intermediate Holding Companies of Systemically Important Foreign Banking Organizations," 82 FR 8266 (Jan. 24, 2017), 8276.

⁴⁶ This proposal would not impact the total loss-absorbing capacity or long-term debt requirements applicable to any U.S. intermediate holding company required to be established pursuant to 12 CFR 252.153 that is controlled by a global systemically important foreign banking organization, as such requirements were not calibrated based on the eSLR framework. 12 CFR part 252, subpart P.

⁴⁷ 82 FR 8266, 8275.

⁴⁸ *Id.*

⁴⁹ 12 CFR part 217, subpart H; see also "Regulatory Capital Rules: Implementation of Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies," 80 FR 49082 (August 14, 2015).

⁵⁰ 12 CFR 324.403(b)(1)(ii); 85 FR 74257 (November 20, 2020).

GSIBs and applying the eSLR standards for holding companies and their depository institution subsidiaries, and consistent with the FDIC's regulations, the OCC is proposing to modify the scope of application of the eSLR standard for OCC-supervised banks. Specifically, the OCC proposes to remove the existing asset size thresholds and instead apply the eSLR standard to those national banks and federal savings associations that are subsidiaries of GSIBs identified by the Board's GSIB surcharge framework. Currently, the asset thresholds the OCC uses to determine applicability of the eSLR standard scope in all the national bank and federal savings association subsidiaries of GSIBs, but no other institutions. As a result, this proposed change would not have any impact on the current application of the eSLR standard. Additionally, this proposed change would also result in a consistent scope of application of the eSLR standards across the Federal banking agencies and would be consistent with the regulatory tailoring framework for large banking organizations adopted by the agencies in 2019.⁵¹

Question 15: What, if any, unintended consequences may result from removing the current asset size and assets under custody thresholds of the eSLR standard for OCC-supervised institutions, and why?

V. Technical Corrections

The proposal includes certain technical corrections. The Board is proposing to revise 12 CFR 217.11(c)(3)(ii)(A)–(C) to correct certain cross references. Those paragraphs had erroneously referred to 12 CFR 217.10(c)(1)(ii), (c)(2)(ii), and (c)(3)(ii), respectively; the proposed technical correction would replace those references with the appropriate references to 12 CFR 217.10(d)(1)(ii), (d)(2)(ii), and (d)(3)(ii), respectively. Second, the FDIC is proposing to remove outdated references in its prompt corrective action regulation to the supplementary leverage ratio's effective date of January 1, 2018.

VI. Economic Analysis

A. Introduction

As discussed in section I.B of this **SUPPLEMENTARY INFORMATION**, the proposal aims generally for the supplementary leverage ratio requirement to be a backstop to risk-based tier 1 capital requirements for GSIBs and their depository institution

subsidiaries.⁵² The rationale for the proposed recalibration of the eSLR standards is twofold. First, this change would reduce the likelihood and frequency of the supplementary leverage ratio requirement being a binding tier 1 capital requirement for these banking organizations. Second, this change would reduce disincentives for these banking organizations to participate in low-risk, low-return activities, such as U.S. Treasury market intermediation.

In recent years, the supplementary leverage ratio requirement has regularly been the binding tier 1 capital requirement for many GSIBs and most of their depository institution subsidiaries. This can create unintended incentives for these banking organizations to engage in higher-risk activities and to reduce their participation in low-risk, low-return activities. The proposal would address these incentives by reducing the calibration of the eSLR standards, thereby enabling most GSIBs to increase their U.S. Treasury market intermediation activities up to their available capacity without causing the supplementary leverage ratio requirement to become binding, which would also reduce the need for temporary adjustments in the event of severe market stress.

The agencies estimate that, in the period from Q2 2021 to Q4 2024, the supplementary leverage ratio requirement was the binding tier 1 capital requirement 60 percent of the time, on average, for seven out of the eight GSIBs. In the same period, the supplementary leverage ratio requirement was the binding tier 1 capital requirement 87 percent of the time, on average, for “major” depository institution subsidiaries of GSIBs.⁵³

When the binding capital requirement for a banking organization is a leverage ratio requirement, it can discourage the banking organization from engaging in low-risk activities, especially in high-volume, low-return activities, while creating incentives for the banking organization to conduct higher-risk

activities. These incentives are due to what may be called the “level effect” and the “marginal effect” of a binding leverage ratio requirement. Specifically, for a given amount of tier 1 capital, the level effect of a binding leverage ratio requirement restricts the growth of the banking organization because it cannot engage in even low-risk activities without further increasing its tier 1 capital requirement. Additionally, the marginal effect of a binding leverage ratio requirement makes the banking organization prefer higher-risk activities to low-risk activities because both activities need to be financed by the same amount of tier 1 capital under the supplementary leverage ratio requirement, while higher-risk activities typically have higher expected returns. This marginal effect could incentivize the banking organization to forego investments in low-risk activities or, in the extreme, substitute its existing low-risk exposures with higher-risk ones. Such unintended incentives are further amplified by the fact that low-risk activities tend to be balance sheet intensive because their typically low expected returns make them profitable only if they are conducted in large volumes. Overall, general economic theory predicts that a binding leverage ratio requirement can discourage banking organizations from engaging in low-risk activities, which might reduce social welfare.

A prime example of such low-risk, low-return, high-volume activities conducted by banking organizations is intermediation in the U.S. Treasury market, a key financial market.⁵⁴ Acting as intermediaries in this market, banking organizations enter into temporary positions in U.S. Treasury securities, classified as trading assets on their balance sheets. Most of these trading assets are held by the broker-dealer subsidiaries of banking organizations to facilitate transactions across different participants and segments in the U.S. Treasury market.⁵⁵ These broker-dealers play a critical role in the U.S. Treasury market by providing liquidity to market participants through both market making and securities financing activities; in particular, GSIBs' primary

⁵² Throughout the economic analysis section, the agencies use the term “supplementary leverage ratio requirement” to refer to the combination of the supplementary leverage ratio minimum requirement, which is three percent for all banking organizations subject to Category I to III standards, plus the eSLR standards, which are an additional two percent for GSIBs and an additional three percent for their depository institution subsidiaries. See section I.A of this **SUPPLEMENTARY INFORMATION** for a detailed description of the eSLR standards.

⁵³ For each GSIB, this calculation reflects its largest depository institution subsidiary as well as any of its depository institution subsidiaries with total assets greater than \$50 billion at the end of any quarter in 2024 (“major” depository institution subsidiaries).

⁵⁴ The U.S. Treasury market is a key financial market because it (i) constitutes an important channel through which the Federal Reserve can conduct its monetary policy; (ii) enables the U.S. government to obtain financing at a low and stable cost; (iii) provides the yield curve widely used as a risk-free benchmark in the valuation of other financial assets and derivatives; and (iv) offers a large supply of safe and liquid assets for global investors.

⁵⁵ See the discussion related to Table 5 in section VI.B of this **SUPPLEMENTARY INFORMATION**.

⁵¹ See 84 FR 59230 (Nov. 1, 2019).

dealer subsidiaries are the largest U.S. Treasury securities dealers.⁵⁶

Both the U.S. Treasury market and primary dealers' U.S. Treasury securities positions have grown rapidly over the last decade. As Table 2 shows, the amount of U.S. Treasury securities outstanding, excluding holdings of the Federal Reserve System Open Market Account, has expanded by 139 percent, from \$10 trillion to \$24 trillion, since 2014.⁵⁷ Meanwhile, the U.S. Treasury securities positions of primary dealers have grown by 155 percent, reaching \$0.6 trillion in aggregate. This expansion in primary dealers' U.S. Treasury securities positions reflects both the abundant supply of these securities and the central role of these broker-dealer subsidiaries of banking organizations as intermediaries in this market. Notably, despite the rapid increase in primary dealers' U.S.

Treasury securities positions, measured in dollar terms, the size of these positions relative to the size of the market has been stable over time. Specifically, relative to the amount of U.S. Treasury securities outstanding, excluding holdings of the Federal Reserve System Open Market Account, the U.S. Treasury securities positions of primary dealers stayed at about 2.5 percent over the last decade, which indicates the strong connection between the size of the U.S. Treasury market and the magnitude of market intermediation activities by these broker-dealers.⁵⁸

Table 2—Growth of the U.S. Treasury Market, U.S. Primary Dealers, and the U.S. Treasury Securities Holdings of U.S. Primary Dealers Over the Last Decade⁵⁹

This table shows the aggregate amounts of U.S. Treasury securities

outstanding, the total assets of primary dealers, and the long U.S. Treasury securities positions of primary dealers, measured in trillions of dollars at the end of 2014 and 2024. The right column shows percentage changes in these aggregates from 2014 to 2024. The amount of U.S. Treasury securities outstanding excludes the amount of U.S. Treasury securities holdings in the System Open Market Account (SOMA) of the Federal Reserve. The last row shows the percentage ratio of the amount of U.S. Treasury securities held by primary dealers to the amount of U.S. Treasury securities outstanding, excluding SOMA holdings.

	2014	2024	Growth (%)
U.S. Treasury securities outstanding (excl. SOMA holdings)	\$10.0tr	\$24.0tr	139
Total assets of primary dealers	\$3.3tr	\$4.2tr	29
Primary dealer U.S. Treasury securities positions (long only)	\$0.24tr	\$0.61tr	155
Relative to U.S. Treasury securities outstanding	2.4%	2.5%	

The rapid growth of the U.S. Treasury market has raised concerns about its liquidity and resiliency, especially considering that the balance sheets of primary dealers, key intermediaries in this market, have grown at a more moderate pace (by 29 percent, in aggregate, since 2014).⁶⁰ These concerns partly drove the agencies' decision to temporarily exclude deposits at Federal Reserve Banks and U.S. Treasury securities holdings from the calculation of total leverage exposure for banking

organizations subject to Category I to III standards in the wake of the COVID–19 market stress.⁶¹ Empirical evidence in BCBS (2021) suggests that the exclusions enabled these banking organizations, and especially GSIBs, which had smaller supplementary leverage ratio management buffers than holding companies subject to Category II and III standards, to significantly expand their U.S. Treasury securities holdings.⁶²

There are several factors that influence broker-dealers' decisions to engage in financial market intermediation.⁶³ Academic studies also provide support for the concern that the supplementary leverage ratio requirement could potentially discourage U.S. Treasury market intermediation by the broker-dealer subsidiaries of large banking organizations. Favara, Infante, Rezende (2022) find that large and unexpected increases to GSIBs' balance sheets

⁵⁶ The activities of U.S. Treasury securities dealers extend well beyond buying and selling U.S. Treasury securities outright in the primary and secondary markets. In particular, these entities also act as key counterparties in secured financing and derivatives transactions. For a detailed analysis of how the activities and positions of the broker-dealer subsidiaries of GSIBs evolved over time, see P. Cochran et al., *Dealers' Treasury Market Intermediation and the Supplementary Leverage Ratio*, FEDS Notes, Board of Governors of the Federal Reserve System (August 3, 2023).

⁵⁷ To assess the size of the U.S. Treasury market from the perspective of broker-dealers, the agencies exclude the U.S. Treasury securities holdings of Federal Reserve System Open Market Account because market intermediation activity is closely related to U.S. Treasury securities held by the public sector.

⁵⁸ The positive empirical relationship between the size of the U.S. Treasury market and primary dealers' U.S. Treasury securities positions is also documented in P. Cochran et al., *Assessment of Dealer Capacity to Intermediate in Treasury and Agency MBS Markets*, FEDS Notes, Board of Governors of the Federal Reserve System (October 22, 2024).

⁵⁹ In this table, the agencies use publicly available data reported in field FL313161105 of the Financial Accounts of the United States (Z.1) for the amount of U.S. Treasury securities outstanding; the Federal Reserve Bank of New York's public reports for the amount of U.S. Treasury securities holdings in the System Open Market Account of the Federal Reserve (see: <https://www.newyorkfed.org/markets/soma-holdings>); publicly available data reported in SEC Form X–14A–5 Part IIA filings for the total assets of primary dealers; and the sum of the values reported in fields GSWA M438, N749, M440, M442, M444, M446, M448, M450, LF56, LF58, M452, M454, M456, M458 of the confidential FR 2004A filings for the amount of long U.S. Treasury securities positions of primary dealers, measured at the end of 2014 and 2024.

⁶⁰ See, e.g., the discussion of concerns about U.S. Treasury market functioning and proposed solutions, for example, in D. Duffie, *Still the World's Safe Haven? Redesigning the U.S. Treasury Market After the COVID–19 Crisis*, Hutchins Center on Fiscal and Monetary Policy, Brookings (June 22, 2020) and N. Liang and P. Parkinson, *Enhancing Liquidity of the U.S. Treasury Market Under Stress*, Hutchins Center on Fiscal and Monetary Policy, Brookings (December 16, 2020).

⁶¹ See the Board's and the agencies' interim final rules temporarily excluding these assets from the calculation of total leverage exposure for holding companies subject to Category I to III standards, as well as their depository institution subsidiaries, effective April 14, 2020, and June 1, 2020. 85 FR 20578 (April 14, 2020); 85 FR 32980 (June 1, 2020).

⁶² Basel Committee on Banking Supervision, *Early lessons from the Covid–19 pandemic on the Basel reforms*, Bank for International Settlements (July 2021) ("BCBS (2021)"). Throughout the economic analysis section, the agencies use the term "management buffer" to refer to the amount of regulatory capital that a company has in excess of the sum of its minimum regulatory capital requirements and any regulatory capital buffer requirements.

⁶³ For example, Li, Petrask, Tian (2024) finds that internal risk limits are important determinants of broker-dealers' capacity and willingness to intermediate financial markets. D. Li, L. Petrask, and M. H. Tian, *Risk-Averse Dealers in a Risk-Free Market—The Role of Internal Risk Limits*, SSRN (March 1, 2024) ("Li, Petrask, Tian (2024)").

discourage GSIBs' broker-dealer subsidiaries from participating in the U.S. Treasury market, with the estimated effect being stronger for GSIBs with smaller supplementary leverage ratio management buffers.⁶⁴ Duffie et al. (2023) show that U.S. Treasury market liquidity measures deteriorate as primary dealers face capacity constraints, suggesting that a lack of ability by broker-dealers to participate in U.S. Treasury markets can have a detrimental effect on market liquidity.⁶⁵ The empirical findings in Bräuning and Stein (2024) indicate that the primary dealer subsidiaries of banking organizations subject to Category I to III standards that face relatively more binding supplementary leverage ratio requirements or internal risk limits reduce their U.S. Treasury securities positions relative to less constrained primary dealers, which in turn leads to a decrease in market liquidity in the form of lower aggregate turnover and wider bid-ask spreads.⁶⁶ Overall, the academic literature suggests that reducing the supplementary leverage ratio requirement's bindingness could improve the functioning of the U.S. Treasury market.

The structure of the economic analysis is as follows. Section VI.B describes the baseline for the impact assessment, which is the current regulatory framework, and the data sources used. Sections VI.C and VI.D present the proposal and four reasonable policy alternatives to the proposal. Section VI.E estimates the change in the supplementary leverage ratio requirement and the binding tier 1 capital requirement for banking organizations subject to Category I to III standards under the proposal and the policy alternatives, relative to the baseline. Sections VI.F and VI.G evaluate the economic benefits and costs, respectively, of the proposal and the policy alternatives. Section VI.H analyzes the impact of the proposed changes to the long-term debt and total loss-absorbing capacity buffer requirements. Section VI.I concludes the economic analysis.

B. Baseline

The economic analysis uses the current regulatory framework as a baseline, which includes the current supplementary leverage ratio requirement, described in section I.A of this **SUPPLEMENTARY INFORMATION**. The baseline represents the state of banking organizations subject to Category I to III standards in the absence of a policy change. Accordingly, throughout the analysis, the agencies assess the economic impact of the proposal and the policy alternatives considered, described in sections VI.C and VI.D of this **SUPPLEMENTARY INFORMATION**, respectively, by comparing outcomes estimated under the proposal and the alternatives to the outcome estimated under the baseline.

The analysis uses the year 2024 as the sample period to produce quantitative estimates, which reflects a recent state of banking organizations subject to Category I to III standards. Unless stated otherwise, the calculations and estimates in the analysis take the average values of balance sheet quantities and ratios measured at the end of each quarter in 2024. A review of balance sheets of banking organizations subject to Category I to III standards from 2021 to 2024 indicates that using a longer sample period would yield similar estimates.

Unless stated otherwise, the analysis uses publicly available data reported in FR Y–9C filings for holding companies and FFIEC Call Reports for depository institutions.⁶⁷ In certain calculations related to the total leverage exposure of holding companies, the agencies use publicly available data reported in FFIEC 101 filings.⁶⁸ The agencies calculate method 1 and method 2 surcharges by using publicly available data from FR Y–15 filings as well as the aggregate global systemic indicator amounts published annually by the Board.⁶⁹ The agencies calculate the amount of U.S. Treasury securities holdings of primary dealers by using

confidential data from FR 2004A filings.⁷⁰

In calculations involving the depository institution subsidiaries of holding companies subject to Category I to III standards, the agencies focus on each holding company's largest depository institution subsidiary as well as any of its depository institution subsidiaries with total assets greater than \$50 billion at the end of any quarter in 2024 ("major" depository institution subsidiaries). The rest of their depository institution subsidiaries, with total assets less than \$50 billion in 2024, account for 0.7 percent of the consolidated total assets of these holding companies, in aggregate.⁷¹

Table 3 compares the baseline levels of the different tier 1 capital requirements, inclusive of buffer requirements, for banking organizations subject to Category I to III standards in 2024.⁷² On average, for GSIBs, the supplementary leverage ratio requirement is at a similar level to the risk-based tier 1 capital requirement. On average, for the major depository institution subsidiaries of GSIBs, the supplementary leverage ratio requirement is higher than the risk-based tier 1 capital requirement. On average, for banking organizations subject to Category II and III standards, the risk-based tier 1 capital requirement is higher than the tier 1 leverage ratio requirement, which in turn is higher than the supplementary leverage ratio requirement.

Table 3—Baseline Tier 1 Capital Requirements (Percentage of Total Leverage Exposure)

This table shows the tier 1 capital requirements for holding companies subject to Category I and Category II/III standards (Panel A), and their "major" depository institution subsidiaries (Panel B), expressed as a percentage of their total leverage exposures, under the baseline. The numbers represent

⁷⁰ From FR 2004A filings, the agencies use the sum of the values reported in fields GSWA M438, N749, M440, M442, M444, M446, M448, M450, LF56, LF58, M452, M454, M456, M458 to calculate the amount of long U.S. Treasury securities positions of primary dealers.

⁷¹ These depository institution subsidiaries include the uninsured national trust bank subsidiaries of GSIBs that would become subject to the eSLR standard under the proposal, as discussed in section I.C of this **SUPPLEMENTARY INFORMATION**. There are six such uninsured national trust bank subsidiaries, which account for 0.01 percent of the total assets of GSIBs, in aggregate.

⁷² The agencies calculated tier 1 capital requirements for banking organizations subject to Category I to III standards as per the applicable rules. See 12 CFR 3.10 and 3.11, 12 CFR 6.4 (OCC); 12 CFR 208.43, 12 CFR 217.10 and 217.11 (Board); 12 CFR 324.10, 324.11, and 324.403 (FDIC).

⁶⁴ G. Favara, S. Infante, and M. Rezende, *Leverage Regulations and Treasury Market Participation: Evidence from Credit Line Drawdowns*, SSRN (August 4, 2022) ("Favara, Infante, Rezende (2022)").

⁶⁵ D. Duffie et al., *Dealer Capacity and U.S. Treasury Market Functionality*, Federal Reserve Bank of New York Staff Report (August 2023, rev. October 2023) ("Duffie et al. (2023)").

⁶⁶ F. Bräuning and H. Stein, *The Effect of Primary Dealer Constraints on Intermediation in the Treasury Market*, Federal Reserve Bank of Boston Research Department Working Papers (2024) ("Bräuning and Stein (2024)").

⁶⁷ From FR Y–9C filings, the agencies use the fields BHCA8274, BHCAA223, BHCWA223, BHCAA224, BHCK2170, BHCK3368, BHCM3531, BHCK0211, BHCK0213, BHCK1286, BHCK1287, BHCALE85. From FFIEC Call Reports, the agencies use the fields RCFA8274, RCFAA223, RCFWA223, RCFAA224, RCFD2170, RCFAH015, RCFD3531, RCFD0211, RCFD0213, RCFD1286, RCFD1287, RCFD0090, RCON0090.

⁶⁸ From FFIEC 101 filings, the agencies use the field AAABH015.

⁶⁹ From FR Y–15 filings, the agencies use the fields RISK Y832, M362, M370, M376, M390, M405, M408, M411, N255, G506, M422, M426, Y896. Additionally, in method 1 surcharge calculations, the agencies use the aggregate global indicator amounts published by the Board at <https://www.federalreserve.gov/supervisionreg/basel/denominators.htm>.

averages calculated across banking organizations in each category over the

four quarters of 2024, weighted by their total assets. The data used in this table

are described in section VI.B of this **SUPPLEMENTARY INFORMATION.**

PANEL A: HOLDING COMPANIES

	Risk-based	Leverage ratio	Supplementary leverage ratio
Category I	5.1	3.4	5.0
Category II/III	5.2	3.5	3.0

PANEL B: DEPOSITORY INSTITUTIONS

	Risk-based	Leverage ratio	Supplementary leverage ratio
Category I	4.0	4.2	6.0
Category II/III	5.0	4.3	3.0

The agencies estimate that the supplementary leverage ratio requirement is the binding tier 1 capital requirement for five out of the eight GSIBs and eight out of their nine major depository institution subsidiaries under the baseline. By contrast, for almost all holding companies subject to Category II and III standards, as well as for nine out of their 12 major depository institution subsidiaries, the risk-based tier 1 capital requirement is the binding tier 1 capital requirement.

Table 3 also shows that, compared to the risk-based tier 1 requirement, the relative level of the supplementary leverage ratio requirement is significantly lower for GSIBs than for their major depository institution subsidiaries under the baseline. For GSIBs, the level of the supplementary leverage ratio requirement ranges from 87 to 111 percent of the risk-based tier 1 capital requirement, whereas for their major depository institution subsidiaries, the level of the supplementary leverage ratio requirement ranges from 128 to 244 percent of the risk-based tier 1 capital requirement. This difference between GSIBs and their depository institution subsidiaries in the level of the supplementary leverage ratio requirement is due to the lower risk-based capital buffer requirements and

the higher eSLR standard at the depository institutions.⁷³ Accordingly, any adjustment to the eSLR standards that aims for the supplementary leverage ratio requirement to be a backstop to risk-based capital requirements would lead to a larger reduction in tier 1 capital requirements for GSIBs’ depository institution subsidiaries than for GSIBs.

The proposal also affects requirements and buffer standards for TLAC and long-term debt. The agencies present a baseline analysis for these standards in section VI.H of this **SUPPLEMENTARY INFORMATION.**

1. Role of Banking Organizations as Investors in U.S. Treasury Markets

In addition to their critical role as intermediaries in the U.S. Treasury market, banking organizations also act as investors in this market. Specifically, in addition to U.S. Treasury securities held as trading assets, banking organizations also hold such securities as investment securities on their balance sheets, typically for longer periods, and possibly until maturity.⁷⁴ Most of these investment securities are held by depository institution subsidiaries.⁷⁵

Over the last decade, banking organizations have increased their market share as investors in the U.S. Treasury market, with the growth of

U.S. Treasury securities held by depository institutions outpacing the expansion of the market. Indeed, Table 4 shows that the amount of U.S. Treasury securities outstanding has expanded by 125 percent, from \$12.5 trillion to \$28.1 trillion, whereas the U.S. Treasury securities holdings of U.S. depository institutions have grown by 264 percent, reaching \$1.54 trillion in aggregate. Hence, the aggregate market share of depository institutions has increased from 3.4 percent to 5.5 percent.

Table 4—Growth of the U.S. Treasury Market, U.S. Depository Institutions, and Their U.S. Treasury Securities Holdings Over the Past Decade⁷⁶

This table shows the aggregate amounts of U.S. Treasury securities outstanding, the total assets of U.S. depository institutions, and the U.S. Treasury securities of U.S. depository institutions, measured in trillions of dollars at the end of 2014 and 2024. The right column shows the percentage changes in these aggregates from 2014 to 2024. The two rows at the bottom show the percentage ratios of the amount of U.S. Treasury securities holdings by U.S. depository institutions to the amount of U.S. Treasury securities outstanding and their total assets, respectively.

	2014	2024	Growth
U.S. Treasury securities outstanding	\$12.5tr	\$28.1tr	125%
Total assets of U.S. depository institutions	\$14.1tr	\$22.5tr	60
Treasury securities held by depository institutions	\$0.42tr	\$1.54tr	264
<i>Relative to Treasury securities outstanding</i>	3.4%	5.5%.	

⁷³ Risk-based capital buffer requirements are higher for GSIBs than for their depository institution subsidiaries because of the GSIB surcharge and the stress capital buffer.

⁷⁴ Under U.S. GAAP, investment securities holdings can be classified as “available-for-sale” or

“held-to-maturity” securities on banking organizations’ balance sheets.

⁷⁵ See the discussion related to Table 5 in section VI.B of this **SUPPLEMENTARY INFORMATION.**

⁷⁶ In this table, the agencies use publicly available data reported in the Financial Accounts of the

United States (Z.1): field FL313161105 for the amount of U.S. Treasury securities outstanding; field FL764194005 for the total assets of U.S. depository institutions; and field LM763061100 for the U.S. Treasury securities holdings of U.S. depository institutions, measured at the end of 2014 and 2024.

	2014	2024	Growth
<i>Relative to the total assets of depository institutions</i>	3.0%	6.8%.	

Table 4 shows that while the U.S. Treasury securities holdings of U.S. depository institutions have grown significantly, their balance sheets have grown at a more moderate pace, by 60 percent, in aggregate, since 2014. Consequently, the aggregate share of U.S. Treasury securities held on their balance sheets has more than doubled, from 3.0 percent to 6.8 percent, which indicates that the relative importance of U.S. Treasury securities as investment assets has increased for banking organizations over the last decade. These developments contribute to the increased bindingness of leverage ratio requirements because U.S. Treasury securities held on the balance sheet of a depository institution have zero risk weight under the risk-based capital framework; hence, increases in such securities holdings can increase leverage ratio requirements relative to risk-based capital requirements.

2. Treasury Securities Held by Banking Organizations Subject to Category I to III Standards

Banking organizations subject to Category I to III standards had large U.S. Treasury holdings, in both nominal and relative terms, in 2024. As Table 5 shows, measured at fair value at the consolidated holding company level, these banking organizations held \$1.9 trillion of U.S. Treasury securities, in aggregate, which was almost 7 percent of the total amount of U.S. Treasury securities outstanding. On average, these securities holdings constituted 9 percent of GSIBs' total leverage exposures and 5 percent of the total leverage exposures of holding companies subject to Category II and III standards.

Table 5—U.S. Treasury Securities Holdings

This table shows the magnitude of U.S. Treasury securities holdings of banking organizations subject to Category I to III standards. The numbers represent averages taken across banking organizations within each category over

the four quarters in 2024. The table distinguishes all U.S. Treasury securities from those reported as trading assets by these banking organizations. The left side of the table quantifies the U.S. Treasury securities holdings of holding companies, measured both in trillions of dollars, at fair value, and as a percentage of total leverage exposure. The right side of the table shows the percentage share of consolidated holding companies' U.S. Treasury securities held by their depository institution subsidiaries, with the last column reflecting only those consolidated holding companies whose holdings of U.S. Treasury securities reported as trading assets exceed one percent of their total leverage exposures. The data used in this table are described in section VI.B of this **SUPPLEMENTARY INFORMATION**. In particular, for these holding companies and their depository institution subsidiaries, the fair value amounts of U.S. Treasury securities holdings reported as trading assets are obtained from FR Y-9C and FFIEC Call Report data fields BHCM 3531 and RCFD 3531, respectively.

	Holding company			Depository institution share	
	(\$ trillion)	(Percentage of total leverage exposures)		(Relative to holding company securities holdings)	
	All	All	Trading	Within all	Within trading
Category I	1.7	9%	3%	69%	23%
Category II/III	0.2	5	2	63	0

Table 5 also shows that the two distinct roles of banking organizations subject to Category I to III standards as intermediaries and investors in the U.S. Treasury market have a disproportionate footprint on their balance sheets, both at their consolidated holding companies and across their subsidiaries. On average across these banking organizations, about two thirds of U.S. Treasury securities held on consolidated holding company balance sheets are classified as investment assets, with the remaining one third classified as trading assets. In aggregate, the depository institution subsidiaries of these banking organizations hold the majority of the U.S. Treasury securities classified as investment assets and a minor share of U.S. Treasury securities classified as trading assets on the consolidated balance sheets of their parent holding companies. As noted earlier, most of the

U.S. Treasury holdings classified as trading assets are held by the broker-dealer subsidiaries of these banking organizations.⁷⁷

C. Proposed Policy Change

The proposal would set the eSLR standard for GSIBs to half of their method 1 surcharge instead of the two percent buffer standard applicable under the baseline. Additionally, for the depository institution subsidiaries of GSIBs, the proposal would set the eSLR buffer standard to half of the method 1 surcharge of their parent holding

companies, removing the six-percent threshold for these depository institutions to be considered “well-capitalized” under the prompt corrective action framework under the baseline.

The proposal would not change the three percent supplementary leverage ratio minimum requirement or the calculation of total leverage exposure for banking organizations subject to Category I to III standards.

D. Reasonable Alternatives

The analysis considers four reasonable alternatives to the proposal. The agencies assess the expected benefits and costs of these alternatives relative to the baseline and compare them to the expected benefits and costs of the proposal.

Alternative 1 is the “additional narrow exclusion” approach described

⁷⁷ Using confidential FR 2004 data for GSIBs' primary dealer subsidiaries, the agencies confirm that, on average, 92 percent of the U.S. Treasury securities holdings classified as trading assets on GSIBs' consolidated balance sheets and not held by their depository institution subsidiaries are indeed held by their primary dealer subsidiaries. Section VI.B of this **SUPPLEMENTARY INFORMATION** describes the data used in this calculation.

in section II.B of this **SUPPLEMENTARY INFORMATION**. It would include all proposed changes for GSIBs and their depository institution subsidiaries and would additionally exclude from the calculation of total leverage exposure for holding companies subject to Category I to III standards U.S. Treasury securities that are reported as trading assets on the holding companies’ balance sheets and that are held at broker-dealer subsidiaries (and foreign equivalents thereof) that are not subsidiaries of a depository institution.

Alternative 2 is the “broader exclusion” approach, which would not change the eSLR standards like the proposal but would instead exclude deposits held at Federal Reserve Banks (reserves) and all U.S. Treasury securities holdings from the calculation of total leverage exposure for all banking organizations subject to Category I to III standards. This policy alternative would be similar to the temporary exclusion of these assets from the calculation of total leverage exposure implemented by the agencies in 2020.⁷⁸

Alternative 3 (“2018 proposal”) would set the eSLR standards for GSIBs and their depository institution subsidiaries equal to half of the higher of method 1 and method 2 surcharges. This policy alternative would be similar

to the notice of proposed rulemaking published in the **Federal Register** by the Board and OCC on April 19, 2018, which would have recalibrated the eSLR standards for these banking organizations.⁷⁹ This proposed rule was not finalized. Using the higher of a GSIB’s method 1 and method 2 surcharge would be consistent with the calculation of the GSIB surcharge under the risk-based capital framework for GSIBs.

Alternative 4 (“combined”) would be a combination of the proposal and Alternative 2. As such, this policy alternative would both set eSLR standards for GSIBs as well as their depository institution subsidiaries like the proposal and exclude reserves as well as U.S. Treasury securities holdings from the calculation of total leverage ratio exposure for all banking organizations subject to Category I to III standards.

E. Changes in the Supplementary Leverage Ratio and Tier 1 Capital Requirements

The agencies estimate that the proposal would substantially reduce the supplementary leverage ratio requirement for GSIBs and their depository institution subsidiaries relative to the baseline. As Table 6 shows, the proposal would reduce the

requirement by 23 percent, on average, for the holding companies, ranging from 15 to 30 percent across GSIBs, and by 36 percent, on average, for the major depository institution subsidiaries of GSIBs, ranging from 29 to 42 percent across these subsidiaries. Meanwhile, banking organizations subject to Category II and III standards would see no reduction in the supplementary leverage ratio requirement because the proposal would not change their baseline requirement.

Table 6—Estimated Percentage Change in the Supplementary Leverage Ratio Requirement

This table shows the estimated percentage change in the supplementary leverage ratio requirement relative to the current (that is, baseline) requirement, measured in dollars, under the proposal and the different policy alternatives, described in section VI.D of this **SUPPLEMENTARY INFORMATION**. The numbers represent averages calculated across holding companies subject to Category I and Category II/III standards (Panel A), and their “major” depository institution subsidiaries (Panel B) over the four quarters of 2024, weighted by their total assets. The data used in this table are described in section VI.B of this **SUPPLEMENTARY INFORMATION**.

PANEL A: HOLDING COMPANIES

	Proposal	Policy alternatives			
		No. 1	No. 2	No. 3	No. 4
Category I	–23	–25	–14	–8	–34
Category II/III	0	–1	–11	0	–11
Category I–III	–18	–20	–14	–6	–29

PANEL B: DEPOSITORY INSTITUTIONS

	Proposal	Policy alternatives			
		No. 1	No. 2	No. 3	No. 4
Category I	–36	–36	–15	–23	–45
Category II/III	0	0	–12	0	–12
Category I–III	–27	–27	–14	–17	–37

Alternative 1 (“additional narrow exclusion”) would have a quantitatively similar effect to that of the proposal, reducing the supplementary leverage ratio requirement slightly more, by 25 percent, on average, for GSIBs and by

⁷⁸ See the Board’s and the agencies’ interim final rules temporarily excluding these assets from the calculation of total leverage exposure for holding companies subject to Category I to III standards, as well as their depository institution subsidiaries, effective April 14, 2020, and June 1, 2020. 85 FR 20578 (April 14, 2020); 85 FR 32980 (June 1, 2020).

the same amount, 36 percent, on average, for their major depository institution subsidiaries. Relative to the baseline, this policy alternative would slightly reduce the supplementary leverage ratio requirement for holding

⁷⁹ See 83 FR 17317 (April 19, 2018).

⁸⁰ Under Alternative 1, the estimated reduction in the supplementary leverage ratio requirement for holding companies subject to Category II and III would be modest because it would solely be driven by the exclusion of U.S. Treasury securities held by

companies subject to Category II and III standards.⁸⁰ This small incremental reduction in the supplementary leverage ratio requirement for holding companies would be due to the exclusion of U.S. Treasury securities held by their broker-dealer subsidiaries from the calculation of total leverage exposure for these holding companies, while their minimum supplementary leverage ratio requirement would remain unchanged.

dealer subsidiaries from the calculation of total leverage exposure for these holding companies.⁸¹

Alternative 2 (“broader exclusion”) would lead to a much smaller reduction in the supplementary leverage ratio requirement for GSIBs and their depository institution subsidiaries than the proposal. This policy alternative would affect GSIBs and banking organizations subject to Category II to III standards to a similar extent because it would exclude reserves and all U.S. Treasury securities holdings from the calculation of total leverage exposure for all of these banking organizations. Specifically, it would reduce the supplementary leverage ratio requirement for these banking organizations by 14 percent, on average. The reduction in the requirement would be similar between holding companies and depository institution subsidiaries because most of the excluded assets are held at the depository institution subsidiaries.

Alternative 3 (“2018 proposal”) would lead to a smaller reduction in the supplementary leverage ratio requirement for GSIBs and their depository institution subsidiaries than the proposal. This is because, as discussed in section VI.D of this **SUPPLEMENTARY INFORMATION**, the proposal would set the eSLR standards to half of the method 1 surcharge, whereas this policy alternative would set the eSLR standards to half of the higher of the method 1 and method 2 surcharges. Specifically, Alternative 3 would reduce the supplementary leverage ratio requirement by 8 percent, on average, for GSIBs and by 23 percent, on average, for their major depository institution subsidiaries. Like the proposal, this policy alternative would lead to a much larger reduction in the supplementary leverage ratio requirement for the depository institutions than for the holding companies because, as described in section VI.D of this **SUPPLEMENTARY INFORMATION**, it would set eSLR standards to the same percentage amount for both GSIBs and their major

depository institution subsidiaries, whereas the eSLR standard is one percentage point higher for their depository institution subsidiaries under the baseline. Like the proposal, this policy alternative would not change the supplementary leverage ratio requirement for banking organizations subject to Category II and III standards.

Alternative 4 (“combined”) would combine the effects of the proposal and the “broader exclusion” alternative, reducing the supplementary leverage ratio requirement by 34 percent and 45 percent, on average, for GSIBs and their major depository institution subsidiaries, respectively, and by a little more than 10 percent, on average, for banking organizations subject to Category II and III standards.⁸² Similar to the “additional narrow exclusion” alternative, the “combined” alternative would reduce tier 1 capital requirements for GSIBs and their depository institution subsidiaries much more than for banking organizations subject to Category II and III standards because GSIBs and their depository institution subsidiaries would be affected by both the reduced calibration of the eSLR standards and the exclusion of reserves and U.S. Treasury securities holdings from the calculation of total leverage exposure, while banking organizations subject to Category II and III standards would only be affected by the exclusion.

Turning to the backstop objective of the proposal, the proposal would meaningfully reduce the supplementary leverage ratio requirement relative to the risk-based tier 1 capital requirement for GSIBs and their depository institution subsidiaries. As Table 7 shows, the proposal would reduce the level of the supplementary leverage ratio requirement from about 100 percent and 155 percent of the risk-based tier 1 capital requirement to about 75 percent and 100 percent of it, on average, for GSIBs and their major depository institution subsidiaries, respectively. Under the proposal, the level of the supplementary leverage ratio requirement would range from 61

percent to 86 percent of the risk-based tier 1 requirement for GSIBs and from 75 percent to 143 percent of the risk-based tier 1 requirement for their major depository institution subsidiaries. Therefore, the proposal would set the level of the supplementary leverage ratio requirement below the level of the risk-based tier 1 capital requirement for all GSIBs, thereby making the supplementary leverage ratio a backstop for all holding companies subject to Category I to III standards. Furthermore, the proposal would set the level of the supplementary leverage ratio requirement below the level of the risk-based tier 1 capital requirement for 6 out of the 9 major depository institution subsidiaries of GSIBs under the proposal. As explained, the proposal would not change the supplementary leverage ratio requirement for banking organizations subject to Category II and III standards. However, the supplementary leverage ratio requirement is already well below (about 65 percent of) the risk-based tier 1 capital requirement for these banking organizations under the baseline.

Table 7—Ratio of the Supplementary Leverage Ratio Requirement to the Risk-Based Tier 1 Capital Requirement

This table shows the ratio of the supplementary leverage ratio requirement, measured in dollars, to the higher of the standardized approach and advanced approaches risk-based tier 1 capital requirements, measured in dollars. The ratio is calculated under the baseline, the proposal, and the different policy alternatives described in section VI.D of this **SUPPLEMENTARY INFORMATION**. The numbers represent averages calculated across holding companies subject to Category I and Category II/III standards (Panel A), and their “major” depository institution subsidiaries (Panel B) over the four quarters of 2024, weighted by their total assets. The data used in this table are described in section VI.B of this **SUPPLEMENTARY INFORMATION**.

PANEL A: HOLDING COMPANIES

	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	0.98	0.75	0.74	0.84	0.91	0.65

⁸¹ Throughout the economic analysis, for each holding company subject to Category I to III standards, the agencies approximate the amount of U.S. Treasury securities classified as trading assets and held by its broker-dealer subsidiaries by taking the amount of U.S. Treasury securities reported as

trading assets by the consolidated holding company and subtracting the amount of U.S. Treasury securities reported as trading assets by its depository institution subsidiaries.

⁸² The effect of Alternative 4 would be less than the sum of the proposal’s effect and the effect of

Alternative 2 because the exclusion of reserves and U.S. Treasury securities holdings from the supplementary leverage ratio’s denominator reduces the effect of the reduced calibration of the eSLR standard under this combined policy alternative.

PANEL A: HOLDING COMPANIES—Continued

	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category II/III	0.65	0.65	0.64	0.58	0.65	0.58
Category I–III	0.91	0.73	0.71	0.78	0.85	0.63

PANEL B: DEPOSITORY INSTITUTIONS

	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	1.54	1.00	1.00	1.31	1.19	0.85
Category II/III	0.64	0.64	0.64	0.57	0.64	0.57
Category I–III	1.32	0.91	0.91	1.12	1.06	0.78

The changes in the relative level of the supplementary leverage ratio requirement under the policy alternatives would be consistent with the estimated percentage changes in the supplementary leverage ratio requirement discussed earlier. The effect of Alternative 1 (“additional narrow exclusion”) would be quantitatively similar to that of the proposal. Alternative 2 (“broader exclusion”) would reduce the relative level of the leverage ratio requirement for GSIBs and their depository institution subsidiaries by less than the proposal. For banking organizations subject to Category II and III standards, the reduction would be larger than under the proposal. Alternative 3 (“2018 proposal”) would reduce the relative level of the leverage ratio requirement less for GSIBs and their depository institutions than the proposal. Importantly, Alternatives 2 and 3 would not achieve the goal of making the supplementary leverage ratio requirement a backstop for GSIBs because it would exceed the risk-based tier 1 capital requirement for some GSIBs under these policy alternatives. Alternative 4 would reduce the relative level of the leverage ratio requirement the most of all policy alternatives.

However, the supplementary leverage ratio requirement would still exceed the risk-based tier 1 capital requirement for two depository institution subsidiaries of GSIBs under this policy alternative.

Turning to changes in tier 1 capital requirements, the agencies estimate that the proposal would reduce tier 1 requirements for most GSIBs and their depository institution subsidiaries. Table 8 shows that the aggregate reduction in tier 1 capital requirement would be \$13 billion for GSIBs and \$213 billion for their major depository institution subsidiaries in the long-term under the proposal. For GSIBs, the estimated reduction in tier 1 capital requirement relative to the baseline is small, less than 2 percent, in aggregate, ranging from zero to 7.4 percent. This is because the baseline levels of the supplementary leverage ratio requirement and the risk-based tier 1 capital requirement, expressed in dollar terms, are similar for GSIBs, and thus lowering the supplementary leverage ratio requirement reduces the tier 1 capital requirement only up to the point that other tier 1 capital requirements become binding.⁸³ By contrast, for the major depository institution subsidiaries of GSIBs, the estimated reduction in tier 1 capital requirement relative to the baseline is sizable, about 27 percent, in

aggregate, ranging from zero to 37 percent. This is because, for these depository institutions, the baseline level of the supplementary leverage ratio requirement, in dollar terms, is significantly higher than the baseline levels of the other tier 1 capital requirements, which implies that the substantial estimated reduction in the supplementary leverage ratio requirement for these depository institutions under the proposal would mostly translate to a reduction in their tier 1 capital requirements.⁸⁴

Table 8—Estimated Change in Tier 1 Capital Requirement (\$ billion)

This table shows the baseline amount of tier 1 capital and the estimated change in tier 1 capital requirement under the proposal and the different policy alternatives, described in section VI.D of this **SUPPLEMENTARY INFORMATION**. The numbers are measured in billions of dollars and represent aggregate amounts for Category I and Category II/III holding companies (Panel A) and their “major” depository institution subsidiaries (Panel B), averaged over the four quarters of 2024. The data used in this table are described in section VI.B of this **SUPPLEMENTARY INFORMATION**.

PANEL A: HOLDING COMPANIES

	Baseline tier 1 capital requirement	Estimated change in tier 1 capital requirement				
		Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	931	– 13	– 13	– 13	+2	– 13

⁸³ More precisely, lowering the supplementary leverage ratio requirement reduces the tier 1 capital requirement only up to the point that the risk-based tier 1 capital requirement or the tier 1 leverage ratio requirement becomes the binding tier 1 capital

requirement. Under the baseline, the risk-based tier 1 capital requirement exceeds the tier 1 leverage ratio requirement for all except one GSIBs.

⁸⁴ Specifically, as discussed in relation to Table 7, the baseline level of the supplementary leverage

ratio requirement is 54 percent higher than the baseline level of the risk-based tier 1 capital requirement for the major depository institution subsidiaries of GSIBs.

PANEL A: HOLDING COMPANIES—Continued

	Baseline tier 1 capital requirement	Estimated change in tier 1 capital requirement				
		Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category II/III	273	0	0	0	0	0
Total	1,204	– 13	– 13	– 13	+2	– 13

PANEL B: DEPOSITORY INSTITUTIONS

	Baseline tier 1 capital requirement	Estimated change in tier 1 capital requirement				
		Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	789	– 213	– 213	– 118	– 148	– 219
Category II/III	220	0	0	0	0	0
Total	1,008	– 213	– 213	– 118	– 148	– 219

Alternatives 1, 2, and 4 would lead to the same aggregate reduction in the tier 1 capital requirement for GSIBs as the proposal because all of these policy alternatives would reduce the supplementary leverage ratio requirement below the other (risk-based and leverage) tier 1 capital requirements for all GSIBs. By contrast, the agencies estimate that Alternative 3 would lead to a small, less than \$2 billion, aggregate increase in the tier 1 capital requirement for GSIBs, as one large GSIB would face an increase in its tier 1 capital requirement.

For major depository institution subsidiaries of GSIBs, the estimated dollar reduction in tier 1 capital requirements is in line with the estimated percentage reduction in the supplementary leverage ratio requirement across policy alternatives, with the exception of Alternative 4. This “combined” alternative would reduce tier 1 capital requirements for the major depository institution subsidiaries of GSIBs by \$6 billion more, in aggregate, than the proposal. Notably, even though this policy alternative combines the effects of the proposal and the “broader exclusion” alternative, the estimated reduction under Alternative 4 is only slightly higher than under the proposal. This is because the proposal would set the supplementary leverage ratio requirement for most of these depository institutions below the other (risk-based and leverage) tier 1 capital requirements, and the additional effect of excluding assets from the calculation of total leverage exposures under the “combined” alternative for these depository institutions would not lead

to a further reduction in their tier 1 capital requirements.

Similar to the proposal, the policy alternatives considered would not reduce the tier 1 capital requirements for banking organizations subject to Category II and III standards because the supplementary leverage ratio requirement is not the binding tier 1 capital requirement for these banking organizations under the baseline.

Notably, the estimated changes in tier 1 capital requirements discussed above in Table 8 do not reflect short-run transition effects due to risk-based total capital requirements. Thus far, the analysis has only considered the risk-based tier 1 capital requirements, the tier 1 leverage ratio requirement, as well as the supplementary leverage ratio requirement. However, banking organizations must also meet the risk-based total capital requirement, where total capital comprises tier 1 capital and tier 2 capital, which includes a limited percentage of allowance for credit losses on loans and leases as well as subordinated debt. Therefore, if the baseline tier 2 capital amount (\$76 billion, in aggregate) of these depository institutions remains unchanged in the short run, they would utilize tier 1 capital to satisfy the remaining total capital requirement. Incorporating this effect into the calculation, the agencies estimate that the aggregate reduction in tier 1 requirements for these depository institutions would be \$191 billion. However, over time, or in anticipation of the policy change, these depository institutions could increase their tier 2 capital, so that the aggregate reduction in tier 1 capital requirements would be

closer to the \$213 billion estimate presented in Table 8.

Up to this point, the analysis has focused on the major depository institution subsidiaries of holding companies subject to Category I to III standards, as described in section VI.B of this **SUPPLEMENTARY INFORMATION**. The rest of the insured depository institution subsidiaries of holding companies subject to Category I to III standards account for 0.7 percent of the consolidated total assets of these holding companies, in aggregate. These smaller subsidiaries would slightly add to the aggregate reduction in the supplementary leverage ratio and the tier 1 capital requirements estimated above.

Finally, the proposal would increase the supplementary leverage ratio requirement for the uninsured national trust subsidiaries of GSIBs by expanding the scope of application of the eSLR standard to these subsidiaries. As noted in section VI.B of this **SUPPLEMENTARY INFORMATION**, there are six such subsidiaries, which account for 0.01 percent of the consolidated total assets of GSIBs, in aggregate. Under the baseline, these small subsidiaries have a supplementary leverage ratio above 90 percent, on average, well in excess of the requirement that they would be subject to under the proposal. Therefore, the agencies expect that the proposal would have little impact on the uninsured national bank subsidiaries of GSIBs.

F. Benefits

The agencies expect that the reduced calibration of the eSLR standards for GSIBs and their depository institution

subsidiaries under the proposal would have two main economic benefits: (1) it would reduce disincentives for these banking organizations to engage in low-risk activities as well as unintended incentives to engage in higher-risk activities; and (2) it could enhance the functioning of financial markets, including the U.S. Treasury market, by facilitating intermediation activities of the largest banking organizations. In the rest of this section, the agencies discuss these benefits in more detail.

The first benefit would be due to the significant reduction in the supplementary leverage ratio requirement for these banking organizations under the proposal, estimated in section VI.E, which would have both a level effect and a marginal effect, discussed in section VI.A of this **SUPPLEMENTARY INFORMATION**. The level effect would manifest as the reduced calibration of the eSLR standards would enable these banking organizations to substantially increase low-risk asset holdings without raising their tier 1 capital requirements. The marginal effect would manifest as the proposal would set the supplementary leverage ratio requirement, in dollar terms, below risk-based tier 1 capital requirements for all GSIBs and most of their depository institution subsidiaries. By doing so, the proposal would make the binding tier 1 capital requirement for these banking organizations more risk sensitive because risk-based requirements are more closely aligned with the underlying risks of different asset classes. In particular, under the proposal, increasing low-risk-weight activities would not lead to a significant increase in tier 1 capital requirements for these banking organizations, because the risk-based tier 1 capital requirement would be their binding tier 1 capital requirement. Moreover, this marginal effect would reduce incentives for these banking organizations to excessively engage in higher-risk activities because such activities are required to be backed by more tier 1 capital under the risk-based capital framework than under the supplementary leverage ratio requirement.⁸⁵

Similar to the proposal, the “additional narrow exclusion” Alternative 1 and the “combined” Alternative 4 would reduce these unintended marginal incentives for GSIBs and their depository institution subsidiaries. By contrast, this economic

benefit would not fully manifest under the “broader exclusion” Alternative 2 and the “2018 proposal” Alternative 3, as the supplementary leverage ratio requirement would remain above the risk-based tier 1 capital requirement for one GSIB under “the 2018 proposal” alternative and for most depository institution subsidiaries of GSIBs under both policy alternatives. However, the “broader exclusion” alternative would still reduce unintended marginal incentives for these banking organizations to hold reserves and U.S. Treasury securities, as this policy alternative would exclude such assets from the calculation of total leverage exposure.

As mentioned above, in addition to this marginal effect, the proposed reduction in the calibration of the eSLR standards for GSIBs and their depository institution subsidiaries would also have a level effect, which would increase the capacity of these banking organizations to hold low-risk assets. The level effect manifests because banking organizations could add certain low-risk assets to their balance sheets without increasing their tier 1 capital requirements as long as their leverage-based tier 1 capital requirements are below their risk-based tier 1 capital requirements.⁸⁶ The agencies do not have the information necessary to precisely estimate what type, and the dollar volume, of low-risk assets banking organizations would add to their balance sheets if the proposal were adopted. However, in order to quantify the magnitude of this effect under the proposal and the policy alternatives considered, the agencies create a simple estimate for the available capacity of GSIBs to increase reserves or U.S. Treasury securities held as investment securities at their depository institution subsidiaries and assess how the proposal would increase this capacity estimate.⁸⁷ Specifically, for each GSIB, the agencies define “available capacity” as the dollar amount of such assets that their depository institution subsidiaries could add to their balance sheets without raising their or their consolidated holding company’s tier 1 capital

requirements above baseline levels.⁸⁸ For a comprehensive assessment of the policy alternatives considered, the agencies also create this available capacity estimate for holding companies subject to Category II and III standards. Additionally, further below in this subsection, the agencies also estimate GSIBs’ available capacity to hold U.S. Treasury securities at their broker-dealer subsidiaries, which is more closely tied to U.S. Treasury market intermediation.

Table 9 compares the aggregate estimated amounts of the available capacity of GSIBs and holding companies subject to Category II and III standards for reserves and U.S. Treasury securities held as investment securities at their depository institution subsidiaries under the baseline, the proposal, and the policy alternatives considered. Under the proposal, the agencies estimate that GSIBs’ available capacity for such assets would increase from nearly zero to \$1.1 trillion, in aggregate, which is about 6 percent of their aggregate total leverage exposures or about the size of their aggregate U.S. Treasury securities held as investment securities under the baseline.⁸⁹ Under both the proposal and the different policy alternatives considered, the primary limiting factors to the estimated increase in GSIBs’ available capacity are the effect of increasing reserves or U.S. Treasury securities holdings on their GSIB surcharge as well as the tier 1 leverage ratio requirements of their depository institution subsidiaries.

Table 9—Estimated Available Capacity of Holding Companies for Additional Reserves and U.S. Treasury Securities Held as Investment Securities at Depository Institution Subsidiaries

This table shows the estimated available capacity of holding companies subject to Category I to III standards for additional reserves and U.S. Treasury securities held as investment securities at their depository institution

⁸⁸ Reserves and U.S. Treasury securities held as investment securities have a zero percent risk weight under the risk-based capital framework. Accordingly, the agencies estimate the capacity of holding companies to increase such asset holdings at their depository institution subsidiaries by calculating how this would increase supplementary leverage ratio and tier 1 leverage ratio requirements for both the depository institutions and their consolidated holdings companies. The calculation also incorporates the effect on the “size” systemic indicator, which could lead to higher method 1 and method 2 surcharges, which in turn would increase risk-based tier 1 capital requirements for GSIBs. Section VI.J.1 of this **SUPPLEMENTARY INFORMATION** describes the capacity estimation in detail.

⁸⁹ The estimate for GSIBs’ available capacity is close to zero under the baseline because the supplementary leverage ratio requirement is the binding tier 1 capital requirement for most GSIBs and their depository institution subsidiaries.

⁸⁵ For example, for each dollar of an asset with 100 percent risk weight, GSIBs are required to maintain 5 cents of tier 1 capital under the baseline supplementary leverage ratio requirement and, on average, 12.3 cents of tier 1 capital under the risk-based capital framework.

⁸⁶ Especially, banking organizations would be able to increase their asset holdings that do not increase their total risk weighted assets. Such asset holdings include reserves, U.S. Treasury securities, and Ginnie Mae mortgage-backed securities held as investment securities.

⁸⁷ Notably, the agencies use this capacity estimate to illustrate the magnitude of the proposal’s effect on the ability of banking organizations to hold additional low-risk assets. The capacity estimates are not meant to suggest how or to what extent any additional capacity may be used.

subsidiaries, expressed both in trillion dollars (Panel A) and as a percentage of baseline total leverage exposures of the

consolidated holding companies (Panel B), grouped by size category. Section VI.J.1 of this **SUPPLEMENTARY**

INFORMATION describes the calculations underlying these capacity estimates in detail.

PANEL A: TRILLIONS OF DOLLARS

	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	0.0	1.1	1.2	1.4	0.2	1.4
Category II/III	0.7	0.7	0.7	0.8	0.7	0.8

PANEL B: PERCENTAGE OF BASELINE TOTAL LEVERAGE EXPOSURE

	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	0%	6%	6%	8%	1%	8%
Category II/III	14	14	14	15	14	15

Alternative 1 (“additional narrow exclusion”) would lead to a similar estimated increase in GSIBs’ available capacity for reserves and U.S. Treasury securities held as investment securities at their depository institution subsidiaries as the proposal, consistent with the similar quantitative effect of this alternative on the supplementary leverage ratio requirement. The agencies estimate that, of the policy alternatives considered, the “broader exclusion” and the “combined” alternatives would lead to the largest estimated increase in GSIBs’ available capacity for such assets. The estimated increase would be \$1.4 trillion, in aggregate, which is about 8 percent of their aggregate total leverage exposures or about 125 percent of their aggregate U.S. Treasury securities held as investment securities under the baseline. This is because these alternatives would exclude reserves and all U.S. Treasury securities holdings from the calculation of total leverage exposure.⁹⁰

Of the policy alternatives considered, Alternative 3 (“2018 proposal”) would lead to the least estimated increase in GSIBs’ available capacity for such assets. The estimated increase would be \$0.2 trillion, in aggregate, which is less than 1 percent of their aggregate total leverage exposures under the baseline. This is because this policy alternative would reduce the calibration of the eSLR standards for GSIBs and their depository institution subsidiaries less than the proposal. Finally, under the policy alternatives considered, there

would not be a meaningful increase in the available capacity of holding companies subject to Category II and III standards for reserves and U.S. Treasury securities held as investment securities at their depository institution subsidiaries. However, these banking organizations have ample available capacity (14 percent of their total leverage exposures, in aggregate) for such zero-risk-weight assets at their depository institution subsidiaries under the baseline because leverage-based requirements are not the highest tier 1 capital requirements for most of these banking organizations.

Beyond reducing disincentives to holding low-risk assets in general, the proposal would improve GSIBs’ ability to perform their role as key intermediaries in the U.S. Treasury market, through the marginal and level effects discussed above. In particular, the marginal effect would reduce the amount of tier 1 capital required per each dollar of U.S. Treasury security held by GSIBs’ primary dealer subsidiaries. This is because, under the proposal, the risk-based tier 1 capital requirement would be the binding tier 1 capital requirement for all GSIBs with primary dealer subsidiaries, and the amount of tier 1 capital that GSIBs are required to have against the U.S. Treasury securities holdings of their broker-dealer subsidiaries can be lower under the risk-based capital framework than under the supplementary leverage ratio requirement.⁹¹ A reduction in

GSIBs’ marginal tier 1 capital requirement would lower the marginal funding cost of holding U.S. Treasury securities for their primary dealer subsidiaries, which would reduce potential disincentives for these primary dealers to engage in U.S. Treasury market intermediation and improve their competitiveness as intermediaries in this market.

In addition to the marginal effect, the level effect of the proposal would enable GSIBs to increase their market intermediation activities more flexibly in response to short- and long-run changes in market participants’ demand for liquidity. The level effect would manifest as the proposal would reduce the calibration of the eSLR standard for GSIBs, thereby increasing the capacity of their broker-dealer subsidiaries to hold additional U.S. Treasury securities without raising the tier 1 capital requirements of GSIBs above baseline levels. In order to quantify the magnitude of this effect under the proposal and the policy alternatives considered, the agencies create a simple estimate for the available capacity of GSIBs to increase U.S. Treasury securities held at their broker-dealer subsidiaries and assess how the proposal would increase this capacity estimate. Specifically, for each GSIB, the agencies define “available capacity” as the dollar amount of U.S. Treasury securities that their broker-dealer institution subsidiaries could add to their balance sheets without raising their consolidated holding company’s tier 1 capital requirements above baseline levels, assuming that such

⁹⁰ Notably, increases in reserves or U.S. Treasury securities holdings would still increase tier 1 leverage ratio requirements, as well as GSIB method 1 and method 2 scores, which limits the available capacity estimate under the “broader exclusion” and the “combined” alternatives.

⁹¹ Under the market risk framework, the risk-based tier 1 capital requirement for holdings of U.S. Treasury securities by GSIBs’ broker-dealer subsidiaries can be lower than the tier 1 capital requirement under the supplementary leverage ratio requirement if such securities holdings are sufficiently hedged. As the business of U.S. Treasury market intermediation inherently involves

providing liquidity to both buyers and sellers in the market and thus taking opposing (that is, long and short) positions, the net market risk exposures of such positions are likely small.

securities holdings are perfectly hedged.⁹² Notably, the capacity estimates would be meaningfully lower if the securities holdings are not fully hedged.⁹³ For a comprehensive assessment of the policy alternatives considered, the agencies also create this available capacity estimate for holding companies subject to Category II and III standards.

Table 10 compares the aggregate estimated amounts of the available capacity of GSIBs and holding companies subject to Category II and III standards for U.S. Treasury securities held at their broker-dealer subsidiaries under the baseline, the proposal, and the policy alternatives considered. Under the proposal, the agencies estimate that the available capacity of GSIBs’ broker-dealers to hold U.S. Treasury securities would increase from

nearly zero to \$2.1 trillion, in aggregate, which is about 12 percent of GSIBs’ aggregate total leverage exposures or about 350 percent of GSIBs’ aggregate U.S. Treasury securities reported as trading assets under the baseline. Under both the proposal and the different policy alternatives considered, the primary limiting factor to the estimated increase in the available capacity of GSIBs’ broker-dealers is the effect of increasing U.S. Treasury securities holdings on the GSIB surcharge and the tier 1 leverage ratio requirement of their consolidated holding companies. Relatedly, the capacity estimates in Table 10 are about twice as much as the estimates for GSIBs’ available capacity for reserves and U.S. Treasury securities held at their depository institution subsidiaries, shown in Table 9, which also consider leverage-based capital

requirements at the depository institutions.

Table 10—Estimated Available Capacity of Holding Companies for Additional U.S. Treasury Securities Held at Broker-Dealer Subsidiaries

This table shows the estimated available capacity of holding companies subject to Category I to III standards for additional U.S. Treasury securities held as trading securities at their broker-dealer subsidiaries, expressed both in trillion dollars (Panel A) and as a percentage of baseline total leverage exposures of the consolidated holding companies (Panel B), grouped by size category. Section VI.J.2 of this **SUPPLEMENTARY INFORMATION** describes the calculations underlying these capacity estimates in detail.

PANEL A: TRILLIONS OF DOLLARS						
	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	0.0	2.1	2.5	2.5	0.2	2.5
Category II/III	2.4	2.4	2.4	2.4	2.4	2.4

PANEL B: PERCENTAGE OF BASELINE TOTAL LEVERAGE EXPOSURE						
	Baseline	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
Category I	0%	12%	14%	14%	1%	14%
Category II/III	47	47	47	47	47	47

Alternatives 1, 2, and 4 (“exclusion” alternatives) would lead to a larger estimated increase in the available capacity of GSIBs’ broker-dealers for U.S. Treasury securities than the proposal. The estimated increase would be \$2.5 trillion, in aggregate, which is about 14 percent of GSIBs’ aggregate total leverage exposures or about 420 percent of GSIBs’ aggregate U.S. Treasury securities reported as trading assets under the baseline. The estimated increase in available capacity would be larger because all of these policy alternatives exclude U.S. Treasury

⁹² Even though U.S. Treasury securities generally have zero risk weight under the risk-based capital framework, increasing U.S. Treasury securities held at broker-dealer subsidiaries can increase the risk-weighted asset amounts of their consolidated holding companies because such securities holdings are classified as trading assets, which are subject to market risk treatment. However, as explained in the previous footnote, if such U.S. Treasury securities are perfectly hedged, then they do not add to risk-weighted asset amounts. With the understanding that much of broker-dealers’ securities holdings related to market intermediation are hedged, the agencies create a simple estimate for

securities held at broker-dealer subsidiaries from the calculation of total leverage exposure for both GSIBs and holding companies subject to Category II and III standards. Therefore, beyond meaningfully reducing the likelihood that the supplementary leverage ratio requirement becomes a binding tier 1 capital requirement for these holding companies, these policy alternatives would further mitigate potential constraints to their U.S. Treasury market intermediation activities, in the event that the supplementary leverage ratio

the capacity of holding companies for such assets by assuming that they would be perfectly hedged. Hence, in the calculation, the agencies consider how increasing U.S. Treasury securities holdings at broker-dealer subsidiaries would increase the supplementary leverage ratio and tier 1 leverage ratio requirements for their consolidated holdings companies. The calculation incorporates the related effect on method 1 and method 2 surcharges, increasing because of the increase in “size” systemic indicators, which in turn would increase risk-based tier 1 capital requirements for GSIBs. Section VI.J.2 of this **SUPPLEMENTARY INFORMATION** describes the capacity estimation in detail.

requirement does become binding in the future.

Of the policy alternatives considered, Alternative 3 (“2018 proposal”) would lead to the least estimated increase in the available capacity of GSIBs’ broker-dealers for U.S. Treasury securities. The estimated increase would be \$0.2 trillion, in aggregate, which is less than 1 percent of their aggregate total leverage exposures under the baseline. Finally, under the policy alternatives considered, there would not be a meaningful increase in the available capacity of holding companies subject

⁹³ The estimates for available capacity would be meaningfully lower for U.S. Treasury securities that are not fully hedged because increasing such securities holdings on broker-dealers’ balance sheets can increase the risk-weighted asset amounts for consolidated holding companies, thereby raising their risk-based capital requirements. This effect would reduce the capacity estimates because risk-based tier 1 capital requirements are either the binding tier 1 capital requirement or lie closely below the binding tier 1 capital requirement for GSIBs under the baseline.

to Category II and III standards for U.S. Treasury securities held at their broker-dealer subsidiaries. However, these banking organizations already have ample available capacity (47 percent of their total leverage exposures, in aggregate) for such asset holdings under the baseline because leverage ratio requirements are not the highest tier 1 capital requirements for most of these banking organizations.

By facilitating U.S. Treasury market intermediation activity by broker-dealer subsidiaries of GSIBs, the proposal and the “exclusion” alternatives could improve the functioning of this market, in both normal and stressed times. This is because, as discussed in section VI.A of this **SUPPLEMENTARY INFORMATION**, these large broker-dealers play a central role in the U.S. Treasury market, and constraints to their capacity to act as intermediaries can affect market liquidity. U.S. Treasury market liquidity is important because it supports the market’s critical economic functions. Indeed, as Goldberg (2020) shows, decreases in liquidity supplied by dealers in U.S. Treasury markets are related to declines in the liquidity of corporate bonds and other asset classes, which in turn are associated with declines in debt issuance and investment by non-financial firms, with potential real economic repercussions.⁹⁴ More broadly, by reducing regulatory constraints for broker-dealer subsidiaries of GSIBs, the proposal and the “exclusion” alternatives would support these entities in providing liquidity (for example, in the form of securities financing transactions) to other market participants, which in turn could reduce the propagation of liquidity shocks across financial markets and thus prevent or mitigate “liquidity spirals,” discussed in Brunnermeier and Pedersen (2009).⁹⁵ Notably, this economic benefit would be stronger under the “exclusion” alternatives because these policy alternatives would exclude the U.S. Treasury securities holdings of broker-dealer subsidiaries from the calculation of total leverage exposure for their consolidated holding companies. This exclusion would further enhance the ability of banking organizations subject to Category I to III standards to flexibly adjust their U.S. Treasury market intermediation activities in response to

short- and long-run changes in market participants’ demand for liquidity.

The agencies present the anticipated benefits of the proposal’s changes to TLAC and long-term debt requirements and buffer standards in section VI.H of this **SUPPLEMENTARY INFORMATION**.

G. Costs

The economic costs of the proposal and the policy alternatives considered would be attributable to three main factors: (1) a potential increase in the leverage of GSIBs and their depository institution subsidiaries due to the reduction in their tier 1 capital requirements; (2) a potential increase in the costs associated with the failure of insured depository institution subsidiaries of GSIBs; and (3) a potential increase in the risk exposures that are not fully captured by the risk-based capital framework. In the rest of this section, the agencies discuss these potential costs in more detail. The agencies anticipate that the economic costs resulting from the effect of the proposal and the policy alternatives considered on banking organizations subject to Category II and III standards would be negligible because tier 1 capital requirements for these organizations would remain essentially unchanged.

The agencies anticipate that the proposal, through the reduction in the supplementary leverage ratio and tier 1 capital requirements for GSIBs, would enable GSIBs to increase their leverage by increasing the share of debt financing on their balance sheets. Even though the reduction in their tier 1 capital requirement would be small (\$13 billion, in aggregate, and less than 2 percent, on average), which would require GSIBs to retain most of their existing tier 1 capital, the reduction in their supplementary leverage ratio requirement would be significant, 23 percent, on average, which would enable GSIBs to increase their leverage in two likely ways. First, under the proposal, their increased capacity for low-risk assets, discussed in section VI.F of this **SUPPLEMENTARY INFORMATION**, would enable GSIBs to expand their balance sheets by increasing such asset holdings, financing them with new debt, such as deposits.⁹⁶ Such potential balance sheet

growth would reduce the risk-weighted asset densities of GSIBs, which would be consistent with the observed growth of these companies and the gradual decline in their risk-weighted asset densities over the past decade.⁹⁷ Second, GSIBs could also distribute some of their equity capital to external shareholders and replace it with new debt, while keeping the size of their balance sheets, as well as their tier 1 capital management buffers, unchanged relative to the baseline.⁹⁸ A potential increase in leverage could render GSIBs riskier because the economic value of their equity capital would become more sensitive to asset value shocks and therefore more volatile. However, in the case that GSIBs grow by adding more low-risk assets, the effect of increased leverage on equity volatility would be mitigated by the relative stability in the values of the newly added low-risk assets. Therefore, the agencies expect that the economic costs due to potential changes in GSIBs’ balance sheets would be small under the proposal.

The agencies also anticipate that the proposal would reduce the tier 1 capital requirement for depository institution subsidiaries of GSIBs by \$213 billion, or 27 percent, in aggregate, which would enable these depository institutions to increase their leverage by relying more on debt financing. Furthermore, in addition to reducing the tier 1 capital requirements for these depository institutions, the proposal may lead to a reduction in their tier 1 capital management buffers by changing their eSLR standard from a more stringent, “well-capitalized” prompt corrective action standard to a buffer standard.⁹⁹ Similar to their holding companies, these depository institutions may use new debt financing to either grow by

be limited additional capacity for GSIBs to increase their asset holdings with higher risk weights.

⁹⁷ Risk-weighted asset density, expressed as a percentage, is the ratio of risk-weighted assets to total assets multiplied by 100. From 2015 to 2024, the aggregate total consolidated assets of GSIBs grew by almost 50 percent, from \$10.5 trillion to \$15.5 trillion, while their average risk-weighted asset density declined from 58 percent to about 45 percent.

⁹⁸ However, GSIBs’ ability to distribute their equity capital to external shareholders would be limited by common equity tier 1 capital requirements.

⁹⁹ Depository institutions typically maintain a management buffer above their binding capital requirements. Management buffers offer depository institutions flexibility to allow capital levels to fluctuate without realizing the consequences of dropping below the binding requirement. As the consequences of dropping below a prompt corrective action standard are more severe than the consequences of dropping below a buffer standard, depository institutions may prefer to maintain a larger management buffer above a prompt corrective action standard, and a smaller one under the proposal.

⁹⁴ J. Goldberg, *Liquidity Supply by Broker-Dealers and Real Activity*, *Journal of Financial Economics*, 136(3) (April 14, 2020) (“Goldberg (2020)”).

⁹⁵ M.K. Brunnermeier and L.H. Pedersen, *Market Liquidity and Funding Liquidity*, *The Review of Financial Studies*, 22(6) (June 2009) (“Brunnermeier and Pedersen (2009)”).

⁹⁶ More specifically, through reducing the tier 1 capital requirement for GSIBs, the proposal would create room for GSIBs to increase any asset holdings, not only the ones with low risk weights, on their balance sheets. However, because risk-based tier 1 capital requirements would become the binding tier 1 capital requirement for most GSIBs under the proposal, and the reduction in their tier 1 capital requirement would be small, there would

increasing their holdings of low-risk assets or replace some of their equity capital. However, the potential balance sheet changes at these depository institutions would differ from those at their holding companies in two important ways. First, depository institutions could increase their leverage in a more flexible way than their holding companies because they could use both external debt financing (for example, in the form of deposits or wholesale funding) and internal debt financing. Second, in the case that these depository institutions increase their leverage by distributing some of their equity capital and replacing it with new debt, most of this capital would be distributed to their parent companies and thus remain within GSIBs, which could not make large distributions to external shareholders because the proposal would reduce their tier 1 capital requirement only slightly. GSIBs could use such potential capital distributions from their depository institution subsidiaries either for financing activities at other subsidiaries, such as market intermediation activity in their broker-dealer subsidiaries, or for paying down some of their external debt outstanding.

To the extent that the proposal would reduce capital requirements for insured depository institution subsidiaries of GSIBs, the proposal may increase costs in the event of failure. All else equal, a reduction in required capital increases the size and likelihood of losses shifting from shareholders to creditors and the Deposit Insurance Fund in the event of failure. Such losses may lead to additional spillovers and costs. However, insured depository institution subsidiaries of GSIBs would continue to be subject to heightened supervisory and regulatory standards, robust capital and leverage requirements, and resolution planning requirements. The agencies believe that these requirements would appropriately mitigate such risks.

Furthermore, the effect of a potential increase in the leverage of the depository institution subsidiaries of GSIBs would be mitigated by the risk-based capital requirements for GSIBs. In particular, if the depository institution subsidiaries of GSIBs increase their leverage through growth, they would likely do so by mainly increasing their low-risk-weight asset holdings because the tier 1 capital requirements of their parent GSIBs would increase if their depository institution subsidiaries significantly increased their risk-weighted asset amounts. Furthermore, because most of their tier 1 capital would need to remain within GSIBs, as established above, GSIBs would

continue to be a source of strength for their depository institution and other subsidiaries, providing them with equity financing and liquidity as needed. In addition, the capital rule would continue to require depository institution subsidiaries, notwithstanding the minimum requirements under the capital rule, to maintain capital commensurate with the level and nature of all risks to which they are exposed, to have a process for assessing their overall capital adequacy in relation to their risk profile, and to have a comprehensive strategy for maintaining an appropriate level of capital.¹⁰⁰

Similar to the proposal, the policy alternatives considered would also create potential for GSIBs and their depository institution subsidiaries to increase their leverage, albeit to varying extents. Consistent with the differences in the estimated reduction in the supplementary leverage ratio requirement as well as the estimated aggregate changes in tier 1 capital requirements, discussed in section VI.E of this **SUPPLEMENTARY INFORMATION**, Alternative 1 (“additional narrow exclusion”) would create similar, Alternative 2 (“broader exclusion”) and Alternative 3 (“2018 proposal”) would create smaller, and Alternative 4 (“combined”) would create much greater potential for these banking organizations to increase their leverage than the proposal.

Finally, by reducing the supplementary leverage ratio requirement from above to below risk-based tier 1 capital requirements for GSIBs and their depository institution subsidiaries, the proposal would enable these banking organizations to increase risk exposures that are not fully captured by the risk-based capital framework but are somewhat captured by leverage-based capital requirements in their backstop role. For example, under the proposal, GSIBs could increase their interest rate risk exposures by adding zero-risk-weight securities, such as U.S. Treasury securities and Ginnie Mae mortgage-backed securities, to their investment securities holdings.¹⁰¹ As discussed in relation to Table 9, the proposal would significantly increase GSIBs’ capacity for such zero-risk-weight asset holdings.

¹⁰⁰ 12 CFR 3.10(e) (OCC); 12 CFR 217.10(e) (Board); 12 CFR 324.10(e) (FDIC).

¹⁰¹ In 2024, U.S. Treasury securities and Ginnie Mae mortgage-backed securities made up, on average, about 80 percent and 20 percent of GSIBs’ investment securities holdings with zero risk weight, respectively. These investment securities holdings accounted for about 11 percent of GSIBs’ total leverage exposures.

However, zero-risk-weight securities holdings can have substantial interest rate risk, with the average duration of U.S. Treasury securities held as available-for-sale and held-to-maturity assets on GSIBs’ balance sheets in Q4 2024 was 2.8 years and 3.6 years, respectively; and with 16 percent of such securities holdings having durations longer than 5 years, on average across GSIBs.¹⁰² Moreover, Greenwald, Krainer, Paul (2024) find that the majority of available-for-sale securities holdings are not fair-value hedged by large banking organizations, leaving such positions prone to yield curve shifts.¹⁰³ GSIBs are required to reflect unrealized gains and losses on such positions in their regulatory capital calculations.¹⁰⁴ Although the fair value fluctuations of held-to-maturity securities are not reflected in regulatory capital and book equity calculations, they can still affect the economic value of a company’s equity. Hence, such interest rate risk exposures, if not backed by sufficient capital, could render a company less stable and raise public concerns about their solvency. A potential mitigant to these exposures is that GSIBs may reflect them in capital and liquidity management buffer decisions.

Furthermore, the negative consequences of interest rate risk exposures would not manifest if GSIBs increase their U.S. Treasury securities holdings to facilitate the market intermediation activities of their broker-dealer subsidiaries. This is because, as also discussed in section VI.F of this **SUPPLEMENTARY INFORMATION**, such U.S. Treasury securities holdings are classified as trading assets and thus would be subject to the market risk framework, which takes interest rate risk into account in risk-weighted asset calculations.

Relative to the proposal, some of the policy alternatives considered could attenuate or exacerbate the potential increase in the risk exposures of GSIBs and their depository institution subsidiaries that are not fully captured

¹⁰² The agencies calculate summary statistics on the duration of GSIBs’ U.S. Treasury securities holdings classified as investment securities using confidential data on their individual securities positions reported on Schedule B of FR Y-14Q filings.

¹⁰³ D. Greenwald, J. Krainer, and P. Paul, Monetary Transmission Through Bank Securities Portfolios, National Bureau of Economic Research, Working Paper No. 32449 (May 2024) (“Greenwald, Krainer, Paul (2024)”).

¹⁰⁴ Specifically, unrealized gains and losses on available-for-sale securities holdings are included in Accumulated Other Comprehensive Income, which in turn is included in book equity as well as regulatory capital calculations for GSIBs under the current capital framework.

by the risk-based capital framework. Alternative 1 (“additional narrow exclusion”) would have a similar effect on GSIBs as the proposal because it would only exclude U.S. Treasury securities held by the broker-dealer subsidiaries of GSIBs from the calculation of total leverage exposure for their parent GSIBs; and the interest rate risk of such securities holdings are captured by the market risk component of the risk-based capital framework. By contrast, Alternative 2 (“broader exclusion”) and Alternative 4 (“combined”) could lead to a larger increase in interest rate risk exposures than the proposal because these policy alternatives would exclude all U.S. Treasury securities holdings from the calculation of total leverage exposure for GSIBs, which may create additional incentives for GSIBs to increase their holdings of such securities.¹⁰⁵ The potential increase in such risk exposures would be much smaller under Alternative 3 (“2018 proposal”) than under the proposal because, as discussed in section VI.F of this **SUPPLEMENTARY INFORMATION**, this policy alternative would create only little additional capacity for GSIBs to hold zero-risk-weight assets.

Additionally, the “exclusion” alternatives could have costs related to the lack of consistency with the international leverage ratio standard.

The agencies present the anticipated costs of the proposal’s changes to TLAC and long-term debt requirements and buffer standards in section VI.H of this **SUPPLEMENTARY INFORMATION**.

H. Analysis of Proposed TLAC and Long-Term Debt Requirement Changes

The Federal Reserve’s TLAC and long-term debt requirements for U.S. GSIBs each consist of a risk-based and a leverage-based requirement. Holding companies subject to these requirements must maintain a minimum quantity of eligible equity and long-term debt instruments equal to the greater of the risk-based and leverage-based requirements. In addition, companies must also meet minimum TLAC buffer standards to avoid restrictions on distributions to shareholders. In the description of the Board’s TLAC analysis that follows, the term “requirement” is inclusive of buffer standards unless otherwise indicated.

Under the proposal, risk-based requirements would remain unchanged whereas leverage-based requirements

would be revised. If a firm currently has leverage-based requirements as its binding TLAC and long-term debt requirements, then these requirements will decline because the proposal reduces leverage requirements as a percentage of total leverage exposure.¹⁰⁶ See section III of this **SUPPLEMENTARY INFORMATION** for the details of the calculations under current framework and the proposal.

This subsection consists of three parts. First, a baseline analysis summarizes average TLAC and long-term debt requirements in 2024. This is followed by a discussion of estimated requirements that would apply under the proposed rule. Finally, the Board discusses some of the anticipated economic effects of these changes in requirements.

1. Baseline

The Board estimates that aggregate risk-based and leverage-based TLAC requirements are \$1.635 and \$1.708 trillion, respectively.¹⁰⁷ In aggregate, baseline leverage-based requirements are \$73 billion, or 5 percent, higher than risk-based requirements and, at the firm level, are the most binding requirements for three of the eight U.S. GSIBs, with risk-based requirements binding for the other five. The overall TLAC requirement, the greater of the risk- and leverage-based requirements, is \$1.777 trillion in aggregate.

The Board estimates that aggregate risk-based long-term debt requirements are \$674 billion and aggregate leverage-based requirements are \$809 billion. In aggregate, leverage-based long-term debt requirements are \$135 billion, or 20 percent, higher than risk-based requirements and, at the firm level, are in all cases the most binding long-term debt requirement for domestic GSIBs. The overall long-term debt requirement is \$809 billion in aggregate.

2. Changes in Requirements

This subsection presents estimates of changes in TLAC and long-term debt requirements stemming from the proposal. The analysis takes holding companies’ existing asset mix and mix

of off-balance sheet activities as given and does not consider the possibility that firms might adjust their investments in response to the proposal. Therefore, in the analysis, the proposal only affects TLAC and long-term debt requirements through the changes to the formulas for the leverage-based requirements.

These changes would reduce leverage-based requirements. Because the method 1 surcharges of U.S. GSIBs range from 1.0 to 2.5 percent, the TLAC and long-term debt leverage requirements would decline by between 0.75 to 1.50 percentage points.

The Board estimates that, under the proposal, leverage-based TLAC requirements would be \$1.498 trillion and total TLAC requirements would be \$1.687 trillion. In aggregate, overall requirements would decline moderately by \$90 billion or 5 percent. The estimated decline under the proposal is concentrated in the three firms that were bound by leverage-based requirements in 2024, which would face declines in TLAC requirements ranging from 8 to 16 percent.

Long-term debt requirements are relatively more leverage bound and therefore would be more affected by the proposal. The Board estimates that, under the proposal, aggregate leverage-based long-term debt requirements would be \$599 billion and aggregate long-term debt requirements would be \$677 billion. As a result of the proposal, risk-based requirements would become more binding than leverage-based requirements for all but two firms. In aggregate, overall requirements would decline a marked \$132 billion, or 16 percent. Firm-level estimated changes range from 9 to 33 percent. The proposal’s largest percentage reductions would occur in the two firms where leverage requirements remain higher than risk-based ones.

Table 11 presents the estimated change in aggregate TLAC and long-term debt requirements for the four policy alternatives under consideration. Overall, the estimated changes in requirements under the alternatives mirror the patterns observed with the supplementary leverage ratio requirement, as discussed in section VI.E of this **SUPPLEMENTARY INFORMATION**. Alternative 1’s changes in requirements would be similar to those of the proposal; Alternative 2 would change requirements less than the proposal, while Alternative 3 would change requirements the least; Alternative 4 would change requirements the most. Under Alternative 4, the changes in long-term debt requirements would not rise

¹⁰⁵ Notably, as discussed in section VI.B.2 of this **SUPPLEMENTARY INFORMATION**, about two thirds of U.S. Treasury securities held by GSIBs are investment securities, whose interest rate risk is not captured in the risk-based framework.

¹⁰⁶ During 2024, all U.S. GSIBs had the leverage-based requirements as their binding long-term debt requirement. Three U.S. GSIBs had leverage-based requirements as their binding TLAC requirement.

¹⁰⁷ The analysis of the proposed changes to TLAC and long-term debt requirements use consolidated holding company data from FR Y-9C filings, in addition to data sources used by the agencies to estimate method 1 G-SIB surcharges and the effects of proposed changes on holding company total leverage exposure, as described earlier. Nonconfidential FR-YC data are available at <https://www.ffiec.gov/npw/FinancialReport/FinancialDataDownload>.

further, as the risk-based requirements would become binding for all banks.

Table 11—Estimated Aggregate Change in TLAC and Long-Term Debt Requirements

This table presents the estimated aggregate change in TLAC and long-term

debt requirements relative to the current (that is, baseline) requirement under the proposal and the different policy alternatives, described in section VI.D of this **SUPPLEMENTARY INFORMATION**. The agencies compute aggregate impact figures based on averages of firm-level

requirement estimates calculated over the four quarters of 2024. Aggregate requirement impact estimates are reported in billions of dollars and in percent changes.

	Change	Proposal	Policy alternatives			
			No. 1	No. 2	No. 3	No. 4
TLAC	\$ Billion	–90	–116	–103	–6	–139
	Percent	–5%	–7%	–6%	0%	–8%
Long-term debt	\$ Billion	–132	–135	–98	–48	–135
	Percent	–16%	–17%	–12%	–6%	–17%

3. Anticipated Economic Effects

As explained above, the proposal would lead to moderate expected reductions in TLAC requirements and marked reductions in long-term debt requirements. The academic and policy literature finds that reducing capital requirements can boost bank lending and economic activity.¹⁰⁸ This suggests that the proposed changes to TLAC requirements may provide important macroeconomic benefits. That same literature finds that reducing capital requirements can increase risks to safety and soundness and financial stability, with associated expected costs.

These proposed changes would likely result in lower funding costs for U.S. GSIBs, enhancing their overall competitiveness relative to both bank and non-bank entities not subject to TLAC requirements. Increased competition in lending and capital markets could lead to more favorable terms for consumers and businesses, representing a potential benefit of the rule. However, this effect is uncertain, as funding costs are one of many factors affecting competition in these markets. The proposal would maintain alignment of the TLAC leverage buffer requirement with leverage capital requirements and, specifically, with the supplementary leverage ratio requirement, and would

be consistent with the international TLAC standard.¹⁰⁹

TLAC and long-term debt requirements mandate the use of more expensive capital and long-term debt instead of less expensive short-term debt financing, including deposits. The reduction of these requirements may allow for substantial cost savings to holding companies subject to the rule. However, if the reduction in funding costs occurs because firms deduct more interest expenses, or shift greater risks to taxpayers, insurers, or other creditors, these are private economic transfers from those parties to bank shareholders, not economic benefits. On the other hand, if the relaxation of these funding constraints allows for a lower risk-adjusted cost of funds without shifting the costs to others, then those savings are benefits of the rule. In practice, these savings are likely to be a mix of transfers and economic benefits.

The proposed reduction in long-term debt requirements would provide firms with more flexibility over the composition of their TLAC. Keeping TLAC requirements fixed, any reduction in long-term debt used to meet TLAC requirements¹¹⁰ must be replaced with

tier 1 capital.¹¹¹ On a going-concern basis, as tier 1 capital provides greater loss absorbency and resilience than long-term debt, giving firms flexibility to use more tier 1 capital instead of long-term debt can be beneficial.¹¹² As such, the proposed reduction in long-term debt requirements is unlikely to increase financial stability risks. However, the proposed reduction in long-term debt requirements could reduce the potential benefits of long-term debt to an orderly resolution procedure for a firm once it has failed, as described in the TLAC rulemaking.¹¹³

Supervisory experience with the funding decisions of the GSIBs indicates that firms likely would reduce their actual levels of long-term debt outstanding by less than the reduction in their long-term debt requirement. That experience shows that some GSIBs use long-term debt funding for a range of business purposes beyond meeting long-term debt regulatory requirements. Additionally, the expected funding cost advantages would incentivize firms to continue to use long-term debt to meet

TLAC requirement incorporates no such haircut. Therefore, the proposed changes to long-term debt requirements could result in covered firms reducing the average maturity of their eligible long-term debt.

¹¹¹ The minimum long-term debt requirement seeks to balance the costs and benefits of the net equity position for the going-concern capital with the costs and benefits of dischargeable debt under the capital refill framework described in section III of this **SUPPLEMENTARY INFORMATION**.

¹¹² See, e.g., Anat Admati, Peter M. DeMarzo, Martin Hellwig, and Paul Pfleiderer, *Fallacies, Irrelevant Facts, and Myths in the Discussion of Capital Regulation: Why Bank Equity is Not Socially Expensive*, Preprints of the Max Planck Institute for Research on Collective Goods, No. 2013/23, (2013); Anat Admati & Martin Hellwig, *The Bankers' New Clothes: What's Wrong with Banking and What to Do about It* (2023 Ed.); Luca Leanza, Alessandro Sbuelz, and Andrea Tarelli, *Bail-in vs. Bail-out: Bank Resolution and Liability Structure*, 73 *International Review of Financial Analysis* 1 (January 2021); Federal Reserve Bank of Minneapolis, *The Minneapolis Plan to End Too Big to Fail* (December 2017).

¹¹³ See 80 FR 74926, 74932 (November 30, 2015); 82 FR 8266, 8270 (January 24, 2017).

¹⁰⁸ Simon Firestone, Amy Lorenc & Ben Ranish, *An Empirical Economic Assessment of the Costs and Benefits of Bank Capital in the United States*, 101 *Federal Reserve Bank of St. Louis Rev.* 203, 203–30 (2018); Martin Brooke, Oliver Bush, Robert Edwards, Jas Ellis, Bill Francis, Rashmi Harimohan, Katharine Neiss & Caspar Siegert, *Measuring the Macroeconomic Costs and Benefits of Higher UK Bank Capital Requirements*, Bank of England, *Financial Stability Paper No. 35*, (December 2015); David Miles, Jing Yand, & Gilberto Marcheggiano, *Optimal Bank Capital*, 123 *Econ. J.* 1, 29 & Table 10 (March 2013); Financial Stability Board, *Assessing the Economic Costs and Benefits of TLAC Implementation* (November 2015) (“FSB (2015)”).

¹⁰⁹ The international standard established by the Financial Stability Board in November 2015 specifies that GSIBs should be subject to a minimum TLAC requirement equal to the higher of 18 percent of risk-weighted assets and 6.75 percent of the Basel III leverage ratio denominator, plus any applicable Basel III regulatory capital buffers, which must be met in addition to the TLAC minimum. Although the Financial Stability Board standard expresses an expectation that at least one-third of the TLAC requirement be met with long-term debt, it does not establish a long-term debt minimum. See Financial Stability Board, “Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution: Total Loss-absorbing Capacity (TLAC) Term Sheet,” (November 2015), available at <https://www.fsb.org/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf>.

¹¹⁰ The amount of eligible long-term debt that can be counted for purposes of the long-term debt and TLAC requirements is different. The long-term debt requirement imposes a 50 percent haircut on debt maturing between one and two years whereas the

TLAC requirements, even under a reduced requirement. Finally, because the changes to long-term debt requirements are conforming to changes in the eSLR standard, the ability to recapitalize a firm whose capital is depleted to a level consistent with regulatory minimums and buffers in a resolution would be unchanged by the proposal.

I. Conclusion

The proposed changes to the eSLR standards would adjust the supplementary leverage ratio requirement such that it would be below risk-based capital requirements for all GSIBs and most of their depository institution subsidiaries. Hence, the proposal would reduce disincentives for these banking organizations to engage in low-risk activities, such as U.S. Treasury market intermediation, and reduce unintended incentives for these banking organizations to engage in higher-risk activities. The changes to the TLAC standards in the proposal would maintain alignment with capital requirements, lower the funding costs of GSIBs, and support economic activity.

The costs of the proposal include enabling GSIBs and their depository institution subsidiaries to increase their leverage, as well as to increase risk exposures that are not fully captured by the risk-based capital framework. For example, the standardized risk-weighted assets framework does not include an explicit consideration of interest rate risk. The proposed reduction in TLAC requirements could lower the overall loss-absorbency of GSIBs somewhat.

Taken together, the agencies assess that the benefits of the proposal justify its costs.

Turning to reasonable alternatives, Alternative 1 (“additional narrow exclusion”) would modify the proposal by excluding U.S. Treasury securities held by broker-dealer subsidiaries from the calculation of total leverage exposure for their consolidated holding companies. As shown in section VI.E of this **SUPPLEMENTARY INFORMATION**, the incremental effects of this exclusion are not expected to be large, and thus the benefits and costs of this alternative would likely be similar to those of the proposal. This alternative could further reduce costs for banking organizations subject to Category I to III standards to intermediate U.S. Treasury markets, especially when markets are stressed. However, unlike the proposal, this alternative would differ from the international leverage ratio standard published by the Basel Committee and

could raise the risk of other jurisdictions stepping back from the standard.

Alternative 2 (“broader exclusion”) would not change the calibration of the eSLR standards; instead, it would exclude reserves and U.S. Treasury securities holdings from the calculation of total leverage exposure for all banking organizations subject to Category I to III standards. For GSIBs and their depository institution subsidiaries, this alternative would reduce the supplementary leverage ratio requirement much less than the proposal. In addition, this approach would deviate from the principle that the supplementary leverage ratio requirement broadly accounts for exposures in order to serve as a risk-insensitive backstop, and it would differ from the international standard.

Alternative 3 (“2018 proposal”) would set the eSLR standards for GSIBs and their depository institution subsidiaries to half of the higher of method 1 and method 2 surcharges. Because the method 2 surcharges are currently greater than or equal to method 1 surcharges for all GSIBs, this alternative would reduce the calibration of the eSLR standard for GSIBs by much less than the proposal. As such, this alternative would not fully achieve the objectives of the proposal.

Alternative 4 (“combined”) would be a combination of the proposal and Alternative 2. As such, it would reduce leverage-based requirements more than the proposal and generate similar benefits from the supplementary leverage ratio requirement serving as a backstop to risk-based capital requirements. However, the exclusion of all U.S. Treasury securities from the calculation of total leverage exposure for banking organizations subject to Category I to III standards could incentivize these banking organizations to overinvest in such securities. In addition, this approach would deviate from the principle that the supplementary leverage ratio requirement broadly accounts for exposures in order to serve as a risk-insensitive backstop, and it would differ from the international standard.

The proposal is expected to generate higher net benefits (benefits in excess of costs) than the alternatives considered, with Alternative 1 having the closest net benefits to the proposal.

Question 16: How would the proposal affect banking organizations’ intermediation activities in U.S. Treasury markets or other financial markets? Please provide any rationale or data that may be helpful for the agencies to consider.

Question 17: How might the proposal’s distinct effects on capital requirements at holding companies and their depository institution subsidiaries affect banking organizations’ balance sheets and activities? Please describe potential shifts in the allocation of assets and liabilities among the depository institution and non-depository institution subsidiaries of holding companies.

Question 18: What effects, if any, would the proposed rule have on banking organizations’ funding costs? How might banking organizations adjust their use of common equity tier 1 capital, additional tier 1 capital, long-term debt, and other funding sources? What are the potential benefits and costs of such adjustments? Please discuss any expected changes in the costs of these funding sources, substitution among funding sources, as well as potential changes to yields on these instruments, and please provide any rationale or data that may be helpful for the agencies to consider.

Question 19: In the long term and during periods of stress, how might the proposed rule affect banking organizations’ willingness to extend loans and to intermediate securities? To what extent could the proposal encourage banking organizations to invest in low-risk assets? Please provide any rationale or data that may be helpful for the agencies to consider.

Question 20: What are the advantages and disadvantages of the reasonable alternatives considered, beyond those already discussed in the economic analysis? What alternatives that achieve the objectives of the proposal, beyond those already under consideration, should the agencies evaluate? Please provide specific suggestions and rationales for any proposed alternatives, including how they might address potential unintended consequences or better achieve the proposal’s goals.

J. Appendix

In this appendix to the economic analysis, the agencies describe their methodology for estimating the available capacity of holding companies for additional reserves and U.S. Treasury securities held as investment securities at their depository institution subsidiaries, as well as the available capacity of holding companies for additional U.S. Treasury securities held at their broker-dealer subsidiaries, respectively shown in Tables 9 and 10 of section VI.F of this **SUPPLEMENTARY INFORMATION**.

1. Estimating the Available Capacity of Holding Companies for Additional Reserves and U.S. Treasury Securities Held as Investment Securities at Depository Institution Subsidiaries

For each holding company subject to Category I to III standards, the agencies define “available capacity” as the dollar amount of reserves and U.S. Treasury securities classified as investment securities that their depository institution subsidiaries could add to their balance sheets without raising their or their consolidated holding company’s tier 1 capital requirements above baseline levels. The agencies estimate this capacity as follows.

First, the agencies calculate the highest tier 1 capital requirement for each holding company and its major depository institution subsidiaries under the baseline.¹¹⁴ Specifically, the four tier 1 capital requirements considered are the standardized approach risk-based tier 1 requirement, the advanced approaches risk-based tier 1 requirement, the tier 1 leverage ratio requirement, and the supplementary leverage ratio requirement.

Second, for each holding company and its major depository institution subsidiaries, and for each of the tier 1 capital requirements mentioned above, the agencies calculate the dollar amount of reserves and U.S. Treasury securities classified as investment securities that the major depository institution subsidiaries could add to their balance sheets (and therefore to the balance sheet of their consolidated holding companies) under the baseline, the proposal, and the policy alternatives considered so that the given tier 1 capital requirement becomes equal to the banking organization’s highest tier 1 capital requirement, as calculated under the baseline in the first step. In the following, the agencies describe these eight capacity calculations (four tier 1 capital requirements for the holding companies and four tier 1 capital requirements for their major depository institution subsidiaries) in more detail.

Finally, the agencies estimate “available capacity” by taking the smallest of these eight capacity calculations.

Tier 1 Leverage Ratio Requirement

For each holding company and its major depository institution subsidiaries, the agencies calculate the average total consolidated asset amount that would make the tier 1 leverage ratio

requirement for these banking organizations equal to their highest tier 1 capital requirement, as calculated under the baseline. The agencies then subtract this average total consolidated asset amount from the baseline average total consolidated asset amount to calculate the capacity with respect to this capital requirement. This calculation is the same under the baseline, the proposal, and the policy alternatives considered because the proposal and the alternatives would not modify the tier 1 leverage ratio requirement.

Supplementary Leverage Ratio Requirement

For each holding company and its major depository institution subsidiaries, the agencies calculate the total leverage exposure amount that would make the supplementary leverage ratio requirement for these banking organizations equal to their highest tier 1 capital requirement, as calculated under the baseline. The agencies then subtract this total leverage exposure amount from the baseline total leverage exposure amount. This calculation varies under the baseline, the proposal, and the policy alternatives considered because the proposal and the alternatives would modify the supplementary leverage ratio requirement.

Under the proposal, as well as Alternatives 1, 3, and 4, which would make the eSLR standards a function of the method 1 or method 2 surcharge, the calculations incorporate the effect of increasing total leverage exposures on these surcharges. The agencies describe how they calculate expected changes in method 1 and method 2 surcharges further below.

Under Alternatives 2 and 4, this capacity calculation is not applicable because these policy alternatives would exclude reserves and all U.S. Treasury securities holdings from the calculation of total leverage exposure.

Standardized Approach and Advanced Approaches Risk-Based Requirements

Reserves and U.S. Treasury securities held as investment securities have zero risk weight under the risk-based capital framework, and therefore, do not contribute to risk-weighted assets. However, increasing such asset holdings can result in an increase in the GSIB surcharge, which is a component of risk-based capital requirements. Specifically, such asset holdings are reflected in the “size” systemic risk indicator used in the calculation of a GSIB’s method 1 and method 2 scores, which in turn determine method 1 and method 2

surcharges, respectively. The higher of these surcharges is the GSIB surcharge. Hence, for each GSIB, the agencies calculate the “size” systemic risk indicator amount that would result in a GSIB surcharge that would make the risk-based tier 1 capital requirement for the GSIB equal to its highest tier 1 capital requirement, as measured under the baseline. The agencies then subtract this “size” systemic risk indicator amount from the baseline “size” systemic risk indicator amount. This calculation is the same under the baseline, the proposal, and the policy alternatives considered because the proposal and the alternatives would not modify the method 1 and method 2 surcharge calculation.

In the calculations above, the agencies estimate the *expected* impact of increasing the “size” systemic indicator on method 1 and method 2 surcharges by first calculating the changes in method 1 and method 2 scores and then dividing these score changes by two, respectively. The divisor corresponds to the slope of the continuous function underlying the method 1 and method 2 surcharge schedules used in the GSIB surcharge framework.¹¹⁵

Finally, this capacity calculation is not applicable to depository institution subsidiaries because the GSIB surcharge only applies to holding companies.

2. Estimating the Available Capacity of Holding Companies for Additional U.S. Treasury Securities Held at Broker-Dealer Subsidiaries, Assuming Perfect Hedging

For each holding company subject to Category I to III standards, the agencies define “available capacity” as the dollar amount of U.S. Treasury securities that their broker-dealer institution subsidiaries could add to their balance sheets without raising their consolidated holding company’s tier 1 capital requirements above baseline levels, assuming that such securities holdings would be perfectly hedged.

This capacity estimation methodology is the same as described in section VI.J.1 of this **SUPPLEMENTARY INFORMATION**, with two modifications. First, only the capacity calculations related to the tier 1 capital requirements of holding companies are applicable. Second, the capacity calculations related to the supplementary leverage ratio requirement are not applicable under Alternatives 1, 2, and 4 because these policy alternatives would exclude U.S. Treasury securities held by at broker-dealer subsidiaries from the calculation of total leverage exposure.

¹¹⁴ If a holding company has multiple major depository institution subsidiaries, the agencies use the aggregate of such major depository institution subsidiaries in the calculations.

¹¹⁵ See 12 CFR 217.403.

Under the assumption that additional U.S. Treasury securities held at broker-dealers would be fully hedged, there would be no increase in risk-weighted assets under the market risk capital framework. Therefore, in addition to the effect on GSIB surcharges described earlier, there would be no incremental increase in risk-based capital requirements.

VII. Administrative Law Matters

A. Paperwork Reduction Act

Certain provisions of the proposed rule contain “collections of information” within the meaning of the Paperwork Reduction Act of 1995 (PRA).¹¹⁶ In accordance with the requirements of the PRA, the agencies may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The information collection requirements contained in this joint notice of proposed rulemaking have been submitted to OMB for review and approval by the OCC and FDIC under section 3507(d) of the PRA¹¹⁷ and section 1320.11 of OMB’s implementing regulations.¹¹⁸ The Board reviewed the proposed rule under the authority delegated to the Board by OMB.

The proposed rule contains revisions to current information collections subject to the PRA. To implement these requirements, the Board would also revise and extend for three years the Financial Statements for Holding Companies (FR Y–9; OMB No. 7100–0128).

Additionally, the agencies, under the auspices of the FFIEC, may propose, in a separate notice, related revisions to the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB Nos. 1557–0081; 3064–0052, and 7100–0036).

Comments are invited on the following:

(a) Whether the collections of information are necessary for the proper performance of the agencies’ functions, including whether the information has practical utility;

(b) the accuracy of the agencies’ estimates of the burden of the information collections, including the validity of the methodology and assumptions used;

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

(d) ways to minimize the burden of the information collections 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.

Comments on aspects of this document that may affect reporting, recordkeeping, or disclosure requirements and burden estimates should be sent to the addresses listed in the **ADDRESSES** section of this Notice. All comments will become a matter of public record. A copy of the comments may also be submitted to the OMB desk officer for the agencies: By mail to U.S. Office of Management and Budget, 725 17th Street NW, #10235, Washington, DC 20503 or by facsimile to (202) 395–5806; or by email to: oir_submission@omb.eop.gov, Attention, Federal Banking Agency Desk Officer.

Proposed Revisions, With Extension, of the Following Information Collection (Board Only)

Collection title: Financial Statements for Holding Companies.

Collection identifier: FR Y–9C, FR Y–9LP, FR Y–9SP, FR Y–9ES, and FR Y–9CS.

OMB control number: 7100–0128.

General description of report: The FR Y–9 family of reporting forms continues to be the primary source of financial data on holding companies on which examiners rely between on-site inspections. Financial data from these reporting forms is used to detect emerging financial problems, review performance, conduct pre-inspection analysis, monitor and evaluate capital adequacy, evaluate holding company mergers and acquisitions, and analyze a holding company’s overall financial condition to ensure the safety and soundness of its operations. The FR Y–9C, FR Y–9LP, and FR Y–9SP serve as standardized financial statements for the consolidated holding company. The Board requires holding companies to provide standardized financial statements to fulfill the Board’s statutory obligation to supervise these organizations. The FR Y–9ES is a financial statement for holding companies that are Employee Stock Ownership Plans. The Board uses the FR Y–9CS (a free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. Holding companies file the FR Y–9C and FR Y–9LP on a quarterly basis, the FR Y–9SP semiannually, the FR Y–9ES annually,

and the FR Y–9CS on a schedule that is determined when this supplement is used.

Frequency: Quarterly, semiannually, and annually.

Affected Public: Businesses or other for-profit.

Respondents: Bank holding companies, savings and loan holding companies, securities holding companies, and U.S. intermediate holding companies (collectively, holding companies).

Total estimated number of respondents:

Reporting:

FR Y–9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 107; *FR Y–9C (non-advanced approaches with \$5 billion or more in total assets):* 236; *FR Y–9C (advanced approaches holding companies):* 9; *FR Y–9LP:* 411; *FR Y–9SP:* 3,596; *FR Y–9ES:* 73; *FR Y–9CS:* 236.

Recordkeeping:

FR Y–9C: 352; *FR Y–9LP:* 411; *FR Y–9SP:* 3,596; *FR Y–9ES:* 73; *FR Y–9CS:* 236.

Total estimated average hours per response:

Reporting:

FR Y–9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 35.59; *FR Y–9C (non-advanced approaches holding companies with \$5 billion or more in total assets):* 44.23; *FR Y–9C (advanced approaches holding companies):* 50.76; *FR Y–9LP:* 5.27; *FR Y–9SP:* 5.45; *FR Y–9ES:* 0.50; *FR Y–9CS:* 0.50.

Recordkeeping:

FR Y–9C: 1; *FR Y–9LP:* 1; *FR Y–9SP:* 0.50; *FR Y–9ES:* 0.50; *FR Y–9CS:* 0.50.

Total estimated annual burden hours: 115,283.

Current Actions: The proposal would make certain revisions to the FR Y–9C, Schedule HC–R, Part I, Regulatory Capital Components and Ratios, to calibrate supplementary leverage ratio requirements. Specifically, the instructions for Schedule HC–R, Part I, line item 64, “Leverage buffer requirement (if applicable),” would be updated to reflect the proposed change to the leverage buffer requirement to an amount equal to 50 percent of a holding company’s most recent method 1 surcharge, calculated in accordance with the capital rule. Additionally, the instructions for Schedule HC–R, Part I, line item 62(b), “TLAC leverage buffer,” would be amended in accordance with proposed revisions to the Board’s TLAC framework to replace the two percent TLAC leverage buffer with a buffer equal to the enhanced supplementary leverage ratio buffer under the capital

¹¹⁶ 44 U.S.C. 3501 *et seq.*

¹¹⁷ 44 U.S.C. 3507(d).

¹¹⁸ 5 CFR part 1320.

rule as well as an additional revision to update the instructions to be consistent with the TLAC framework. The revisions to the FR Y–9C instructions are proposed to become effective with the first report date following the effective date of the final rule.

The Board anticipates that there would be no increase in burden associated with these proposed revisions to the FR Y–9C. The draft reporting forms and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>.

B. Regulatory Flexibility Act Analysis OCC

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601 *et seq.*, requires an agency, in connection with a proposed rule, to prepare an Initial Regulatory Flexibility Analysis describing the impact of the rule on small entities (defined by the Small Business Administration (SBA) for purposes of the RFA to include commercial banks and savings institutions with total assets of \$850 million or less and trust companies with total assets of \$47 million or less) or to certify that the proposed rule would not have a significant economic impact on a substantial number of small entities. The OCC currently supervises approximately 609 small entities.¹¹⁹

The OCC estimates that the proposed rule would impact none of these small entities, as the scope of the rule would only apply to depository institution subsidiaries of top-tier U.S. bank holding companies identified as GSIB holding companies. Therefore, the OCC certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities.

Board

The Board is providing an initial regulatory flexibility analysis with respect to this proposal. The Regulatory Flexibility Act¹²⁰ (RFA), requires an agency to consider whether the rule it

proposes will have a significant economic impact on a substantial number of small entities.¹²¹ In connection with a proposed rule, the RFA requires an agency to prepare and invite public comment on an initial regulatory flexibility analysis describing the impact of the rule on small entities, unless the agency certifies that the proposed rule, if promulgated, would not have a significant economic impact on a substantial number of small entities. An initial regulatory flexibility analysis must contain (1) a description of the reasons why action by the agency is being considered; (2) a succinct statement of the objectives of, and legal basis for, the proposed rule; (3) a description of, and, where feasible, an estimate of the number of small entities to which the proposed rule will apply; (4) a description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record; (5) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap with, or conflict with the proposed rule; and (6) a description of any significant alternatives to the proposed rule which accomplish the stated objectives of applicable statutes and minimize any significant economic impact of the proposed rule on small entities.¹²²

The Board has considered the potential impact of the proposal on small entities in accordance with the RFA. Based on its analysis and for the reasons stated below, the Board believes that this proposal will not have a significant economic impact on a substantial number of small entities. Nevertheless, the Board is publishing and inviting comment on this initial regulatory flexibility analysis.

As discussed in detail above, the proposal would amend the eSLR standards in the Board's capital rule and prompt corrective action framework and make corresponding revisions to the

Board's TLAC framework. The proposal would help to ensure that leverage requirements applicable to GSIBs generally serve as a backstop to risk-based requirements. The proposal would also make corresponding changes to the Board's reporting forms. The Board has broad authority to establish regulatory capital standards for bank holding companies under the Bank Holding Company Act and the Dodd-Frank Act.¹²³ Sections 163 and 165 of the Dodd-Frank Act, as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act, authorize the Board to consider risk to U.S. financial stability in regulating and examining bank holding companies with \$100 billion or more in consolidated assets and nonbank financial companies under the Board's supervision.¹²⁴ The Board is further authorized to impose prudential standards for such entities and to differentiate among companies on an individual basis or by category, taking into consideration their capital structure, riskiness, complexity, financial activities, size, and any other risk-related factors that the Board deems appropriate.¹²⁵ This authorization also covers certain foreign banks with U.S. operations under the International Banking Act.¹²⁶ The Board also has broad authority under the International Lending Supervision Act (ILSA)¹²⁷ to establish regulatory capital requirements for the institutions it regulates. For example, ILSA directs each Federal banking agency to cause banking institutions to achieve and maintain adequate capital by establishing minimum capital requirements as well as by other means that the agency deems appropriate.¹²⁸

As discussed in the **SUPPLEMENTARY INFORMATION**, the Board is proposing amendments to the eSLR standards applicable to GSIBs and their depository institution subsidiaries. The only companies subject to these rules, and thus potentially impacted by the proposal, are GSIBs or subsidiaries within consolidated GSIB organizations. Companies that would be impacted by the proposal therefore substantially exceed the \$850 million asset threshold at which a banking entity is considered a "small entity" under SBA regulations.¹²⁹ The proposal therefore

¹¹⁹ The OCC bases the estimate of the number of small entities on the Small Business Administration's size thresholds for commercial banks and savings institutions (NAICS Code: 522110), and trust companies (NAICS Code: 523991), which are \$850 million and \$47 million, respectively. Consistent with the General Principles of Affiliation 13 CFR 121.103(a), the OCC counts the assets of affiliated financial institutions when determining whether to classify an OCC-supervised institution as a small entity. The OCC uses December 31, 2024, to determine size because a "financial institution's assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year." See footnote 8 of the U.S. Small Business Administration's *Table of Size Standards*.

¹²⁰ 5 U.S.C. 601 *et seq.*

¹²¹ Under regulations issued by the U.S. Small Business Administration (SBA), a small entity includes a depository institution, bank holding company, or savings and loan holding company with total assets of \$850 million or less. See 13 CFR 121.201. Consistent with the SBA's General Principles of Affiliation, the Board includes the assets of all domestic and foreign affiliates toward the applicable size threshold when determining whether to classify a particular entity as a small entity. See 13 CFR 121.103. As of December 31, 2024, there were approximately 2,364 small bank holding companies and approximately 85 small savings and loan holding companies, and approximately 451 small state member banks.

¹²² 5 U.S.C. 603(b)–(c).

¹²³ See e.g., 12 U.S.C. 1844, 3901 *et seq.*, 5365, and 5371.

¹²⁴ 12 U.S.C. 5363 and 5365.

¹²⁵ 12 U.S.C. 5365(a).

¹²⁶ 12 U.S.C. 3106(a).

¹²⁷ 12 U.S.C. 3901–3911.

¹²⁸ 12 U.S.C. 3907(a)(1).

¹²⁹ 13 CFR 121.201.

would not impose requirements on any small entities.

As discussed in more detail in VII.A., the Board is proposing to make certain corresponding changes to the FR Y–9C, Schedule HC–R, Part I, Regulatory Capital Components and Ratios, to calibrate supplementary leverage ratio requirements. Specifically, the instructions for Schedule HC–R, Part I, line item 64, “Leverage buffer requirement (if applicable),” would be updated to reflect the proposed change to the leverage buffer requirement to an amount equal to 50 percent of a holding company’s most recent method 1 surcharge, calculated in accordance with the capital rule. Additionally, the instructions for Schedule HC–R, Part I, line item 62(b), “TLAC leverage buffer,” would be amended in accordance with proposed revisions to the Board’s TLAC framework to replace the two percent TLAC leverage buffer with a buffer equal to the enhanced supplementary leverage ratio buffer under the capital rule as well as an additional revision to update the instructions to be consistent with the TLAC framework. The Board anticipates that there would be no increase in burden associated with these proposed revisions to the FR Y–9C. The Board is aware of no other federal rules that duplicate, overlap, or conflict with the proposal. Because the proposal would not apply to any small entities supervised by the Board, the Board believes that there are no significant alternatives to the proposal that would accomplish the stated objectives and minimize the economic impact of the proposal on small entities.

Therefore, the Board believes that the proposal would not have a significant economic impact on a substantial number of small entities supervised by the Board.

The Board welcomes comment on all aspects of its analysis. In particular, the Board requests that commenters describe the nature of any impact on small entities and provide empirical data to illustrate and support the extent of the impact.

FDIC

The Regulatory Flexibility Act (RFA) generally requires an agency, in connection with a proposed rule, to prepare and make available for public comment an initial regulatory flexibility analysis that describes the impact of the proposed rule on small entities.¹³⁰ However, an initial regulatory flexibility analysis is not required if the agency certifies that the proposed rule will not, if promulgated, have a significant

economic impact on a substantial number of small entities. The Small Business Administration (SBA) has defined “small entities” to include banking organizations with total assets of less than or equal to \$850 million.¹³¹ Generally, the FDIC considers a significant economic impact to be a quantified effect in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses. The FDIC believes that effects in excess of one or more of these thresholds typically represent significant economic impacts for FDIC-supervised institutions.

The proposed rule would only apply to FDIC-supervised depository institution subsidiaries of a GSIB. As of the quarter ending December 31, 2024, the FDIC supervised 2,854 insured depository institutions, of which 2,122 are considered “small” for the purposes of RFA.¹³² As of the same time period, each of the eight US GSIBs reported holding total consolidated assets in excess of \$350 billion.¹³³ As of the quarter ending December 31, 2024, the FDIC-supervised one depository institution that is a subsidiary of a GSIB.¹³⁴ Given that this IDI is affiliated with a GSIB, a banking organization with assets far in excess of \$850 million, it is not considered to be “small” in accordance with RFA. In light of the foregoing, the FDIC certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. Accordingly, an initial regulatory flexibility analysis is not required. The FDIC invites comments on all aspects of the supporting information provided in this RFA section. The FDIC is particularly interested in comments on any significant effects on small entities that the agency has not identified.

¹³¹ The SBA defines a small banking organization as having \$850 million or less in assets, where an organization’s “assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See 13 CFR 121.201 (as amended by 87 FR 69118, effective December 19, 2022). In its determination, the “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” See 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is “small” for the purposes of RFA.

¹³² FDIC Call Report data, December 31, 2024.

¹³³ Federal Reserve Y–9C data as of December 31, 2024.

¹³⁴ FDIC Call Report data, December 31, 2024.

C. Plain Language

Section 722 of the Gramm-Leach Bliley Act¹³⁵ requires the Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The agencies have sought to present the proposed rule in a simple and straightforward manner and invite comment on the use of plain language and whether any part of the proposed rule could be more clearly stated. For example:

- Have the agencies presented the material in an organized manner that meets your needs? If not, how could this material be better organized?
- Are the requirements in the notice of proposed rulemaking clearly stated? If not, how could the proposed rule be more clearly stated?
- Does the proposed rule contain language that is not clear? If so, which language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the proposed rule easier to understand? If so, what changes to the format would make the proposed rule easier to understand?
- What else could the agencies do to make the proposed rule easier to understand?

D. Riegle Community Development and Regulatory Improvement Act of 1994

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act¹³⁶ (RCDRIA), in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, each Federal banking agency must consider, consistent with the principle of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefits of such regulations. In addition, section 302(b) of RCDRIA, requires new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on insured depository institutions generally to take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form,

¹³⁵ Public Law 106–102, section 722, 113 Stat. 1338, 1471 (1999), 12 U.S.C.4809.

¹³⁶ 12 U.S.C. 4802(a).

¹³⁰ 5 U.S.C. 601 *et seq.*

with certain exceptions, including for good cause.¹³⁷

The agencies note that comment on these matters has been solicited in other sections of this **SUPPLEMENTARY INFORMATION**, and that the requirements of RCDRIA will be considered as part of the overall rulemaking process. In addition, the agencies also invite comment on any administrative burdens that the proposal would place on depository institutions, including small depository institutions, and their customers, and the benefits of the proposal that the agencies should consider in determining the effective date and administrative compliance requirements for a final rule.

E. Executive Orders 12866, 13563, and 14192

Executive Order 12866 (Regulatory Planning and Review)¹³⁸ and Executive Order 13563 (Improving Regulation and Regulatory Review)¹³⁹ direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This proposed rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. Within OMB, the Office of Information and Regulatory Affairs (OIRA) has determined that this rulemaking is a “significant regulatory action” under Executive Order 12866. Accordingly, an assessment was submitted to OIRA. As noted in other sections of the **SUPPLEMENTARY INFORMATION**, the agencies have assessed the costs and benefits of this rulemaking and have made a reasoned determination that the benefits of this rulemaking justify its costs. This proposed rule, if finalized as proposed, is not expected to be an Executive Order 14192 regulatory action.

F. OCC Unfunded Mandates Reform Act of 1995

The OCC has analyzed the proposed rule under the factors in the Unfunded Mandates Reform Act of 1995 (UMRA) (2 U.S.C. 1532). Under this analysis, the OCC considered whether the proposed rule includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year (adjusted annually for inflation). The OCC has determined this proposed rule would not result in the expenditure by state, local and tribal governments, or

the private sector, of \$100 million or more in any one year (adjusted annually for inflation).

G. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023¹⁴⁰ requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of the proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002.¹⁴¹

In summary, the agencies request comment on a proposal to recalibrate the enhanced supplementary leverage ratio standard applicable to global systemically important bank holding companies and their depository institution subsidiaries, as well as to make corresponding changes to the Board’s total loss absorbing capacity rule.

The proposal and such a summary can be found at <https://www.regulations.gov>, <https://www.federalreserve.gov/supervisionreg/reglisting.htm>, and <https://www.fdic.gov/federal-register-publications>.

List of Subjects

12 CFR Part 3

Administrative practice and procedure, Banks, Banking, Federal Reserve System, Federal savings associations, Investments, National banks, Reporting and recordkeeping requirements.

12 CFR Part 6

Federal Reserve System, Federal savings associations, National banks, Penalties.

12 CFR Part 208

Confidential business information, Crime, Currency, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements, Securities.

12 CFR Part 217

Administrative practice and procedure, Banks, Banking, Capital, Federal Reserve System, Holding companies, Reporting and recordkeeping requirements, Risk, Securities.

12 CFR 252

Administrative practice and procedure, Banks, Banking, Federal Reserve System, Holding companies,

Investments, Qualified financial contracts, Reporting and recordkeeping requirements, Securities.

12 CFR Part 324

Administrative practice and procedure, Banks, Banking, Capital adequacy, Reporting and recordkeeping requirements, Savings associations, State non-member banks.

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Chapter I

Authority and Issuance

For the reasons set forth in the joint preamble, the OCC proposes to amend parts 3 and 6 of chapter I of title 12 of the Code of Federal Regulations as follows:

PART 3—CAPITAL ADEQUACY STANDARDS

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

Authority: 12 U.S.C. 93a; 161, 1462, 1462a, 1463, 1464, 1818, 1828(n), 1828note, 1831n note, 1835, 3907, 3909, 5412(b)(2)(B), and Public Law 116–136, 134 Stat. 281.

■ 2. In section 3.11:

■ a. revise paragraphs (a)(2)(ii), (a)(2)(iii), and (a)(3)(i);

■ b. add a paragraph (a)(2)(v);

■ c. revise paragraphs (a)(4)(ii) and (a)(4)(iii); and

■ d. add a paragraph (c) and Table 2.

The revisions and addition read as follows:

§ 3.11 Capital conservation buffer and countercyclical capital buffer amount.

(a) * * *

(2) * * *

(ii) *Maximum payout ratio.* The maximum payout ratio is the percentage of eligible retained income that a national bank or Federal savings association can pay out in the form of distributions and discretionary bonus payments during the current calendar quarter. For a national bank or Federal savings association that is not a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to § 217.402 of this title, the maximum payout ratio is based on the national bank’s or Federal savings association’s capital conservation buffer, calculated as of the last day of the previous calendar quarter, as set forth in Table 1 to § 3.11. For a national bank or Federal savings association that is a subsidiary of a global systemically important bank holding company, as identified pursuant to § 217.402 of this title, the

¹³⁷ 12 U.S.C. 4802(b).

¹³⁸ E.O. 12866, 58 FR 51735.

¹³⁹ E.O. 13563, 76 FR 3821.

¹⁴⁰ Codified at 5 U.S.C. 553(b)(4).

¹⁴¹ 44 U.S.C. 3501 note.

maximum payout ratio is determined under paragraph (c)(1) of this section.

(iii) *Maximum payout amount.* A national bank's or Federal savings association's maximum payout amount for the current calendar quarter is equal to the national bank's or Federal savings association's eligible retained income, multiplied by the applicable maximum payout ratio.

* * * * *

(v) *Leverage buffer standard.* For a national bank or Federal savings association that is a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to 12 CFR 217.402 of this title, the leverage buffer standard is equal to 50 percent of the most recent method 1 surcharge (expressed as a percentage) that the global systemically important BHC that controls the national bank or Federal savings association was required to calculate pursuant to 12 CFR 217.403(b), subject to the effective date provisions of 12 CFR 217.403(d).

* * * * *

(3) * * *

(i) The capital conservation buffer for a national bank or Federal savings association is equal to the lowest of the following ratios, calculated as of the last day of the previous calendar quarter:

* * * * *

(4) * * *

(ii) A national bank or Federal savings association, with a capital conservation buffer that is greater than 2.5 percent plus 100 percent of its applicable countercyclical capital buffer, in accordance with paragraph (b) of this section and, if applicable, a leverage buffer greater than its leverage buffer standard is not subject to a maximum payout amount under this section.

(iii) * * *

(A) Eligible retained income is negative;

(B) Capital conservation buffer was less than 2.5 percent as of the end of the previous calendar quarter; and

(C) If applicable, leverage buffer, calculated as of the last day of the previous calendar quarter, was less than its leverage buffer standard.

* * * * *

(c) *Calculation of maximum payout ratio for a national bank or Federal savings association that is a subsidiary of a bank holding company designated as a global systemically important bank holding company pursuant to § 217.402 of this title—*

(1) *Maximum Payout Ratio.* The maximum payout ratio of a national bank or Federal savings association that is a subsidiary of a bank holding company designated as a global

systemically important bank holding company pursuant to § 217.402 of this title is the lowest of the payout ratios determined by its capital conservation buffer, calculated as of the last day of the previous calendar quarter, as set forth in Table 1 to § 3.11 and leverage buffer as set forth in Table 2 to this section.

(2) *Leverage buffer.*

(i) The leverage buffer is composed solely of tier 1 capital.

(ii) A national bank or Federal savings association that is a subsidiary of a bank holding company designated as a global systemically important bank holding company pursuant to § 217.402 of this title has a leverage buffer that is equal to the national bank's or Federal savings association's supplementary leverage ratio minus 3 percent, calculated as of the last day of the previous calendar quarter.

(iii) Notwithstanding paragraph (c)(2)(ii) of this section, if the supplementary leverage ratio of the national bank or Federal savings association that is a subsidiary of a bank holding company designated as a global systemically important bank holding company pursuant to § 217.402 of this title is less than or equal to 3 percent, the national bank's or Federal savings association's leverage buffer is zero.

TABLE 2 TO § 3.11—CALCULATION OF MAXIMUM PAYOUT

Leverage buffer	Maximum payout
Greater than the national bank's or Federal savings association's leverage buffer standard	No payout ratio limitation applies.
Less than or equal to 100 percent of the national bank's or Federal savings association's leverage buffer standard, and greater than 75 percent of the national bank's or Federal savings association's leverage buffer standard.	60 percent.
Less than or equal to 75 percent of the national bank's or Federal savings association's leverage buffer standard, and greater than 50 percent of the national bank's or Federal savings association's leverage buffer standard.	40 percent.
Less than or equal to 50 percent of national bank's or Federal savings association's leverage buffer standard, and greater than 25 percent of the national bank's or Federal savings association's leverage buffer standard.	20 percent.
Less than or equal to 25 percent of the national bank's or Federal savings association's leverage buffer standard	0 percent.

* * * * *

PART 6—PROMPT CORRECTIVE ACTION

■ 3. The authority citation for part 6 continues to read as follows:

Authority: 12 U.S.C. 93a, 1831o, 5412(b)(2)(B).

■ 4. In section 6.4 revise paragraphs (a)(1)(iv)(B) and (b)(1)(i)(D) to read as follows:

§ 6.4 Capital measures and capital categories.

(a) * * *

(1) * * *

(iv) * * *

(B) With respect to an advanced approaches national bank or Federal Savings association, or a Category III OCC-regulated institution, the supplementary leverage ratio; and

* * * * *

(b) * * *

(1)(i) * * *

(D) Leverage Measure: The national bank or Federal savings association has a leverage ratio of 5.0 percent or greater; and

* * * * *

FEDERAL RESERVE SYSTEM

12 CFR Chapter II

Authority and Issuance

For the reasons set forth in the joint preamble, the Board of Governors of the Federal Reserve System proposes to amend chapter II of title 12 of the Code of Federal Regulations as follows:

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (REGULATION H)

■ 5. The authority citation for part 208 continues to read as follows:

Authority: 12 U.S.C. 24, 36, 92a, 93a, 248(a), 248(c), 321–338a, 371d, 461, 481–486, 601, 611, 1814, 1816, 1817(a)(3), 1817(a)(12), 1818, 1820(d)(9), 1833(j), 1828(o), 1831, 1831o, 1831p–1, 1831r–1, 1831w, 1831x, 1835a, 1882, 2901–2907, 3105, 3310, 3331–3351, 3905–3909, 5371, and 5371 note; 15 U.S.C. 78b, 78I(b), 78I(i), 780–4(c)(5), 78q, 78q–1, 78w, 1681s, 1681w, 6801, and 6805; 31 U.S.C. 5318; 42 U.S.C. 4012a, 4104a, 4104b, 4106, and 4128.

■ 6. In section 208.43, revise paragraphs (a)(1)(iv)(B), (a)(1)(iv)(C), and (b)(1)(i)(D) to read as follows:

§ 208.43 Capital measures and capital category definitions.

- (a) * * *
(1) * * *
(iv) * * *

(B) With respect to an advanced approaches bank or, if applicable, a bank that is a Category III Board-regulated institution (as defined in § 217.2 of this chapter), the supplementary leverage ratio.

* * * * *

- (b) * * *
(1) * * *
(i) * * *

(D) Leverage Measure: The bank has a leverage ratio of 5.0 percent or greater; and

* * * * *

PART 217—CAPITAL ADEQUACY OF BANK HOLDING COMPANIES, SAVINGS AND LOAN HOLDING COMPANIES, AND STATE MEMBER BANKS (REGULATION Q)

■ 7. The authority citation for part 217 continues to read as follows:

Authority: 12 U.S.C. 248(a), 321–338a, 481–486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p–1, 1831w, 1835, 1844(b), 1851, 3904, 3906–3909, 4808, 5365, 5368, 5371, 5371 note, and sec. 4012, Public Law 116–136, 134 Stat. 281.

8. In § 217.11:

- a. revise paragraphs (a)(2)(iii), (a)(2)(v), and (b)(1) introductory text;
■ b. add paragraph (f) and Table 3 to section 217.11(f).

The revisions and addition read as follows:

§ 217.11 Capital conservation buffer, countercyclical capital buffer amount, and GSIB surcharge.

- (a) * * *
(2) * * *

(iii) *Maximum payout ratio.* The maximum payout ratio is the percentage of eligible retained income that a Board-regulated institution can pay out in the form of distributions and discretionary bonus payments during the current

calendar quarter. For a Board-regulated institution that is not subject to 12 CFR 225.8 or 238.170 and that is not a state member bank subsidiary of a global systemically important BHC, the maximum payout ratio is determined by the Board-regulated institution's capital conservation buffer, calculated as of the last day of the previous calendar quarter, as set forth in Table 1 to paragraph (a)(4)(iv) of this section. For a Board-regulated institution that is subject to 12 CFR 225.8 or 238.170, the maximum payout ratio is determined under paragraph (c)(1)(ii) of this section. For a state member bank that is a subsidiary of a global systemically important BHC, the maximum payout ratio is determined under paragraph (f) of this section.

* * * * *

(v) *Leverage buffer requirement.* The leverage buffer requirement of a Board-regulated institution is 50 percent of the most recent method 1 surcharge (expressed as a percentage) that the Board-regulated institution or, for a state member bank, the global systemically important BHC that controls the state member bank, was required to calculate pursuant to § 217.403(b), subject to the effective date provisions of § 217.403(d).

* * * * *

(b) * * *

(1) *General.* An advanced approaches Board-regulated institution or a Category III Board-regulated institution must calculate a countercyclical capital buffer amount in accordance with this paragraph (b) for purposes of determining its maximum payout ratio under Table 1 to § 217.11(a)(4)(iv) and, if applicable, Table 2 to § 217.11(c)(4)(iii) or Table 3 to § 217.11(f).

* * * * *

(c) * * *

(1) * * *

(ii) *Maximum payout ratio.* The maximum payout ratio of a Board-regulated institution that is subject to 12 CFR 225.8 or 238.170 is the lowest of the payout ratios determined by its standardized approach capital conservation buffer, calculated as of the last day of the previous calendar quarter; if applicable, advanced approaches capital conservation buffer, calculated as of the last day of the previous calendar quarter; and, if applicable, leverage buffer, as set forth in table 2 to § 217.11(c)(4)(iii), calculated as of the last day of the previous calendar quarter.

* * * * *

(2) * * *

(ii) * * *

(A) The ratio calculated by the Board-regulated institution under § 217.10(b)(1) or (d)(1)(i), as applicable, minus the Board-regulated institution's minimum common equity tier 1 capital ratio requirement under § 217.10(a);

(B) The ratio calculated by the Board-regulated institution under § 217.10(d)(2)(ii) minus the Board-regulated institution's minimum tier 1 capital ratio requirement under § 217.10(a); and

(C) The ratio calculated by the Board-regulated institution under § 217.10(d)(3)(ii) minus the Board-regulated institution's minimum total capital ratio requirement under § 217.10(a).

* * * * *

(f) *Leverage buffer for a state member bank that is a subsidiary of a global systemically important BHC.*

(1) *Maximum payout ratio.* The maximum payout ratio of a state member bank that is a subsidiary of a global systemically important BHC is the lowest of the payout ratios determined by its capital conservation buffer, calculated as of the last day of the previous calendar quarter, as set forth in table 1 to § 217.11(a)(4)(iv), and leverage buffer, calculated as of the last day of the previous calendar quarter, as set forth in table 3 to § 217.11(f).

(2) *Limits on distributions and discretionary bonus payments.* Except as provided in paragraph (a)(4)(iv) of this section, a state member bank that is a subsidiary of a global systemically important BHC may not make distributions or discretionary bonus payments during the current calendar quarter if the Board regulated institution's leverage buffer, calculated as of the last day of the previous calendar quarter, is less than its leverage buffer requirement as calculated under paragraph (a)(2)(v) of this section.

(3) *Leverage buffer.*

(i) The leverage buffer is composed solely of tier 1 capital.

(ii) A state member bank that is a subsidiary of a global systemically important BHC has a leverage buffer that is equal to the state member bank's supplementary leverage ratio minus 3 percent, calculated as of the last day of the previous calendar quarter.

(iii) Notwithstanding paragraph (f)(3)(ii) of this section, if the state member bank's supplementary leverage ratio is less than or equal to 3 percent, the state member bank's leverage buffer is zero.

TABLE 3 TO § 217.11(f)—CALCULATION OF MAXIMUM PAYOUT AMOUNT

Leverage buffer	Maximum payout ratio
Greater than the state member bank's leverage buffer requirement	No payout ratio limitation applies.
Less than or equal to 100 percent of the state member bank's leverage buffer requirement, <i>and</i> greater than 75 percent of the state member bank's leverage buffer requirement.	60 percent.
Less than or equal to 75 percent of the state member bank's leverage buffer requirement, <i>and</i> greater than 50 percent of the state member bank's leverage buffer requirement.	40 percent.
Less than or equal to 50 percent of the state member bank's leverage buffer requirement, <i>and</i> greater than 25 percent of the state member bank's leverage buffer requirement.	20 percent.
Less than or equal to 25 percent of the state member bank's leverage buffer requirement	0 percent.

* * * * *

PART 252—ENHANCED PRUDENTIAL STANDARDS (REGULATION YY)

■ 9. The authority citation for part 252 continues to read as follows:

Authority: 12 U.S.C. 321–338a, 481–486, 1467a, 1818, 1828, 1831n, 1831o, 1831p–l, 1831w, 1835, 1844(b), 1844(c), 3101 *et seq.*, 3101 note, 3904, 3906–3909, 4808, 5361, 5362, 5365, 5366, 5367, 5368, 5371.

■ 10. In § 252.62, revise paragraph (a)(2) to read as follows:

§ 252.62 External long-term debt requirement.

(a) * * *
(2) The global systemically important BHC's total leverage exposure

multiplied by the sum of 2.5 percent plus the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11 (expressed as a percentage).

* * * * *

■ 11. In § 252.63, revise paragraphs (c)(4)(ii) and (c)(4)(iii)(B), and Table 2 to § 252.63 to read as follows:

§ 252.63 External total loss-absorbing capacity requirement and buffer.

* * * * *

(c) * * *

(4) * * *

(ii) A global systemically important BHC with an external TLAC risk-weighted buffer level that is greater than the external TLAC risk-weighted buffer and an external TLAC leverage buffer

level that is greater than the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11, in accordance with paragraph (c)(5) of this section, is not subject to a maximum external TLAC risk-weighted payout amount or a maximum external TLAC leverage payout amount.

(iii) * * *

(B) External TLAC risk-weighted buffer level was less than the external TLAC risk-weighted buffer as of the end of the previous calendar quarter or external TLAC leverage buffer level was less than the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11 as of the end of the previous calendar quarter.

* * * * *

TABLE 2 TO § 252.63—CALCULATION OF MAXIMUM EXTERNAL TLAC LEVERAGE PAYOUT AMOUNT

External TLAC leverage buffer level	Maximum external TLAC leverage payout ratio (as a percentage of eligible retained income)
Greater than 100 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11.	No payout ratio limitation applies.
Less than or equal to 100 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11, <i>and</i> greater than 75 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11.	60 percent.
Less than or equal to 75 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11, <i>and</i> greater than 50 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11.	40 percent.
Less than or equal to 50 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11, <i>and</i> greater than 25 percent of the global systemically important BHC's leverage buffer requirement under 12 CFR 217.11.	20 percent.
Less than or equal to 25 percent of global systemically important BHC's leverage buffer requirement under 12 CFR 217.11.	0 percent.

* * * * *

FEDERAL DEPOSIT INSURANCE CORPORATION**12 CFR Chapter III****SUBCHAPTER B**

For the reasons stated in the common preamble, the Federal Deposit Insurance Corporation proposes to amend 12 CFR part 324 as follows:

PART 324—CAPITAL ADEQUACY OF FDIC-SUPERVISED INSTITUTIONS

■ 12. The authority citation for part 324 continues to read as follows:

Authority: 12 U.S.C. 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1831o, 1835, 3907, 3909, 4808; 5371; 5412; Pub. L. 102–233, 105 Stat. 1761, 1789, 1790 (12 U.S.C. 1831n note); Pub. L. 102–242, 105 Stat. 2236, 2355, as amended by Pub. L. 103–325, 108 Stat. 2160, 2233 (12 U.S.C. 1828 note); Pub. L. 102–242, 105 Stat.

2236, 2386, as amended by Pub. L. 102–550, 106 Stat. 3672, 4089 (12 U.S.C. 1828 note); Pub. L. 111–203, 124 Stat. 1376, 1887 (15 U.S.C. 78o–7 note), Pub. L. 115–174; section 4014 § 201, Pub. L. 116–136, 134 Stat. 281 (15 U.S.C. 9052).

■ 13. Amend § 324.11 by:

- a. Revising paragraphs (a)(2)(ii) and (iii);
- b. Adding paragraph (a)(2)(v);
- c. Revising paragraph (a)(4)(ii);
- d. Removing the word “and” at the end of paragraph (a)(4)(iii)(A);
- e. Revising paragraph (a)(4)(iii)(B);

- f. Adding paragraph (a)(4)(iii)(C);
 - g. Removing Table 1 to § 324.11 from paragraph (a)(4)(iv);
 - h. Redesignating footnote 11 as footnote 1;
 - i. Adding paragraph (c); and
 - j. Adding Tables 1 and 2 to § 324.11.
- The revisions and additions read as follows:

§ 324.11 Capital conservation buffer and countercyclical capital buffer amount.

(a) * * *

(2) * * *

(ii) *Maximum payout ratio.* The maximum payout ratio is the percentage of eligible retained income that an FDIC-supervised institution can pay out in the form of distributions and discretionary bonus payments during the current calendar quarter. For an FDIC-supervised institution that is not a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to 12 CFR 217.402, the maximum payout ratio is based on the FDIC-supervised institution's capital conservation buffer, calculated as of the last day of the previous calendar quarter, as set forth in Table 1 to § 324.11. For an FDIC-supervised institution that is a subsidiary of a global systemically important BHC, as identified pursuant to 12 CFR 217.402, the maximum payout ratio is determined under paragraph (c)(1) of this section.

(iii) *Maximum payout amount.* An FDIC-supervised institution's maximum payout amount for the current calendar quarter is equal to the FDIC-supervised

institution's eligible retained income, multiplied by the applicable maximum payout ratio.

* * * * *

(v) *Leverage buffer standard.* For an FDIC-supervised institution that is a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to 12 CFR 217.402, the leverage buffer standard is equal to 50 percent of the most recent method 1 surcharge (expressed as a percentage) that the global systemically important BHC that controls the FDIC-supervised institution was required to calculate pursuant to 12 CFR 217.403(b), subject to the effective date provisions of 12 CFR 217.403(d).

* * * * *

(4) * * *

(ii) An FDIC-supervised institution, with a capital conservation buffer that is greater than 2.5 percent plus 100 percent of its applicable countercyclical capital buffer, in accordance with paragraph (b) of this section and, if applicable, a leverage buffer greater than its leverage buffer standard is not subject to a maximum payout amount under this section.

(iii) * * *

(B) Capital conservation buffer was less than 2.5 percent as of the end of the previous calendar quarter; and

(C) If applicable, leverage buffer was less than its leverage buffer standard as of the end of the previous calendar quarter.

* * * * *

(c) *Calculation of maximum payout ratio for an FDIC-supervised institution that is a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to 12 CFR 217.402—*

(1) *Maximum payout ratio.* The maximum payout ratio of an FDIC-supervised institution that is a subsidiary of a bank holding company designated as a global systemically important BHC pursuant to 12 CFR 217.402 is the lowest of the payout ratios determined by its capital conservation buffer as set forth in table 1 to § 324.11 and leverage buffer as set forth in table 2 to § 324.11.

(2) *Leverage buffer.*

(i) The leverage buffer is composed solely of tier 1 capital.

(ii) An FDIC-supervised institution that is a subsidiary of a global systemically important BHC designated pursuant to 12 CFR 217.402 has a leverage buffer that is equal to its supplementary leverage ratio minus 3.0 percent, calculated as of the last day of the previous calendar quarter.

(iii) Notwithstanding paragraph (c)(2)(ii) of this section, if the supplementary leverage ratio of the FDIC-supervised institution that is a subsidiary of a global systemically important BHC designated pursuant to 12 CFR 217.402 is less than or equal to 3.0 percent, the FDIC-supervised institution's leverage buffer is zero.

TABLE 1 TO § 324.11—CALCULATION OF MAXIMUM PAYOUT RATIO (CAPITAL CONSERVATION BUFFER)

Capital conservation buffer	Maximum payout ratio
Greater than 2.5 percent plus 100 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount.	No payout ratio limitation applies.
Less than or equal to 2.5 percent plus 100 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount, and greater than 1.875 percent plus 75 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount.	60 percent.
Less than or equal to 1.875 percent plus 75 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount, and greater than 1.25 percent plus 50 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount.	40 percent.
Less than or equal to 1.25 percent plus 50 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount, and greater than 0.625 percent plus 25 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount.	20 percent.
Less than or equal to 0.625 percent plus 25 percent of the FDIC-supervised institution's applicable countercyclical capital buffer amount.	0 percent.

TABLE 2 TO § 324.11—CALCULATION OF MAXIMUM PAYOUT RATIO (LEVERAGE BUFFER)

Leverage buffer	Maximum payout ratio
Greater than the FDIC-supervised institution's leverage buffer standard	No payout ratio limitation applies.
Less than or equal to 100 percent of the FDIC-supervised institution's leverage buffer standard, and greater than 75 percent of the FDI-supervised institution's leverage buffer standard.	60 percent.
Less than or equal to 75 percent of the FDIC-supervised institution's leverage buffer standard, and greater than 50 percent of the FDI-supervised institution's leverage buffer standard.	40 percent.

TABLE 2 TO § 324.11—CALCULATION OF MAXIMUM PAYOUT RATIO (LEVERAGE BUFFER)—Continued

Leverage buffer	Maximum payout ratio
Less than or equal to 50 percent of the FDIC-supervised institution's leverage buffer standard, <i>and</i> greater than 25 percent of the FDI-supervised institution's leverage buffer standard.	20 percent.
Less than or equal to 25 percent of the FDIC-supervised institution's leverage buffer standard	0 percent.

■ 14. Amend § 324.403 by:

■ a. Revising paragraphs (a)(1)(iv)(B) and (b)(1)(ii);

■ b. Removing paragraph (b)(1)(iii); and

■ c. Revising paragraphs (b)(2)(vi) and (b)(3)(v).

The revisions read as follows:

§ 324.403 Capital measures and capital category definitions

(a) * * *

(1) * * *

(iv) * * *

(B) With respect to an advanced approaches FDIC-supervised institutions or Category III FDIC-supervised institution, the supplementary leverage ratio.

(b) * * *

(1) * * *

* * * * *

(ii) A qualifying community banking organization, as defined under § 324.12, that has elected to use the community bank leverage ratio framework under § 324.12 shall be considered to have met the capital ratio requirements for the well capitalized capital category in paragraphs (b)(1)(i)(A) through (D) of this section.

(2) * * *

(vi) An advanced approaches or Category III FDIC-supervised institution will be deemed to be “adequately capitalized” if it satisfies paragraphs (b)(2)(i) through (v) of this section and has a supplementary leverage ratio of 3.0 percent or greater, as calculated in accordance with § 324.10.

(3) * * *

(v) An advanced approaches or Category III FDIC-supervised institution

will be deemed to be “undercapitalized” if it has a supplementary leverage ratio of less than 3.0 percent, as calculated in accordance with § 324.10.

* * * * *

Rodney E. Hood,

Acting Comptroller of the Currency.

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

Ann E. Misback,

Secretary of the Board.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on June 27, 2025.

Jennifer M. Jones,

Deputy Executive Secretary.

[FR Doc. 2025–12787 Filed 7–9–25; 8:45 am]

BILLING CODE 6714–01–6210–01–4810–33–P



FEDERAL REGISTER

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July 10, 2025

Part III

The President

Executive Order 14315—Ending Market Distorting Subsidies for Unreliable,
Foreign-Controlled Energy Sources

Executive Order 14316—Extending the Modification of the Reciprocal Tariff
Rates

Presidential Documents

Title 3—

Executive Order 14315 of July 7, 2025

The President

Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Purpose. For too long, the Federal Government has forced American taxpayers to subsidize expensive and unreliable energy sources like wind and solar. The proliferation of these projects displaces affordable, reliable, dispatchable domestic energy sources, compromises our electric grid, and denigrates the beauty of our Nation's natural landscape. Moreover, reliance on so-called "green" subsidies threatens national security by making the United States dependent on supply chains controlled by foreign adversaries. Ending the massive cost of taxpayer handouts to unreliable energy sources is vital to energy dominance, national security, economic growth, and the fiscal health of the Nation.

Sec. 2. Policy. It is the policy of the United States to:

(a) rapidly eliminate the market distortions and costs imposed on taxpayers by so-called "green" energy subsidies;

(b) build upon and strengthen the repeal of, and modifications to, wind, solar, and other "green" energy tax credits in the One Big Beautiful Bill Act; and

(c) end taxpayer support for unaffordable and unreliable "green" energy sources and supply chains built in, and controlled by, foreign adversaries.

Sec. 3. Tax Credits and One Big Beautiful Bill Act Implementation by the Department of the Treasury. (a) Within 45 days following enactment of the One Big Beautiful Bill Act, the Secretary of the Treasury shall take all action as the Secretary of the Treasury deems necessary and appropriate to strictly enforce the termination of the clean electricity production and investment tax credits under sections 45Y and 48E of the Internal Revenue Code for wind and solar facilities. This includes issuing new and revised guidance as the Secretary of the Treasury deems appropriate and consistent with applicable law to ensure that policies concerning the "beginning of construction" are not circumvented, including by preventing the artificial acceleration or manipulation of eligibility and by restricting the use of broad safe harbors unless a substantial portion of a subject facility has been built.

(b) Within 45 days following enactment of the One Big Beautiful Bill Act, the Secretary of the Treasury shall take prompt action as the Secretary of the Treasury deems appropriate and consistent with applicable law to implement the enhanced Foreign Entity of Concern restrictions in the One Big Beautiful Bill Act.

Sec. 4. One Big Beautiful Bill Act Implementation by the Department of the Interior. (a) Within 45 days following enactment of the One Big Beautiful Bill Act, the Secretary of the Interior shall conduct a review of regulations, guidance, policies, and practices under the Department of the Interior's jurisdiction to determine whether any provide preferential treatment to wind and solar facilities in comparison to dispatchable energy sources. The Secretary of the Interior shall then revise any identified regulations, guidance, policies, and practices as appropriate and consistent with applicable law to eliminate any such preferences for wind and solar facilities.

Sec. 5. Reports. Within 45 days of the date of this order, the Secretary of the Treasury and the Secretary of the Interior shall submit a report to the President, through the Assistant to the President for Economic Policy, the findings made under, and actions taken and planned to be taken to implement, this order.

Sec. 6. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

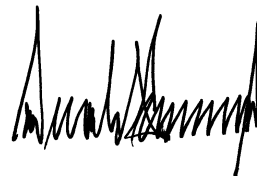
(i) the authority granted by law to an executive department or agency, or the head thereof; or

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

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

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

(d) The costs for publication of this order shall be borne by the Department of the Treasury.



THE WHITE HOUSE,
July 7, 2025.

Presidential Documents

Executive Order 14316 of July 7, 2025

Extending the Modification of the Reciprocal Tariff Rates

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), and section 301 of title 3, United States Code, I hereby determine and order:

Section 1. Background. In Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), I found that conditions reflected in large and persistent annual U.S. goods trade deficits constitute an unusual and extraordinary threat to the national security and economy of the United States that has its source in whole or substantial part outside the United States. I declared a national emergency with respect to that threat, and to deal with that threat I imposed additional *ad valorem* duties that I deemed necessary and appropriate.

Section 4(c) of Executive Order 14257 provides that, “[s]hould any trading partner take significant steps to remedy non-reciprocal trade arrangements and align sufficiently with the United States on economic and national security matters, I may further modify the [Harmonized Tariff Schedule of the United States] to decrease or limit in scope the duties imposed under this order.”

In Executive Order 14266 of April 9, 2025 (Modifying Reciprocal Tariff Rates To Reflect Trading Partner Retaliation and Alignment), I determined that it was necessary and appropriate to temporarily suspend, for a period of 90 days, application of the additional *ad valorem* rate of duties for products of the foreign trading partners listed in Annex I to Executive Order 14257, except with respect to the People’s Republic of China (PRC), and to instead impose on articles of all such trading partners an additional *ad valorem* rate of duty of 10 percent, subject to the terms of Executive Order 14257, as amended. I made this determination in light of the “sincere intentions” and willingness of these trading partners to address the national and economic security concerns of the United States. This 90-day suspension expires at 12:01 a.m. eastern daylight time on July 9, 2025.

I have determined, based on additional information and recommendations from various senior officials, including information on the status of discussions with trading partners, that it is necessary and appropriate to extend the suspension effectuated by Executive Order 14266 until 12:01 a.m. eastern daylight time on August 1, 2025. With respect to the PRC, the separate tariff suspension effectuated by Executive Order 14298 of May 12, 2025 (Modifying Reciprocal Tariff Rates To Reflect Discussions With the People’s Republic of China), remains in effect and is unaltered by this order.

Sec. 2. Tariff Modifications. The Harmonized Tariff Schedule of the United States (HTSUS) shall be modified, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on July 9, 2025, by suspending headings 9903.01.43 through 9903.01.62 and 9903.01.64 through 9903.01.76, and subdivisions (v)(xiii)(1)–(9) and (11)–(57) of U.S. note 2 to subchapter III of chapter 99 of the HTSUS, until 12:01 a.m. eastern daylight time on August 1, 2025.

Sec. 3. *Implementation.* The Secretary of Commerce, the Secretary of Homeland Security, and the United States Trade Representative, as applicable, in consultation with the Secretary of State, the Secretary of the Treasury, the Assistant to the President for Economic Policy, the Senior Counselor for Trade and Manufacturing, the Assistant to the President for National Security Affairs, and the Chair of the International Trade Commission, are directed and authorized to take all necessary actions to implement and effectuate this order, consistent with applicable law, including through temporary suspension or amendment of regulations or notices in the *Federal Register* and by adopting rules, regulations, or guidance, and to employ all powers granted to the President by IEEPA, as may be necessary to implement this order. Each executive department and agency shall take all appropriate measures within its authority to implement this order.

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

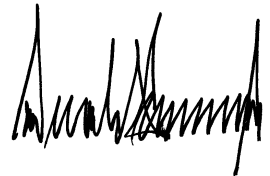
(i) the authority granted by law to an executive department, agency, or the head thereof; or

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

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

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

(d) The costs for publication of this order shall be borne by the Office of the United States Trade Representative.



THE WHITE HOUSE,
July 7, 2025.

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